

# Executing a Key Account Management Strategy

## The Transformative Role of Learning and Development

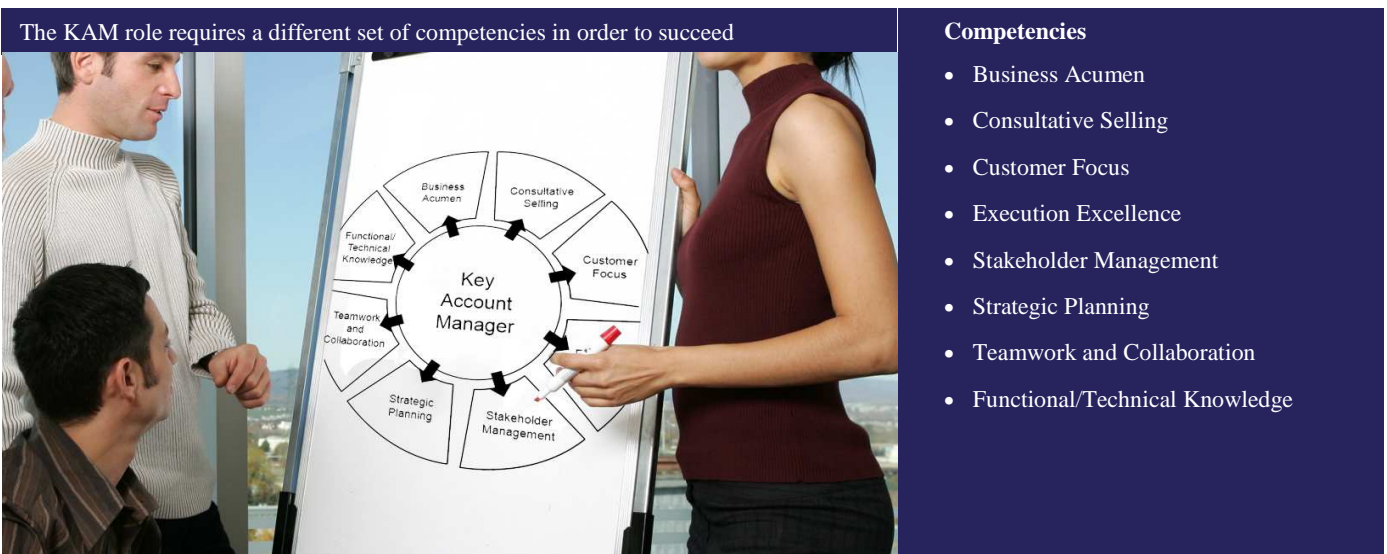
Life Science companies can no longer rely on the one-to-one sales representative to physician model to drive growth. Various stakeholders across large and complex healthcare delivery systems and payers are making decisions which influence treatment options. These stakeholders face the challenge of improving patient outcomes while simultaneously reducing associated costs. Therefore, decision makers are looking for solutions that address broader healthcare outcomes while remaining patient centered.

Over the last five to seven years, Life Science companies have become increasingly reliant on Key Account Managers (KAMs) to target these large and complicated healthcare systems and payers. KAMs have been given the responsibility to call on C-suite and Director-level stakeholders to uncover needs, identify systems-level opportunities, and create value for customers. This role requires sales professionals to possess capabilities that are different from those of the traditional sales representative. Specifically, KAMs need to have a deep understanding of the healthcare marketplace in their geography, combined with the ability to navigate critical account stakeholders. The following page outlines the KAM competencies and specific behaviors needed to be effective.

“The healthcare environment is becoming increasingly more complex with many different stakeholders. We need Account Managers who can navigate the stakeholders because the stakes for gaining access are higher now more than ever.”

- Pharmaceutical Executive

**Figure 1.**



Source: WLH Consulting, Inc.

**Table 1. A Sampling of KAM Behaviors**

	COMPETENCY	SAMPLE BEHAVIORS
<p><b>Behaviors for Success</b></p> <p>It is critical to confirm a KAM Competency Model that serves as the foundation for a KAM Curriculum and performance management</p>	<p><b>Business Acumen</b></p>	<ul style="list-style-type: none"> <li>• Applies understanding of the broader healthcare and market specific dynamics, along with the business data to accurately identify business strengths and weaknesses</li> <li>• Leverages analytical tools and local knowledge to identify the impact trends and issues have on customers to shape and revise account plan development and execution</li> </ul>
	<p><b>Consultative Selling</b></p>	<ul style="list-style-type: none"> <li>• Uses effective questioning and listening skills to discover how each customer’s clinical priorities and financial drivers – particularly those related to growing revenues, reducing costs, and collecting reimbursements – impact its decisions</li> <li>• Positively impacts the decisions of others by using insights, data, questions, and a credible personal presence</li> </ul>
	<p><b>Customer Focus</b></p>	<ul style="list-style-type: none"> <li>• Builds a deep and relevant understanding of customer dynamics, expectations, business drivers, and decision making processes</li> <li>• Partners with customers to identify solutions that meet their needs and improve patient health outcomes</li> </ul>
	<p><b>Execution Excellence</b></p>	<ul style="list-style-type: none"> <li>• Successfully executes established business strategies and plans by tailoring tactics to meet specific customer needs and achieve results</li> <li>• Optimizes appropriate utilization of human, technological, and fiscal resources to drive results</li> </ul>
	<p><b>Stakeholder Management</b></p>	<ul style="list-style-type: none"> <li>• Appropriately builds trusting relationships with executive level decision makers, influencers, and supporters to advance business objectives</li> <li>• Navigates shifting stakeholder priorities to build win-win solutions with customer decisionmakers</li> </ul>
	<p><b>Strategic Planning</b></p>	<ul style="list-style-type: none"> <li>• Connects the dots for complex accounts to develop customer-centric plans that are aligned with company objectives</li> <li>• Balances short-term and long-term opportunities and risks when working with accounts / stakeholders to develop potential solutions</li> </ul>
	<p><b>Teamwork and Collaboration</b></p>	<ul style="list-style-type: none"> <li>• Leads without authority by creating common understanding and alignment regarding account objectives and actions; works with team to identify opportunities and problem solve account strategies and plans</li> <li>• Manages close coordination across the account team and other internal functions to execute account plans</li> </ul>
	<p><b>Functional / Technical Knowledge</b></p>	<ul style="list-style-type: none"> <li>• Demonstrates a clear and thorough understanding of associated disease states in therapeutic areas of responsibility, and a proven ability to learn new therapeutic areas</li> <li>• Recognizes how healthcare reform, various reimbursement models, funding flow, and healthcare outcomes impact an account’s decision making</li> </ul>

Source: WLH Consulting, Inc.

## A New Approach

Effective deployment of the Key Account Management strategy requires cross-functional alignment and a commitment to developing KAM skills.

Together, the cross-functional team should consider a number of important variables:

- Which customers are most important and how should targets be segmented?
- Is there a consultative selling framework in place to support KAMs' ability to uncover and match customer needs?
- Is there a consistent and defined Account Planning Process in place?
- What business acumen and planning skills are needed to ensure the KAM can develop and execute robust plans?
- How should the KAM effectively collaborate, coordinate, and communicate with other customer-facing resources to ensure effective execution of the account plans?
- What guidance is provided related to optimal resource allocation and information sharing?
- What are the high priority learning and development needs related to account management at both the group and individual levels?

When cross-functional teams engage in open discussion to answer these critical questions, the overall result is a unified and consistent Key Account Management strategy. Once the vision is clear, various stakeholders can provide the needed support and resources to deploy their strategy and meet the most important customer needs.

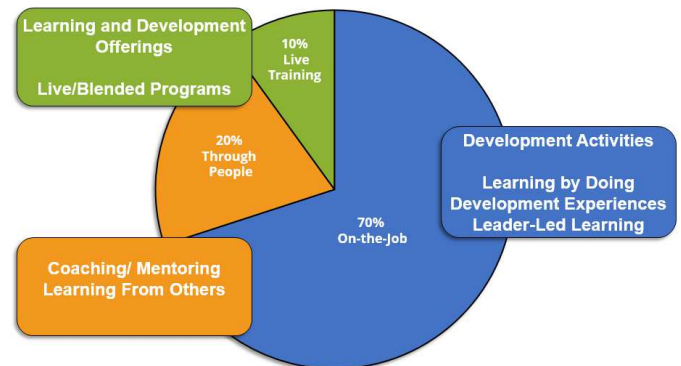
## A Better Curriculum

The role of Learning and Development, when building capabilities and enhancing skills, is to address the unique needs of KAMs. The KAM curriculum must support the development of a broad range of competencies and skill sets including, but not limited to: account planning, business acumen, strategic thinking, influencing, customer focus, teamwork and collaboration, networking within an account, and relationship building. Additionally, KAMs

need to stay up-to-date on the many trends impacting healthcare delivery today.

To achieve this objective, the progressive L&D function is dedicating resources to deliver value to the organization's most important customers. They are building a KAM curriculum, consistent with the 70-20-10 development equation being used as a guiding principle. This shift from classroom-based training to on-the-job learning keeps the KAMs in the field closer to their customers, and accelerates when and how learning takes place. A well rounded and blended KAM Curriculum should include the following:

*Figure 2. Development Equation*



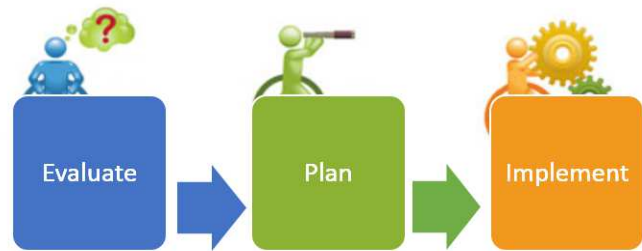
Source: WLH Consulting, Inc.

- **Live workshops for collective learning.** The focus is to leverage participants' real-world experience and knowledge. It is important to include sustainability tools for ongoing learning and reinforcement of workshop learning.
- **On-the-job development activities** that are organized by competencies. Through this method, a KAM can address individual development needs, as well as tailor his/her learning to specific gaps.
- **On-going coaching and monitoring for managers.**

In addition, an effective KAM curriculum should include tools in order for a director to translate expectations through the local market level. Lastly, if the KAM strategy is at the global level, then the curriculum must be flexible enough to account for local market variability.

## Recommendation for Implementation

The following recommendations will help you to gain alignment and clarity on the KAM strategy and ensure the curriculum meets the business needs and priorities.



### Evaluate

- Clarify the KAM strategy with key stakeholders
- Assess the priority learning needs by gathering input from stakeholders: sales, market access, marketing, business analytics, compliance, legal, HR, and other customer-facing teams
- Define the important analytics and marketplace data that KAMs will need to review periodically during the development and execution phases of the account plan. Ensure the learning solutions include how to identify opportunities and evaluate trends
- Revisit the organization’s selling model and move to a more consultative selling method
- Partner with business leaders to define an Account Planning Process. Determine the underlying skills related to business analytics, objective setting, and action planning to effectively develop and execute account plans



### Plan

- Create a detailed implementation plan with support materials to ensure field sales leaders can implement, coach, and guide their Key Account Management teams
- Design a Key Account Manager Workshop to increase ownership and accountability for local strategy implementation and to improve individual KAM skills and performance
- Ensure the blended learning solution includes various sustainability tools focused on developing the KAMs’ skills and competencies
- Determine how sales leadership will reinforce key account planning and execution across the various customer-facing roles



### Implement

- Focus on providing KAMs with information and knowledge to improve their business acumen and industry knowledge. Use a variety of distance learning methodologies to keep them current with industry trends
- Provide leader-led discussion activities that KAMs can use with their field teams to gain input on account plans, align on field actions, and strengthen information sharing across customer-facing teams
- Gather and leverage lessons learned across the organization. Collate and share information on successes, missteps, and lessons learned



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