

Don't Manage All Industrial B2B Firms the Same Way

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Consider two real industrial business-to-business companies. The first is a manufacturer who produces premium electrical components like interrupters and switches. Its main customers are big construction companies, architecture studios and specialized retail shops for industrial equipment. The second company designs, installs (turnkey) and maintains big solar plants across Europe, serving such customers as large investment companies and funds, construction firms and real estate promotion offices.

You might think that you'd need the same type of customer management approach in each. They're both industrial. They're both B2B. But you would be wrong.

In the case of the electrical component manufacturer, the management aims are traditional: preparing the sales force for an improved sales process, with CRM system support linking product stock information and possible delivery dates on the client site. Here, the sales force is trained to track each visit with its main results in the CRM database. The more data the service personnel have access to, the better the customer service the company can offer. Retail shops that urgently need to order 1,000 interrupters can do so easily by calling the customer interaction center. Many employees actively participate in the relationship with the client.

But the organization of the solar plant firm is quite different. An internal and powerful key account management structure, divided into different regions, is the main customer touch-point for any kind of customer interaction with big accounts. The key account manager responds to any issue, question or problem, without actively involving the rest of the organization from the customer's perspective. The key account manager is the one who has customer knowledge.

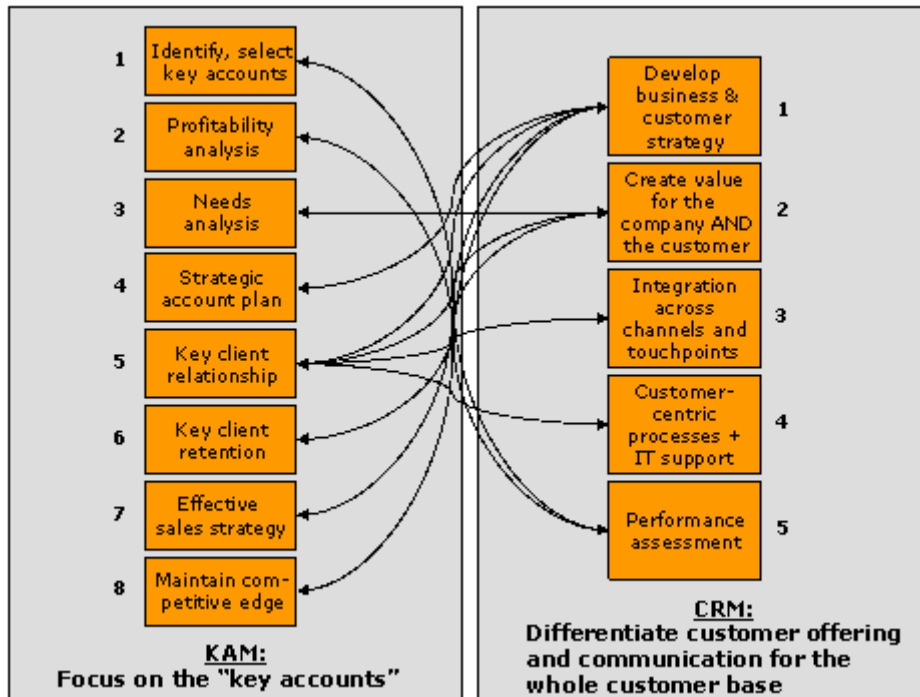
Less central

When an industrial B2B company is geared more to key account management than CRM, the focus needs to be less central and more specific to managers.

So, what is the CRM focus in a key account management firm? Yes, the focus is on the sales organization, but it's not in terms of making customer knowledge available to the entire organization. Instead, it's based on providing key account managers with a structured methodology for maintaining customer relationships. Once you've done that, you'll be looking at more traditional CRM to, for example, help the service organization actively take part in customer interactions for big accounts.

CRM in B2B should not be treated as one size fits all. When a company has key account management, you have to approach it differently. You make efforts in analyzing account results and make targeted sales visit each time you identify a sales decrease. You invest time and money to making your big accounts happy. Once you start spreading this approach across your customer base, identifying which segments you want to serve with different services, you can transform key account management (KAM) into CRM.

Figure 1 shows common activities and differences in CRM and KAM.



What are the main challenges for each the companies in successfully maintaining and "farming" customer relationships? (As we talk about conquering and retaining customers in CRM, we talk about "hunting" and "farming" in key account management).

One of the major challenges for an industrial B2B company without key account management is cultural changes. Our manufacturer of industrial electric components traditionally deals with people who just know each other. But sales agents needs to appreciate the benefits of migrating all their knowledge of the customers and customer visits into the CRM database, so the customer interaction center can access that information in its supports function.

The solar plant company faces a large growth rate. The demand for renewable energies is very high, and projects can be sold as far as a year in advance. Here, the effort should be on educating the employees to the fact that they must meet quality standards, even when things are going well. And the step toward CRM should be to extend customer relationships from the KAM organization to other areas, such as client services and controlling. The more industrial your B2B firm is, the more your customers evolve into business *partners*, with the need to critical information about strategy, production lines and pricing.

When you're dealing with customer management in the B2B world, you have to focus on business objectives, target group definition and the overall view on integration and knowledge management. That's where companies vary, and that's where your approach needs to be tailored to the environment.