Lancaster University Management School
Working Paper
2006/050

A participatory action research study of key account management changes

Peter Lenney, Geoff Easton and Alan Gilchrist

The Department of Marketing
Lancaster University Management School
Lancaster LA1 4YX
UK

© Peter Lenney, Geoff Easton and Alan Gilchrist
All rights reserved. Short sections of text, not to exceed
two paragraphs, may be quoted without explicit permission,
provided that full acknowledgement is given.

The LUMS Working Papers series can be accessed at http://www.lums.lancs.ac.uk/publications/
LUMS home page: http://www.lums.lancs.ac.uk/

A Participatory Action Research Study of Key Account Management Changes

Dr. Peter Lenney

Professor

Geoff Easton

Alan Gilchrist

Doctoral Student

Department of Marketing

Lancaster University Management School

Lancaster University, Lancaster

Lancs, U.K. LA1 4YX

44 1524 593917

p.lenney@lancaster.ac.uk

A Participatory Action Research Study of Key Account Management Changes

Abstract

Pure Participatory Action Research projects in the IMP research tradition are rather rare. This paper describes both the process and the outcomes of such a project carried out for a major business to retail firm in the UK. The issue at hand was, and is, Key Account Management, defined in a very broad way. The process is one of changing the ways in which the actors in the firm at different levels work together to try to coordinate the long term strategy and short term operations in relation to powerful retail customers. The outcomes for the firm have, so far, been very positive. The outcomes for the researchers are too early to fully evaluate but look very promising.

Introduction

One of the methodological issues that confronts research in the IMP tradition is that of the level of change that researchers induce in the firms that they study is relatively small. Small perhaps but not totally absent. It is possible that simply being there and asking questions triggers change. In the middle ground we often agree to help our respondents by sending them reports or making presentations as the quid pro quo for allowing us access and taking up the valuable time of their employees. Sometimes we go further and make suggestions simply because it is polite to do so and perhaps it is obvious to us what needs to be done and enjoyable to help. Moving along this continuum of involvement we finally come to Action Research where providing help and advice is part of the research process.

Many IMP researchers would eschew this research option and might regard this paper as having nothing to say to them. However what we have tried to point out is that Action Research is only different in degree from what we normally do in our research practices and not necessarily different in kind.

The research project reported in this paper emerged and wasn't planned to be Action Research. However the opportunity was seized as it arose and a great deal was learned in the process about a research issue, which we might call Key Account Management, and a research method, which is a form of Action Research. Our conclusion is mainly about the latter for while Action Research is difficult, time consuming and scary it is also exhilarating, revealing and deeply satisfying. And those of us who do not wish to be prescriptive for ethical, epistemological or practical reasons might want to consider, for a moment, how far down the involvement continuum we have been in the past and how far we may wish to go in the future.

Relevant Literatures

Of the many literatures that could be relevant to this research two have been singled out for attention; Action Research and Key Account Management.

Action Research

Action Research has a long history (Lewin 1946), a huge literature that crosses many social science boundaries (Huxham and Vangen, 2003) and many different labels and variants (Action Learning, Action Science, Developmental Action Inquiry, Participatory Action Research). At its simplest it means researchers acting in the research situation.

There is no space in this paper to provide even a summary of the main issues associated with Action Research. However the classic paper by Eden and Huxham (1996) provides 12 “contentions” about the nature and processes that justify its adoption and we use a selection of these, critically modified, to structure our analysis of the Action Research project described below. A central contention is that Action Research should have explicit theoretical implications beyond the situation in question and not simply create tools and techniques. Changing situations can provide much richer data and more powerful theoretical insights than simply studying them. Theory will be both emergent and incremental in form, in a way that is reminiscent of grounded theory and is more useful for theory generation than testing. We disagree with the last point, which implies a positivist approach. Single cases can be used to test theory if a Critical Realist ontology is accepted (Easton (2003).

Description (and hence theory formation) and prescription are not antithetical to one another but need to be understood and treated carefully. Descriptions of situations have prescriptive implications and every prescription contains a description. Eden and Huxham point out that in Action Research more effort and resource may be required to fulfil both goals. We would agree but argue that actions and data collection, having different implications for theory and practice, may involve mutually exclusive choices implying difficult trade-offs.

Action research cannot afford to be carried out in a careless or slipshod way driven by the exigencies of the actions taken. It should be systematic, replicable and capable of being checked, confined to situations where other forms of data collection are less effective and the history and context of the study should be taken into account when considering the range of application of the emergent theory.

Key Account Management

The table below provides a brief and far from comprehensive overview of the themes in the Key Account Management literature. While Lawrence (1983) suggests that it is "not just a large customer with many branches and a wide geographical base", Moore (1994) gives a detailed definition based on the managerial role of coordination. Further, in assessing what is a key account, some authors have argued that key refers to large customers, national accounts, differentiated accounts etc (Moriarty and Shapiro 1980, 1981, 1984; Stevenson 1980, 1981). However, the crucial point to note is that most agree that KAM requires special recognition of Key Accounts in comparison to average/small accounts. (Montgomery and Yip, 2000; Shapiro and Moriarty, 1984)

The literature on KAM thus far has been mainly descriptive in nature (Weilbaker and Weeks, 1997). Millman (1996, p.631) noted that, "Key Account Management is under researched and its efficiency, therefore, is only partially understood." Furthermore, Kempeners & Van Hart (1999 p. 311) suggested that "Although Stevenson (1980) noted almost 20 years ago that 'despite widespread industrial use, there has been little empirical research on national account marketing', it seems that this is still true."

Table of Key Account Management Research Themes

Themes	References
Definition	Lawrence (1983), Moore (1994) Moriarty and Shapiro 1980, 1981, 1984; Stevenson 1980, 1981 Montgomery and Yip, 2000, Shapiro and Moriarty, 1984
Research Status	Weilbaker and Weeks, 1997, Millman (1996), Stevenson (1980) Kempeners & Van Hart (1999),
Dyadic approach	McDonald et al (1997), Millman & Wilson (1994) Pardo et al (1995), Hakansson 1982; Ford 1980; Axelsson & Easton (1992)
Development and formalisation	Shapiro & Moriarty (1980, 1981, 1984) Pardo, (1997); McDonald et al (1997) Kempeners (1996, 1997),
The Key Account Manager	McDonald et al (1997), Millman (1996)
Intraorganisational Co-ordination	Weitz and Bradford (1999), Workman et al (2003)

Much existing KAM literature refers to the integration externally of the customer with the supplier in a dyadic manner e.g. McDonald et al (1997); Millman & Wilson (1994); Pardo et al (1995). However studies carried out by Shapiro & Moriarty (1980, 1981, 1984); Pardo, (1997); McDonald et al (1997); Kempeners (1996, 1997), have all concentrated on the key issues of the formalisation, development path and structure of the KAM process, and have argued that KAM is a multifunctional process occurring over many departments within the firm.

The work of McDonald et al (1997) aimed to gain better understanding of the managerial processes underpinning KAM, via examining the perspectives of both the supplier and the customer and characterising the role of the Key Account Manager, and the developmental needs of that individual (Millman 1996). However Weitz and Bradford (1999) argued that cross functional teams were of vital importance as one person alone can not hope to hold all the necessary knowledge to deal individually with a firm’s Key Account through the buyer seller dyad.

One stream of Key Account Management literature has its origins within the work carried out by the “Interactionist” approach of the Industrial Marketing and Purchasing (IMP) Group (Hakansson 1982; Ford 1980; Axelsson & Easton 1992). Within this approach, the simultaneous interaction of both the buyer and the seller was brought to the fore with models being conceptualised in terms of actors performing activities and employing resources.

Most recently Workman et al (2003) carried out research in order to explore empirically the determinants of KAM effectiveness specifically considering the role of intra organisational coordination.

“The business to business relationship research thus far has taken the dyadic relationship as the unit of analysis, but has not explicitly studied how firms *internally* structure to manage these relationships.” (2003). However their research method was survey based and the key variables were all measured via managerial perceptions and relatively broadly defined. Nevertheless their results suggest that “…the dimensions of the KAM approach that positively affect (sic) KAM effectiveness (in decreasing order of effect) are KAM team esprit de corps, access to marketing and sales resources, activity intensity, activity proactiveness and top management involvement in KAM”, offer some clues as to the issues involved.

Our approach to the KAM differs in many respects from that taken by previous researchers. First of all we argue that we should attempt to understand the issues before prescribing. Key accounts should be regarded as those defined by managers in firms as key and in some rare cases this might mean that they are seen as no different from any other accounts. Further, we contend that all key accounts are managed, though the processes by which this is done will vary from the informal and unconscious to the highly formal and organised. Which is most suitable will depend in the circumstances. We also believe that the way to understand this management process is to study the particular mechanisms in firms that lead to actions in respect of particular key accounts. Finally, in terms of the research reported here, we examine a context, B2R markets, that has not been researched despite its evident importance.

Case Study Company

Apparat UK is the UK subsidiary of a major multi-national corporation that is involved in the supply of branded clothing to major retailers. Within its sector it lies third in terms of UK market share, behind two other global brands, with sales revenues of approximately £250m.

Apparat's customer base has consolidated dramatically in the recent past. Some years ago their customers numbered around 3,500 retail outlets. Currently Apparat has only 600 accounts, with 120 being served directly, the remainder being handled by tele-sales. Fifty of these accounts now contribute 90% of Apparat's sales with the top 5 accounts generating 75% of total sales revenue. The balance of power has shifted dramatically towards the customer with the emergence of the 'Big 5' retailers. Apparat had had little experience in marketing and selling to major accounts and has had to learn fast.

The power of the brand in generating 'sell-through' is clearly still important to driving sales with the retailers in this market. It could be argued that brand strength has grown even more important given the power of the retailers. In this respect, however, Apparat are a relatively weak third player, with the situation being compounded by the emergence of the 'Big 5's own-brand products. These latter products were eating away at the sales of all the major brands, but particularly impacting those of Apparat.

Emergent Forms of Intervention

Illuminative Evaluation

The original approach to the company was made in order to carry out case research into managerial work in a marketing context. It was quickly made clear that access would only be possible if some sort of quid quo pro was provided for Apparat. It was eventually agreed that an Illuminative Evaluation study (Parlett and Dearden 1981,) among staff in the company, on the existing "go to market" situation, would be carried out and fed back to the board who would then decide what to do.

Over a number of years Apparat had conducted customer satisfaction surveys in its retail customers. As far as CEO was concerned the process had achieved very little "*…it all came back very pretty, different ratings, you could analyse it to death……a nice pretty booklet we sent back out to the retailers..but we didn't go forward..to be honest nothing ever happened in real terms"*.

The Customer Operations Director had always been the driver of the customer satisfaction assessment process, and he came under pressure to "*make it deliver or dump it"*. It was therefore decided to use the surveys as the starting point for the study with the aim of creating "*better understanding of their retail customers, the relationships they have with them and, most important of all, their capacity to respond and improve their performance"*.

The results of Apparat's customer satisfaction surveys had been largely negative or ambivalent, with the exception of the feedback regarding customer service and operations. As one customer commented regarding their performance in this these areas: "*better than the competition by far…the number one to deal with…a standard we wish others would follow"*. Many customers made it clear that they would like to do more business with Apparat. commenting that they were responsive, flexible, a "*partner rather than just a supplier"* and not arrogant like the top two brands. However many went on to complain that Apparat *"just have not got their act together…Sales and Marketing don't seem to talk to each other"*.

The initial research focussed on providing 'illumination' as to Apparat's…*"capacity to respond and improve their performance"*.

In the first instance interviews were conducted with all members of the leadership team and the UK board. A single key account was then selected, and personnel from the leadership team 'outwards & downwards', and across all the functional areas involved in the 'servicing' of that customer, were interviewed. The findings of the most recent customer satisfaction survey was utilised as the opening stimulus for these interviews

For many of the interviewees the actual existence of the survey was a revelation. In the main, however, its findings were not surprising for the most of participants.

Following the analysis of the empirical material an illuminative evaluation feedback session was conducted with the managing director. It consisted of the presentation of selected anonymous quotations from the interviews that crystallised what appeared to be some broadly homogeneous perceptions.

It was evident that key account strategy, and the necessarily multi-functional down-channel "total product" that was integral to it, only had the opportunity to come together managerially at board level. In addition the 'total product' was not being managed, or at times even understood, at a more junior level:

" everyone has a set of objectives, but they don't seem to match, we don't get around the table and say 'are all these objectives talking to the same piece'…."

"…. departments carry on doing what they want to do and they are getting further and further apart…"

It was also apparent that there were team-working issues within the leadership team and that key account strategy was not a central and persistent item on the board agenda:

"*we don't get to a conclusion because we do not have time to debate… the directors meeting agenda will say..,results, which is me [the F.D.], it'll say forecast for the quarter, which is me, gap* [closing] *actions for the year which is John* [the s.d.], *what <u>has</u> happened..we never get into the issues"*

"I [sales director] *try to share these* [key account plans] *with all the cross-functional partners…but its like trying to get blood out of a stone, people don't want to come and hear it,…we do this on our own…with some product management involvement…we want to share it with the rest of the business…I want to share it with* [the leadership team], *..I put it on the agenda of the board meeting and I get five minutes to go through these.. we should be spending time reviewing these"*

Action Research

On reflection it was naïve to think that an arms-length illuminative intervention would have ever survived the first feedback session, if substantial issues emerged. It was also apparent that the lead researcher's experience in industry and his success in terms of board level views of his managerial abilities had served to generate substantial confidence. He was asked to come forward with a proposal for what should be done in response to the findings and submitted a proposal that included the following excerpts:

"*The requisite multi-functionality of a total Business to Retail (B2R) product is not perceived or managed at any junior level. This, together with the workings of the* *director group as a team, and the failure of account strategy to be a persistent and central aspect of this team's agenda would seem to indicate an opportunity for rapid development of current management practice.*

*…we could attack this head-on and broadly with the director team itself. I believe this would be a high-risk strategy, and that it would be unlikely that we would get their necessary time and commitment in the immediate term. I favour an action plan where we start narrow, ………I propose we mobilise a cross-functional account development team comprised, in the main, of appropriate 'A-level' managers from all the pertinent functions. The team would work on the development of a comprehensive and detailed Account Development Strategy/Action Plan for one of the key accounts. The teams' learnings would be as important an output as the output itself! The Account strategy/action plan would not be a file-away; the intention would be for it to be deployed as an active working document throughout and across the business. Once the team is productive we would plan discussions with respect to the Account Strategy, and its acceptance and implementation, with the director team. I would facilitate the sessions of the account development team. I suggest that [*the Sales director*], you and I would propose the team members, and agree them with the [*other*] directors".*

The proposal was accepted, a focal account selected, and the team members were nominated. The customer selected for this early attention was one with whom business was declining markedly and where relationships were difficult.

The team that was assembled comprised members of all the functions other than finance and upstream supply chain logistics, namely the: Consumer Marketing manager, Product manager- Product Segment A, Product manager- Product Segment

B, Trade Marketing manager, Customer Operations manager, Assistant Sales Director- Product Segment A, and Assistant Sales Director- Product Segment B.

It became known as the key account steering group and an opening brief was crafted for the team which was to develop and implement, for the retailer Hi-street, an integrated 'total-product' marketing and customer relationship development plan; together with the supporting management processes and to roll out the process across all other key accounts. At the time of writing the team had had a total of 8 formal sessions lasting 3-6 hours.

There was no framework for discussion employed at the team's initial sessions. Facilitation allowed the key issues, as the team saw them, to emerge and crystallise. An enthusiasm for open, frank and honest debate was fostered, and a 'lets face facts attitude' reigned.

It quickly became evident that the Hi-Street position was typical of all other accounts. The lack of integration of the various components of marketing i.e. consumer, trade, and product management was identified as a major problem, this being further compounded by poor inter-functional collaboration between sales and customer operations.

Interfunctional Coordination

As the steering group began work on the development of an account Strategy for Hi-Street it was decided that a step change *"in the way we do business"* was necessary. A cross-functional 'Account Sales and Service' (ASS) team was created and a charter was crafted. The team comprised the sales executives for each of the product segments promoted by Apparat within the account, junior representatives from product management, the trade-marketing assistant for Hi-Street, together with the account's customer service executives. Clearly the steering group understood the necessity of delegating to, empowering and mobilising the ASS team teams at the detailed implementation and tactical level. And since the steering group had between them direct hierarchical control of all the players they simply got on and did it. They did not ask permission for fear of someone trying to stop them.

However the lower level of cross functional mobilisation was not seen as much of a power problem by any of the board although some lower mid-rankers saw it as implicit criticism of the way they had been handling things and as a way of taking power out of their hands.

The ASS team rapidly took control of the day-to-day handling of the account. The relative formality of the new way of working met with some initial resistance as it represented a major change in style but eventually started to respond to the steering group as much as their line of command.

Customer Portfolio Issues

As the steering group discussed Hi-Street and the potential business development options in increasing detail, it became evident that it was impossible to consider a strategy for Hi-Street in the absence of a strategic consideration of the rest of the "Big 5". The impact of *"giving something to one of them and not to the others"* could not be ignored.

New distribution possibilities were an additional complicating factor. Choices had to be made as to *"what to do with whom, when and how"*, and without a more fully analysed context these decisions had proven impossible. This became particularly evident in the assessment of the possibilities that were presented by the potential introduction of a new product range into the brand's portfolio.

Marketing Strategy

As the team engaged with the problems of key accounts it also became obvious that not only were there no account strategies, but that there was no real national marketing strategy to underpin their formulation and guide the associated resource allocation decisions. There was no effective long run thinking to counter-balance the *"tyranny of the number"*. The business appeared to be locked into a self-accelerating market share decline, with falling revenues precipitating cuts in brand promotion and a 'hit the number at all costs' mentality.

The steering group entered into a period of very fraught, highly charged discussions through which shared understandings of the brand's market position and the state of customer relationships were developed.

The team was aided in this endeavour by the promotion of the then consumer marketing manager to the vacant Marketing Director post. He wished to remain 'hands-on' as a member of the Steering group, and promote a frank re-assessment of the brand's overall position at board level. He was clearly making a move to regenerate the 'the power of the marketing function' as a boundary spanning responsibility. However both the Sales and Customer Operations Directors viewed this process as problematic and inappropriate.

Breaking out of the downward business spiral was clearly a much greater issue than could be addressed by the assembled team. But the new shared perspective of the business situation, and potential opportunities, served to provide a frame for arguments, and created a particularly helpful attitude around the table:

“We can stop waiting for the cavalry to arrive..it ain’t coming”

"Rather than keep moaning that [HQ] *aren't giving us the marketing we want, are we sure we are doing everything we can do, it's always great to blame somebody else isn't it”*

A sense of urgency had been generated, and shared understandings had been shaped.

Sub Branding Strategy

Although Apparat’s product portfolio comprised distinct sub-ranges with particular category-defining characteristics, there was not an explicit sub-branding strategy in place. The specific characteristics of ‘Zest’, a new product HQ created range, lent itself to the creation of a sub-brand. It was very distinct from the rest of the portfolio in its particular focus on certain aspects of youth culture. It was felt that none of the other big competitor brands could easily pursue a sub-branding strategy, and that, in contrast to Apparat; they probably had much more to lose than gain by such an approach. The profile of ‘Zest’ was well out of the mainstream of the market and was, as it is known in the trade, ‘edgy’.

The profile and targeted positioning of Hi-Street was felt to be appropriate to ‘Zest’. However if ‘Zest was to be successful, with the necessary ‘heat-on-the-street’ being generated, a dramatic re-allocation of promotional resources would be necessary. Path-breaking sales to leading edge fashion outlets were also seen as imperative in driving the targeted profile of ‘Zest’. Hence, in addition to the major resource allocation issues, the whole question of the more vigorous and focussed pursuit of new distribution came into the equation now facing the steering group.

The team decided to press on with what was in essence the de-facto implementation of a national marketing strategy based on sub-brands, and face the resource allocation and new distribution issues head-on within the business, as they arose. The feeling was that if the team started to ‘ask permission’ the result would be a return to paralysis. The potential of future serious conflict with senior management and HQ was seen as a better alternative to inaction. The group appeared to have the courage of its convictions and was prepared to take measured personal risk, particularly the newly appointed marketing director. This was not to say there was not considerable nervousness in evidence around the table, but it was manifestly more concerned with the possibility of “ *it all going to hell in a hand basket”* in front of the customer, if someone somewhere, ‘pulled the plug’. However the emergence of a coordinated team of top / middle managers that was starting to take decisions of ever greater significance posed real threats and opportunities for power redistribution in the company.

The customer operations director had refused to join the steering group saying that he felt it might ‘subvert’ the board. A market facing sub-committee of the board could be seen as squeezing out major board level players like the finance and apparel director and he called it a ‘potential splinter group’.

The Hi-Street ASS was reinforced with the ‘Zest’ category manager, an appointment that had been quickly made by the Marketing Director. The S&ST was tasked with the development and implementation of a Zest sales-proposition and plan for the account. The project Zest@Hi-Street was born, and it rapidly gathered momentum.

The S&ST systematically involved all of the other more upstream supply chain and commercial functions, through the introduction of a continuous briefing and consultation process. Within a matter of a few weeks a major sales presentation was made to Hi-Street. The marketing director and the Zest category manager led the meeting. It was a huge success.

Roll out

The strategy implemented with Hi-Street was now the leading edge of a strategic change process. The proposed massive investment in the promotion of Zest was seen as being the only realistic route to a more productive profile for the brand as a whole, even though the planned distribution was narrow. The marketing director was apparently winning his *"more on less"* argument at board level for intense Zest promotion, and the sub-branding approach received a warmer welcome at HQ than he had initially expected.

A further meeting was held with the customer to reach full and final agreement on the key details of the Zest launch. The customer attempted to move the goalposts somewhat and force fit Zest into their current in-store merchandising programme. Although Apparat team compromised somewhat on its demands, they held firm on all major issues and forward purchase quantities and prices were agreed shortly after the meeting. The S&ST was becoming a highly effective grouping with inter-functional collaboration and co-ordination improving markedly. This message was starting to spread across the business.

At the time of writing the question remained as to whether the plans for Hi-Street and Zest would survive the next downward twist of the sales spiral

Research Outcomes

Content

Content refers to the traditional question "what have we learned about the phenomena under study?"

Firstly the notion that cross-functional coordination always represents a paradoxical problem is confirmed. The 'Zest' category manager, working on the sub-brand implementation, expressed it best *"it (cross functional coordination) is like platting jam"*. Prior to the steering group intervention there was much discussion about the problem of cross-functional working but little done or as one interviewee put it, *"NATO"-no action talk only*. At middle management levels there was often not even any talk.

As Waterman et al (2003) suggested a crucial factor was senior management involvement. In Apparat they were failing to generate a context conducive to, and a stimulant of, effective co-operative action. 'Hurdling the cross-functional barriers" did not, as the MD clearly hoped, happen anywhere. *"What we try to do is reduce the silos and work cross-functionally…try to do it as a natural process"*

This process allowed sectional and individual ends to be vigorously pursued in several areas. Even if purposively addressed it would not have been an easy task in the prevailing situation. The environment favoured the conversational and avoided closure- *"…we kinda say right next, without coming to a conclusion, its another trait we have here..a lot of meetings but not coming to a conclusion..then putting it off to another meeting"*.

A third major issue that emerged from the study was the contingent factor of operating in a business to retailer market, which, in this case, made the issue of cross functional coordination even more difficult.

" [Marketing] *don't want to hear what the retailer says but just what the consumer says…*

"the biggest division, if I am being honest, is between sales and marketing"

In this context the two departments are attempting to represent quite different markets within the organisation and have to reconcile their requirements within and across various functions. When Apparat had faced a fragmented retailer base and brand competition had been less intense the 'sell-in' process had been a simple selling operation supported by mass merchandising. Dramatic consolidation of the retail base meant the retailers became more sophisticated and demanding. Retailer specific promotional campaigns, both in-store and out-of-store together with ‘exclusives’ became prevalent in the ‘sales-pitch’. The ‘sell-in’ was now a tough process and with Apparat’s relative brand strength with consumers in decline they were under increasing pressure from retailers to supplement their product offer with ever more sophisticated and costly customised merchandising and promotion. Responsibility for the ‘sell-in’ rested with the sales director, and in effect, that for ‘sell-thru’ with the Marketing Director. The balancing of resource allocation between consumer-brand campaigns and retailer specific promotional campaigns was clearly the origin of tension, and decisions on this were in the hands of the marketing director.

Underpinning this competition for resources is the fundamental business tension of long run vs. short run. In the short run the only thing that counts towards paying the wage bill is the ‘sell-in’ but, as someone put it, if in the longer run the products *“ get stuck like glue on the retailers’ shelves we are just* fooling *ourselves”*. The sales directors pre-occupation with *“hitting the number”* and the longer run pre-occupation with *“getting hot with youth and cooling the brand of the marketing director”* was clearly a critical tension in the business. However addressing this tension was something the leadership team frequently avoided:

”we don't seem to want to address any of the kind-of meatier issues that we should be talking about

“…….we seem to…when it gets to a point where it is really interesting…we tend to get scared to go in where it really hurts, you know?…”.

“…the level of closure isn’t sufficient to drive action”

Moreover the behaviour of the marketing and sales directors had not facilitated collaboration between their teams. With the departure of the former, and the promotion of the latter into a regional role, the ‘turf wars’ subsided. The impact on the behaviour of middle management was dramatic and the progress of the intervention accelerated rapidly. It is quite probable that without this dramatic change in personnel that the steering group would not have even attempted to hurdle the inter-functional interpretative and communication barriers with what proved to be their pivotal sense-making endeavour.

The third insight from the study was the role that project based initiatives, such as the steering group, can take in organisational change processes. There are various kinds of initiatives. The previous MD of Apparat had enthusiastically embraced a consultant driven TQM initiative. However it appears that the means became ends, and the initiative generated a major additional administrative burden, which then gave formal cross-functional team working a bad name. The newly arrived MD quickly ended the programme and this experience may have led him to believe in natural evolution. With the exception of upstream supply chain operations any attempt at formal cross-functional team operation had been dissolved. More importantly the experience created a barrier for the steering group since the initial perceptions were that the same process was being tried again. However, as Wilson (2002) pointed out, internally generated, bottom up, jargon free change programmes are more likely succeed than their polar opposites and the steering group initiative was certainly of that kind.

The fourth issue that emerged from the study is related to last one and concerns the nature of power in organisations. While the events described here could be analysed in terms of conventional concepts of power in organisations there is one additional insight that can be garnered. The steering group was essentially a power coalition though its members did not perceive it as such at first. It was created and accepted because it was based upon a universally accepted rationality; cross functional working was essential to any organisation and it wasn't working well in Apparat. However while many coalitions are based upon departmental or functional goals this particular group used as its key power resource the linkages between departments. In addition the managerial level of the members was such that they had considerable hierarchical power within their silos but were not part of the top a management team and constrained by its culture and history. It was crucial that each member was able to give away some of their power in the belief that in doing so they were likely to improve the overall prospects for the company. Happily, the quick win with Hi Street and Zest rewarded their vision and risk taking.

Process

Most case research has an emergent character. We follow what is interesting. In this case the research process became participatory action research but that was not part of the original plan. Up to this point the "corporate" client is pleased with the results. But what about the researchers?

The content results described above are simply a brief summary of what has been discovered. All the data has yet to be analysed. In this process we intend to adopt a variety of approaches including critical realism (Easton 2003) and perhaps the related systematic combining approach due to Dubois and Gadde (2002). Steering group meetings were recorded and several managers have been shadowed. There are other theoretical perspectives to be deployed in trying to understand what happened. What is clear is that the process of change revealed, and not only to the researchers, underlying processes and structures that would not have been apparent to traditional case writers.

It is true that the focus of the research changed from the managerial behaviour of marketing managers to cross functionality and how it could be improved. However this simply meant that the study focused on the managerial context as well as the manager.

It was also the case that long term research planning was difficult and inductive processes dominated. It meant that time scales were often shorter than we would have liked them to be and exigency was crucial. But it was also enormously enjoyable for both the researcher and the actors involved. The trade-offs in this case were well worth making.

References

Axelsson, B. (Ed.) and Easton, G. (Ed.) (1992), *Industrial Networks: A new View of Reality*, Routledge.

Dubois, A. and Gadde, Lars-Eric (2002) Systematic Combining: An Abductive Approach to Case Research, Journal of Business Research, 55, 553-560.

Easton, G. (2003), *One Case Study is Enough*, Proceedings of the Academy of Marketing Conference, Aston University.

Eden, C and Huxham, C. (1996) Action research for management research. *British Journal of Management*, **7** (1), 75-86.

Ford, D. (1980), *The development of Buyer-Seller Relationships in Industrial Markets*, European Journal of Marketing, vol. 14, pp. 339-353.

Huxham, C. and Vangen, S. (2003) Researching Organizational Practice Through Action Research: Case Studies and Design Choices. *Organizational Research Methods*, 6, 3, 383-403

Hakansson, H. (1982), *International Marketing and Purchasing of Industrial Goods: An Interactive Approach*, John Wiley and Sons, New York, NY.

Kempeners, M. (1996), *Relationships with Key Accounts: Organising Account Management*, paper at the 12th IMP Conference, Karlsruhe.

Kempeners, M. (1997), *Key Account Management – Considerations, Bottlenecks, and Success Factors*, paper at the 13th IMP Conference, Lyon.

Kempeners, M. A., and Hein, W. van der Hart. (1999), *Designing Account Management Organisations*, Journal of Business and Industrial Marketing, vol. 14, no. 4, pp. 310-327.

Lawrence, A. (1983), *The Management of Trade Marketing*, Gower.

Lewin, K. (1946). Action research and minority problems. *Journal of Social Issues, 2*(4), 34-46.

Lewin, McDonald, M., Millman, T., and Rogers, B. (1996), *Key Account Management – Learning from Supplier and Customer Perspectives*, Cranfield School of Management, Cranfield.

McDonald, M., Millman, T., and Rogers, B. (1997), *Key Account Management: Theory, Practices, and Challenges*, Journal of Marketing Management, vol. 13, pp. 737-757.

Millman, T. (1996), *Global Key Account Management and System Selling*, International Business Review, vol. 5, no. 4, pp. 631-645.

Millman T. and Wilson, K. (1999), *Processual Issues in Key Account Management: Underpinning the Customer Facing Organisation*, Journal of Business and Industrial Marketing, vol. 14, no. 4, pp. 328-337.

Moore, B. (1994), *Key Account Management*, Presentation at Conference in 1994, arranged by LOGISYS.

Montgomery, D.B. and Yip, G.S. (2000), *The Challenge of Global Customer Management*, Marketing Management, vol. 9, pp. 22-29.

Moriarty, R.T. and Shapiro B.P. (1980), *National Account Management*, MSI report, pp. 80-104.

Moriarty R.T. and Shapiro B.P. (1981), *National Account Management* – Emerging Insights, MSI-report, pp. 82-100.

Moriarty R.T. and Shapiro B.P. (1984), *Organising the National Account Force*, MSI-report, pp. 84-101.

Pardo, C., Salle, R., and Spencer, R. (1995), *The Key Accountization of the Firm*, Industrial Marketing Management, vol. 22, pp. 123-143.

Pardo, C. (1997), *Key Account Management in the Business to Business Field: The Key Account's Point of View*, Journal of Personal Selling and Sales Management, vol. 17, no. 4, pp.17-26.

Parlett, Malcolm H and Dearden, Garry (1981), Illuminative Evaluation. Brighton:

Stevenson, T. H. (1980), *Classifying a Customer as a National Account*, Industrial Account Management, vol. 9, pp. 133-136.

Stevenson, T.H. (1981), *Payoffs from National Account Management*, Industrial Account Management, vol. 10, pp. 119-124.

Weilbaker, D. C., and Weeks, D. C. (1997), *The Evolution of National Account Management, a Literature Perspective*, The Journal of Personal Selling and Sales Management, vol. 17, no. 4, pp. 49-59.

Weitz, B. A. (1981), *Effectiveness in Sales Interactions: A Contingency Framework*, Journal of Marketing, vol. 45, pp. 85-103.

Weitz, B. A. and Bradford, K.D. (1999), *Personal Selling and Sales Management: A Relationship Marketing Perspective*, Journal of Personal Selling and Sales Management, vol. 27, 405-421.

Workman, J.P., Homburg, C. and Jensen, O. (2003), *Intraorganizational Determinants of Key Account Management Effectiveness*, Journal of the Academy of Marketing Science, vol. 31, no. 1, pp. 3-21.