



Shedding light on Customer “Keyness”

Conceptual Considerations and Empirical Analyses on KAM Formalization and Key Account Selection as Levers for Effectiveness

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Abstract

This dissertation explores how the formalization of managerial approaches and the structured selection of key accounts (KAs) shape the effectiveness of Key Account Management (KAM). Despite KAM's established strategic importance, the mechanisms through which formalized structures impact performance remain underexplored, particularly regarding the selection of key accounts (KAs) and the systematic integration of customer knowledge. Through three complementary empirical studies, this research addresses these gaps by examining the political, structural, and knowledge-based dimensions of KAM.

The first study explores KA selection as a politically charged organizational process, drawing on 73 semi-structured interviews. It reveals the influence of internal power dynamics, hierarchical structures, and political negotiations on selection decisions. The second study investigates how different configurations of formal and informal KAM design elements contribute to KAM effectiveness. Using fuzzy-set qualitative comparative analysis (fsQCA) on survey data from 221 KA managers, it identifies multiple, equally effective KAM configurations. The third study employs mediation analysis based on survey data from 207 KA managers to assess how KAM formalization enhances effectiveness through structured KA selection and knowledge integration. The results show that formalization alone does not improve KAM effectiveness unless accompanied by a formalized selection process that supports the integration of customer insights and KA managers' willingness to share customer knowledge.

In conclusion, this dissertation advances theoretical understanding by integrating insights from organization theory (OT), political economy, and knowledge management. Managerially, the findings provide guidance for designing adaptive KAM systems that balance structure with flexibility to foster long-term, value-generating customer relationships.

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“A journey I never sought, yet deeply shaped me.”

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List of papers

Paper 1 (accepted version)

Key account selection as a political process: Conceptual foundation and exploratory investigation

- Jasmin Feste, University of Bamberg
- Björn Sven Ivens, University of Bamberg
- Catherine Pardo, Emlyon Business School

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Paper 2 (accepted version)

Key account management formalization and effectiveness: A fuzzy-set qualitative comparative analysis

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- Björn Sven Ivens, University of Bamberg
- Catherine Pardo, Emlyon Business School

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Paper 3

Formalizing KAM: The missing link between structure, customer knowledge, and KAM effectiveness

- Jasmin Schäfer, University of Bamberg

Study not yet published.

1 Introduction

1.1 Relevance

In the context of increasingly competitive and interconnected markets, Key Account Management (KAM) has emerged as a strategic imperative for companies aiming to secure and develop relationships with their most valuable customers (e.g., Davies & Ryals, 2009; Homburg, Workman, & Jensen, 2002; Ivens & Pardo, 2007; Lautenschlager & Tzempelikos, 2021). A substantial body of research underscores that in many industries, a small number of key accounts (KAs) contribute a disproportionately large share of turnover and profit, making their effective management a cornerstone of corporate success (Gosselin & Bauwen, 2006; Ryals & Humphries, 2007). KAM, as a dedicated organizational approach, goes beyond conventional sales or customer relationship management by fostering long-term, strategically aligned, and often collaborative partnerships with selected clients (Workman, Homburg, & Jensen, 2003). These relationships typically involve complex interdependencies, cross-functional coordination, and high levels of customization, necessitating the development of formalized KAM capabilities that are integrated into the broader strategic and operational architecture of the firm (Storbacka, 2012; Ivens & Pardo, 2007). As such, KAM is a strategically embedded business function that supports sustainable value creation and competitive differentiation in business-to-business markets.

KAM differs substantially from conventional sales approaches in that it focuses on strategic, customized, and collaborative relationship-building rather than short-term transactions (Ojasalo, 2001; Storbacka, 2012). Effective KAM requires not only technical expertise but also a robust understanding of how to create an appropriate value in complex buyer-seller interactions (Homburg, Workman, & Jensen, 2002). As such, KAM programs integrate both tangible organizational resources (e.g., dedicated managers, team structures) and

intangible resources (e.g., customer knowledge, trust, and relationship capital), reflecting a dual emphasis on operational and strategic capabilities (Guesalaga, et al., 2018; Ivens et al., 2018).

Despite its managerial importance, many companies still struggle to implement KAM effectively, often failing to realize its full potential due to lack of coordination, insufficient internal alignment, or inadequate strategy execution (Ryals, 2012; Guesalaga & Johnston, 2010). As emphasized in the literature, implementing KAM requires substantial changes to organizational structures, internal processes, and roles, and frequently leads to redistribution of internal power and responsibility (Leischnig et al., 2018). These changes are not trivial: they demand long-term commitment, cross-functional cooperation, and a shared understanding of strategic priorities. Without this, companies may fall into the trap of treating KAs with the same tools and tactics used for regular clients, an approach that severely limits the effectiveness of KAM initiatives (Wengler, Ehret, & Saab, 2006).

The strategic significance of KAM has increased over decades due to several macroeconomic and organizational trends. First, customer demands have evolved, with KAs expecting personalized solutions, strategic engagement, and co-created value propositions rather than simple product offers (Storbacka, 2012). Second, market consolidations and globalization may have reduced the number of potential clients in many B2B sectors, thereby increasing the bargaining power of KAs and creating the need to nurture these relationships proactively (Pardo, Ivens, & Wilson, 2014). Third, digital transformation has made it possible, and necessary, for firms to use data and analytics to anticipate customer needs, to personalize services, and to optimize account-level decision-making (Guesalaga et al., 2018). All these developments underscore the urgency of professionalizing KAM beyond traditional, informal foundations.

From an academic perspective, KAM is a multidimensional and still under-researched field, particularly concerning its integration into broader corporate strategy and the mechanisms

through which it contributes to firm-level performance (Ivens, Pardo, & Tunisini, 2009; Leischnig et al., 2018). While a number of frameworks and case studies exist, empirical evidence remains fragmented, and many conceptual models lack systematic validation. This gap is especially problematic given that KAM operates at the intersection of marketing, sales, and strategic management, so fields with differing assumptions and priorities (Ivens & Pardo, 2007). As a result, there is a pressing need for theory-building and empirical research that can provide actionable insights into how firms can structure, implement, and sustain KAM programs effectively.

Moreover, the role of key account managers (KA managers) themselves has emerged as an increasingly important area of inquiry. KA managers operate as boundary spanners between supplier firms and their most important clients. They must navigate diverse and often conflicting expectations, coordinate internal teams, and manage complex, cross-functional relationships (Georges & Eggert, 2003; Guenzi, Pardo, & Georges, 2007). Their role is inherently ambiguous and demanding, often lacking formal authority but carrying high strategic importance. Research into their responsibilities, capabilities, and support systems is essential for understanding how firms can enhance KAM performance and mitigate common implementation challenges (Ryals & Bruce, 2006; Niersbach, 2016).

Additionally, customer knowledge management has become a central pillar of effective KAM. KA managers possess a wealth of explicit and tacit information about their clients, knowledge that is essential for tailoring offerings, anticipating shifts in strategy, and maintaining competitive advantage (Nätti, Halinen, & Hanttu, 2006). However, many organizations lack systematic processes for capturing and distributing this knowledge across internal departments, resulting in missed opportunities and inefficiencies (Salojärvi, Sainio, & Tarkiainen, 2010). Investigating how firms can institutionalize such knowledge, especially in large, complex organizations, offers both theoretical relevance and practical impact.

While the strategic and operational relevance of KAM is well established, the question of how KAM should be implemented and organized remains a critical area of academic inquiry. In this context, the concept of formalization has gained increasing attention in academic research. Drawing from organization theory (OT), formalization refers to the extent to which roles, procedures, and communications within a system are standardized and governed by explicit rules (Pugh, et al., 1968; Scott, 1992). Within KAM, formalization manifests in structured programs, codified responsibilities, and standardized processes that guide how KAs are identified, served, and developed (Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003).

Despite its conceptual clarity, research on KAM formalization has yielded mixed and sometimes contradictory findings. While early studies suggested that formalization may constrain flexibility and responsiveness in dealing with complex customer needs (Ivens, 2005; Workman, Homburg, & Jensen, 2003), more recent empirical evidence indicates that formalized KAM structures can enhance effectiveness by improving coordination, internal alignment, and consistency in customer management (Herhausen et al., 2022). These contradictions highlight the need to adopt more differentiated, contextualized perspectives on KAM formalization and its outcomes.

One important line of argument in support of formalization in KAM is that it provides a foundational structure for professionalizing customer relationships. When KAM activities are codified, through defined roles, KPIs, and routines, it ensures consistency in customer interactions and allows for the scaling of best practices across the organization (Homburg, Workman, & Jensen, 2002). Moreover, formalization serves as a mechanism to align KAM efforts with overarching corporate strategies and to ensure that internal resources are allocated efficiently (Pardo, Salle, & Spencer, 1995; Georges & Eggert, 2003). Without such structures, firms risk treating KAM as an informal add-on to traditional sales approaches, a condition

known in the literature as “hidden KAM” (Sengupta, Krapfel, & Pusateri, 1997; Wengler, Ehret, & Saab, 2006).

At the same time, formalization is essential to distinguish KAM from regular account management. It creates internal clarity about who qualifies as a KA, what differentiated treatment entails, and how KAM contributes to strategic goals. Without such formal mechanisms, there is a risk that the value-adding potential of KAM is diluted due to blurred boundaries and inconsistent practices (Leischnig et al., 2018). The absence of formalized structures may also lead to inefficiencies, as different actors within the firm pursue misaligned objectives or struggle with unclear roles and responsibilities.

Crucially, formalization in KAM does not contradict the need for personalization or close customer interaction. On the contrary, formalization enables customization by providing a stable foundation for adaptive behaviors. It structures the way resources are deployed, sets expectations for cross-functional coordination, and defines processes through which customer-specific needs are identified and addressed (Guesalaga et al., 2018). Rather than imposing rigidity, formalized KAM frameworks can reduce internal ambiguity and free up KA managers to focus on value-creating activities by limiting uncertainty and political friction in decision-making.

Another important reason for investigating KAM formalization lies in the redistribution of power and responsibility that KAM systems trigger within organizations. Implementing KAM often involves cross-functional collaboration and new team structures, challenging existing hierarchies and workflows. Formalization plays a critical role here by assigning roles, responsibilities, and decision-making authority, thus mitigating resistance to change and reducing internal conflict (Leischnig et al., 2018; Homburg, Workman, & Jensen, 2002). In this way, formalization is not merely a procedural choice but a strategic enabler that allows the organization to embed KAM into its broader governance systems.

While formalization of the overall KAM approach provides the structural backbone for managing strategic customer relationships, its effectiveness fundamentally depends on how KAs are selected. A KA selection process determines which customers receive strategic attention, tailored resources, and long-term development, and thus represents the entry point for all subsequent KAM activities (Davies & Ryals, 2013). Yet, despite its strategic importance, research indicates that KA selection often lacks transparency, consistency, and formal criteria (Wengler, Ehret, & Saab, 2006; Tzempelikos & Gounaris, 2015). In many firms, selection decisions are based on historical sales data, intuition, or internal influence rather than being guided by structured frameworks aligned with strategic objectives (Brehmer & Rehme, 2009).

The lack of formalization in KA selection introduces significant risks. It may result in misallocation of resources, with firms investing in customers who do not align with long-term strategic goals while overlooking those with high potential (Ryals, 2006). Moreover, without formal selection processes, internal conflicts and ambiguity often emerge, as different departments or managers push for the inclusion of “their” customers as KAs, sometimes for political rather than strategic reasons (Pardo, Salle, & Spencer, 1995). This reinforces the notion that KA selection is not only a technical task but also a politically sensitive process that must be managed with clear and formalized decision rules (Ivens & Pardo, 2007).

Formalized selection mechanisms can address these issues by introducing objectivity, fairness, and strategic alignment into the selection process. They create clarity about the criteria that define a KA, whether based on size, growth potential, strategic fit, or relational factors, and ensure that these criteria are applied consistently across the organization (Wengler, Ehret, & Saab, 2006). This allows for a better match between customer characteristics and organizational capabilities, which is essential for building sustainable, high-impact KAM relationships (Tzempelikos & Gounaris, 2015). In addition, formal KA selection supports internal legitimacy: when selection processes are transparent and based on shared rules, the KAM

system is more likely to gain acceptance across departments and hierarchical levels (Leischnig et al., 2018).

Importantly, formalized selection also serves as a foundation for prioritization and resource allocation. By clearly defining which customers are designated as KAs, companies can allocate relationship management resources, including time, expertise, and customized offerings, more effectively (Ryals, 2006; Ryals & Humphries, 2007). This structured allocation ensures that KAM resources are not diluted across too many accounts or misapplied to customers who do not require, or cannot reciprocate, strategic engagement. It also improves planning and measurement, as formalized processes allow for the tracking of criteria over time and the adjustment of selection decisions based on evolving customer profiles (Brehmer & Rehme, 2009).

In large and decentralized organizations, formal KA selection plays an additional role in promoting strategic coherence and organizational alignment. It ensures that different business units, regions, or product divisions apply the same standards when nominating and managing KAs, thus avoiding fragmented customer experiences and duplicated efforts (Storbacka, 2012). Especially in multinational contexts, where internal complexity is high, formal selection mechanisms serve as a unifying tool that anchors the KAM approach across the organization (Guesalaga & Johnston, 2010).

Despite these clear benefits, the formalization of KA selection remains an under-researched topic, often overshadowed by studies on KAM execution and performance outcomes. Much of the existing literature discusses what to consider when selecting KAs, but far fewer studies explore how selection decisions are made in practice, or how formalization impacts the strategic and political dynamics of customer prioritization (Pardo, Salle, & Spencer, 1995; Ivens & Pardo, 2007). This gap is particularly problematic given the increasing organizational complexity of KAM and the centrality of selection as the first step in delivering

customer value through strategic account relationships.

1.2 Research objective

This dissertation addresses existing research gaps through three interrelated studies, aiming to clarify the impact of KAM formalization, particularly KA selection formalization, on KAM effectiveness. Furthermore, it examines how a combination of formal and informal KAM organization elements shapes its effectiveness. By integrating theoretical insights with diverse empirical analyses, the research provides a comprehensive exploration of the complex interplay between structure and flexibility in KAM.

The aim of Study 1 is to explore KA selection as a politically influenced process, challenging the conventional view that it is solely driven by economic or strategic considerations. Through a qualitative study, it investigates how organizational politics, intra- and inter-organizational power dynamics, and decision-making structures shape KA selection in organizational KAM. Grounded in organizational politics theory and the political economy paradigm, the study uncovers internal and external forces that drive KA selection, emphasizing the influence of power dynamics, strategic alignment, and intra-organizational negotiations. Drawing on 73 semi-structured interviews, the research integrates theoretical insights with empirical evidence, providing a nuanced understanding of how firms navigate KA selection beyond formalized, rational decision-making models.

Therefore, research questions are:

- (1) How do organizations identify and select their KAs?*
- (2) How can the design of KA selection processes achieve intra- and inter-organizational alignment?*
- (3) How do political factors influence decision-making in KA selection and portfolio management?*

Study 2 seeks to elucidate how various configurations of formal and informal KAM design elements contribute to KAM effectiveness. The primary objective is to investigate the interplay among KAM approach formalization, KA selection processes, team dynamics, and organizational politics. Using survey data from 221 KA managers and applying fuzzy-set qualitative comparative analysis (fsQCA), the study attempts to determine the conditions under which formalization in KAM translates into enhanced effectiveness. This study addresses conflicting findings on KAM formalization by examining it as a multidimensional construct, shaped by both formal structures and informal dynamics, to clarify its impact on KAM effectiveness.

The research questions are as follows:

- (1) In which contexts does KAM formalization enhance KAM effectiveness?*
- (2) How do different configurations of formal and informal KAM design elements contribute to KAM effectiveness?*

Study 3 examines how KA selection formalization enhances KAM effectiveness, emphasizing the role of KAM approach formalization as a structural foundation that enables firms to leverage the benefits of a formalized selection process. The study investigates whether a structured KA selection process strengthens the link between KAM formalization and effectiveness by facilitating customer knowledge integration and encouraging knowledge-sharing behaviors among KA managers. Using survey data from 207 KA managers and applying serial mediation analysis, the study analyzes how KAM approach formalization fosters KA selection formalization, which in turn improves the integration of customer knowledge and increases KA managers' willingness to share customer insights, ultimately driving KAM effectiveness. Additionally, the study examines how the organizational integration of KAM moderates the relationship between KAM approach formalization and KA selection formalization, determining the extent to which existing formal KAM structures

facilitate the development of a structured KA selection process.

Hence, research questions are:

- (1) What role does KA selection formalization play in translating KAM formalization into higher KAM effectiveness?*
- (2) How does the organizational integration of KAM determine the relationship between formalized KAM structures and KA selection processes?*
- (3) How does the integration of customer knowledge into the KA selection process mediate the relationship between KAM formalization and KAM effectiveness?*

The overarching objective of this dissertation is to examine the role of KAM formalization in driving KAM effectiveness, with a particular focus on KA selection, the interplay of formal and informal KAM elements, and the integration of customer knowledge into structured selection processes. By addressing key gaps and conflicting findings, this research aims to clarify when and how formalized structures enhance or hinder KAM performance.

Through qualitative and quantitative analyses, the dissertation seeks to provide a deeper understanding of how KA selection decisions are shaped, how different KAM configurations influence effectiveness, and how formalization facilitates knowledge sharing and strategic alignment. Ultimately, it contributes to the development of more effective, contextually adaptive, and knowledge-driven KAM practices, enabling firms to optimize customer relationships and long-term organizational success.

1.3 Structure

The dissertation is structured into six chapters. Chapter 1 establishes the foundation by introducing the research domain and highlighting its significance in both theoretical research

and management practice. Furthermore, it presents the key research questions that serve as the basis for the subsequent analyses.

The second chapter provides an overview of the existing KAM literature and lays the theoretical framework for the studies conducted in the context of organizational theory (OT), transaction cost theory (TCT), as well as the resource-based view approach (RVB). Chapters 3, 4 and 5 then present the studies that were performed and form the core of the thesis.

Therefore, Chapter 3 sheds light on the selection of KAs as a politically influenced process through an exploratory qualitative study. It examines how organizational politics and power dynamics influence the identification and selection of strategic customers, challenging the notion that key customer selection is a purely economic or technical decision. The study draws on 73 semi-structured interviews with KA managers and other comparable professional positions. Interview insights show that the selection of KAs is determined by a mixture of a) present/ absent formal procedures, b) hierarchical decision-making, c) internal power struggles and d) alignment with corporate strategy. Thus, the identification and selection of KAs goes beyond financial criteria and exists as a strategic and politically charged process within organizations. The study concludes with a discussion of the implications for customer portfolio management and organizational KAM implementation, emphasizing the importance of recognizing and managing political influences to optimize the outcomes of KAM.

Chapter 4 presents the study that examines the impact of KAM formalization on KAM effectiveness using fuzzy-set qualitative comparative analysis (fsQCA) to resolve conflicting research findings on the impact of formalization on companies' KAM effectiveness. It examines how formal and informal KAM elements interact to achieve favorable performance outcomes. Analyzing survey data from 221 KA managers, the study identifies eight distinct configurations that lead to high KAM effectiveness. Hence, a key finding is that no single KA formalization approach is universally superior. Instead, prioritization strategy proves to be a

fundamental enabler of KAM success, being present in all effective configurations. While some configurations show that a highly formalized KAM approach, a structured KA selection process, and a strong team coordination increase KAM effectiveness, others show that less formalized approaches that rely on adaptability, informal collaboration, and organizational politics can be equally effective. The presence of esprit de corps in KAM teams further strengthens performance in many configurations. The study shows that effectiveness in KAM is not about strict formalization or complete flexibility, but about the appropriate combination of both. Companies need to adapt formal structures, team dynamics, and prioritization strategies to their specific context to ensure adaptability while maintaining strategic focus.

Chapter 5 presents a serial mediation analysis that examines whether KAM approach formalization improves KAM effectiveness by increasing the likelihood of equally formalized KA selection processes in organizations, which in turn promote the integration of customer knowledge into the selection process and the sharing of customer knowledge among KA managers. Based on survey data from 207 KA managers, the study concludes that the formalization of the KAM approach alone does not increase KAM effectiveness. Instead, its impact is fully mediated by a structured KA selection process that systematically integrates KA managers' knowledge and strengthens their willingness to share insights. The results show that only in combination with a formalized KA selection the formalization of KAM leads to higher effectiveness. Furthermore, the study concludes that the likelihood of the existence of equally formalized KA selection in organizations depends on the organizational integration of KAM, with dedicated KAM units most likely to extend general KAM formalisms with a formalized selection process, which then allows the further benefits in terms of leveraging customer knowledge. The study concludes that a formalized KAM approach only increases effectiveness if a structured KA selection process that leverages the customer knowledge of KA managers and promotes internal knowledge sharing accompanies it.

Ultimately, Chapter 6 integrates the findings from all three studies, highlighting their theoretical contributions and practical implications. It also critically evaluates the dissertation's limitations and outlines potential avenues for future research, offering a comprehensive analysis of the research domain.

2 Theoretical overview

2.1 KAM literature and research streams

A review of the historical research streams in KAM reveals a remarkable evolution in the focus of KAM from its early sales-focused origins to its current role as a strategic and organizationally integrated function. This progress has been highlighted repeatedly in a wide range of literature analyses (e.g., Guesalaga et al., 2018; Guesalaga & Johnston, 2010; Homburg, Workman, & Jensen, 2002; Kumar, Sharma, & Salo, 2019; Sandesh, Sreejesh, & Paul, 2023; Weilbaker & Weeks, 1997).

The early stages of KAM research are characterized by a rather simple transactional sales focus prioritizing the goal to optimize sales outcomes of key customers offering discounts, incentives or volume deals (Narus & Anderson, 1986; Pardo, Salle, & Spencer, 1995; Shapiro & Moriarty, 1980 & 1982). The transactional approach argues that KAM primarily serves as a sales function aimed at generating more value from the firm's most important customers (Millman & Wilson, 1995; Stevenson, 1981). Hence, KAM in this period was not yet perceived as a strategic tool but as impactful for increasing sales volume, maintaining high-value customers and maximizing the short-term financial returns from these relationships. In line with this, KAM literature focused the ways on how to achieve greater profitability from the most valuable customers of a firm, ranging from discounts for larger purchases, other special terms or deals to incentive programs or volume-based pricing strategies (Cardozo, Shipp, & Roering, 1987; Stevenson, 1981; Stevenson & Page, 1979; Vredenburg & Droge, 1987). Furthermore,

first guidelines for organizations on whether the implementation of a national account management program would be adequate in the context of individual circumstances were focused (Barrett, 1986; Stevenson & Page, 1979). In line with this, aspects such as industry concentration, relative seller-size, relative buyer-size and market concentration were discussed as central pillars for deciding on the implementation of a national account management program (Stevenson & Page, 1979).

However, with a matured KAM concept that was increasingly adopted by organizations, the value of long-term relationships with customers in contrast to only one-time sales came more and more to the center of attention (Millman & Wilson, 1995; Storbacka, Polsa, & Sääksjärvi, 2011). Hence, this reconsideration of KA relationships denoted an explicit shift from a transactional to a relational focus in the management of KAs, which marks the transition to a relationship-based marketing approach in KAM literature (Gounaris & Tzempelikos, 2014; Guenzi, Pardo, & Georges, 2007). Therefore, KAM became a strategic lever for organizations to achieve customer retention and loyalty, which were highlighted as essential to business success (Boles, Johnston, & Gardner, 1999; Morgan & Hunt, 1994; Pardo, Salle, & Spencer, 1995; Wotruba, 1996).

Accordingly, KAM literature increasingly discussed strategic elements of the organization as well as of the relationship with most important customers. In this regard, a relationship-oriented strategy focuses on building partnerships, co-creation of value and organizational alignment, which serve as foundations for successful KAM programs in organizations (Guesalaga et al., 2018; Pilon & Hadjielias, 2017). As an essential prerequisite for reducing uncertainty as well as for fostering cooperation, the relationship factor of trust was focused. A trustful relationship enables both parties to share information more easily, which in turn supports both sides to respond to market dynamics more effectively and to work toward common goals (Gounaris & Tzempelikos, 2014). With a high level of trust, commitment, as an

indicator of mutual strategic alignment, increases and reflects the willingness of both parties to invest in the relationship and to work toward shared and long-term goals. High commitment levels also signal the depth of the relationship and align the KA's and supplier's strategic priorities. Thus, commitment reinforces cooperation, as the shared trust and satisfaction make collaborative efforts less conflict-prone and more productive, driving mutual value creation (Capon, 2002; Ryals & Davies, 2013). Consequently, those intertwined relational facets – trust, satisfaction, commitment, and cooperation – increase relationship quality that supports sustainable client retention, proactive issue management, and aligned growth strategies (Ivens & Pardo, 2007).

Relationship-based KAM encourages the involvement of supplier and customer in terms of a mutual value creation, so that the co-creation of solutions creates benefits for both parties involved. A collaborative approach denotes a shift from simply delivering products or services to actively involving customers in the development process, enabling firms to achieve tailored solutions, which in turn enhances customer satisfaction and loyalty (Gosselin & Heene, 2003). In this regard, partnerships are highlighted as dynamic, two-way interactions that span organizational boundaries (Guenzi & Storbacka, 2015; Piercy, 2009). Therefore, inter-organizational KAM practices, such as inter-organizational alignment, joint strategy formulation, and shared resource allocation are of central interest (Leischnig et al., 2018). Relational investments, enhance organizations' competitive edge by building loyalty and reducing customer churn rates because switching costs become high due to the strong relational ties and integrated business solutions provided (Venkatesan, Kumar, & Reinartz, 2022).

To meet the specific and often complex requirements of high-value customers, a company must ensure that its internal structures and resources are well-aligned to support a dedicated KAM approach. To achieve intra-organizational alignment and cross-functional integration, internal restructuring is needed to effectively manage strategic partnerships with KAs

(Gounaris & Tzempelikos, 2014; Woodburn & McDonald, 2012). One core element lies in forming specialized KAM teams within the organization that are staffed by actors whose role is focused on the management and the deepening of KA relationships. Such KAM teams require not only sales skills, but also a strategic understanding of the customer's business to provide insights and value beyond the immediate product or service offerings (Tzempelikos & Gounaris, 2015). Dealing with complex customer requirements, effective KAM often necessitates collaboration across various departments, such as marketing, operations, or R&D to meet the needs of KAs comprehensively. Therefore, pathways for cross-functional interaction must be created, so that KAM teams can readily access resources and expertise required from different areas of the organization (Herhausen et al., 2022; Homburg, Workman, & Jensen, 2002).

Besides KAM teams, KA managers play a pivotal role in implementing such relationship-based KAM strategy, as they take on the role of a boundary-spanner. They act as an intermediary or "bridge" between the KA and their own organization involving the management of internal as well as external dynamics to align the company's resources and capabilities with the customer's specific needs (Guenzi, Pardo, & Georges, 2007; Homburg, Workman, & Jensen, 2002; Sun, Marcos Cuevas, & Prior, 2022). Accordingly, KA managers represent customers' needs within their own organization and advocate for resources, customized solutions and support that align with the customer's objectives. Simultaneously, KA managers represent their organization to the customer by presenting solutions, communicating company capabilities and reinforcing the company's value proposition (Millman & Wilson, 1999). Thus, this dual representation builds a trustful relationship, as KAs see the KA manager as a reliable contact, who understands their requirements and is committed to meeting them (Reinartz, Krafft, & Hoyer, 2004). To ensure an alignment of the organization with customer needs, KA managers often work with various departments, breaking down silos within the organization and facilitating an effective communication across various teams. In their boundary-spanning

role, KA managers focus on long-term relationship building rather than transactional sales by positioning their organization as a valid partner that supports the customer's business goals over time. This long-term relationship focus allows KA managers to identify opportunities for value co-creation, often leading to innovative solutions tailored to the customer (Pardo, Ivens, & Niersbach, 2020; Peters, Ivens, & Pardo, 2020; Piercy, 2009).

As KA managers are in constant, often close and unique contact with key customers, they are well-positioned to gather market or customer intelligence in terms of information on emerging trends, competitive moves or customer business/ market developments. In this strategically valuable function, KA managers collect critical insights that can support adjustments in organizational strategy, innovation and customer value evaluation that goes beyond immediate revenue (Guesalaga et al., 2018; Pardo, Ivens, & Wilson, 2013; Ryals & Davies, 2013; Said et al., 2015). Therefore, one of KA managers' most strategically valuable functions lies in the gathering of information, which is of central interest for strategy alignment and portfolio optimization of organizations as a fundamental lever for competitive advantage (Storbacka, 2012). Drawing from network theory, research on KAM also highlighted the broader networks of business relationships KAs were embedded in. Thus, KAM was explored not just as a dyadic relationship between buyer and seller, but as part of a larger network containing suppliers, competitors, distributors and other complementary partners. Hence, this stream of research focused on how to manage such complex inter-organizational relationships within such networks. In this regard, even whole KAM teams act as boundary-spanners, managing not only the direct relationship with KAs but also the relationships between firms and the broader network of stakeholders that affect the KA (Dekker et al., 2019; Pardo, Salle, & Spencer, 1995; Piercy, 2009; Yeniaras & Gölgeci, 2023).

In accordance to this, the alignment with organizational strategy became central to KAM as a valuable support to achieve long-term goals (Guenzi & Storbacka, 2015; Tzempelikos &

Gounaris, 2013). In line with this, KAs are selected and managed in a way that ensures their meaningful contribution to an organization's long-term objectives, such as market positioning, reputation or sustainability. Consequently, only those customers are to be selected as KAs, which exhibit the ability to enable the organization to reach central strategic goals (Ojasalo, 2001; Piercy, 2006). Thus, the selection of KAs is performed on predefined selection criteria that go beyond revenue potentials, such as the strategic fit of accounts (Bradford et al., 2012; Richards & Jones, 2009).

This strategic prioritization is intertwined with organizations' resource allocation as the commitment of resources – e.g., human, technological or financial – to the accounts with the highest strategic value is highlighted. In this regard, dedicated account managers, specialized product teams or customized service plans ensure the maximization of mutual success potentials (Guesalaga & Johnston, 2010; Marcos et al., 2018). Furthermore, a strategic resource allocation considers the potential of each account, thus resources are not only distributed on basis of current revenues, but also on accounts' prospective potential. This forward-looking approach ensures resources are invested in high-potential accounts, fostering partnerships that drive sustainable growth and competitive advantage over time (Piercy & Lane, 2009; Tikkanen, Kujala, & Arto, 2007; Vafeas & Hughes, 2020).

However, following a portfolio logic, the allocation of resources should be flexible to ensure that a company's customer portfolio aligns with its strategic objectives and risk tolerance. In the context of KAM, optimizing the portfolio means prioritizing KAs based on their strategic importance, growth potential and risk profile, and adjusting resources accordingly (Cheverton, 2015; Terho, 2009; Woodburn & Wilson, 2014).

In this regard, another research stream in KAM emphasizes the importance of performance metrics for KAM programs, addressing how companies should measure success beyond simple sales figures. The assumption made is that metrics can serve as an indicator of

the strategic alignment of the relationship and that by tracking of such metrics companies can ensure that KAs contribute to long-term organizational objectives making information-driven adjustments (Al-Husan & Brennan, 2009; Storbacka, 2012; Wengler, Ehret, & Saab, 2006). From an organizational perspective, key performance indicators (KPIs) serve as flexible tool that allows organizations to dynamically allocate resources and capabilities by increasing investments in high-performing accounts or adjusting strategies for accounts that underperform against these KPIs (Zolkiewski et al., 2017). From a customer perspective, customer-centric metrics such as customer satisfaction indicators support KAM in managing customer expectations effectively, which in turn supports the retention of strategically most important customers. By measuring customer-centric metrics, such as satisfaction, trust or communication quality, organizations can identify early warning signs of potential dissatisfaction and thus enabling proactive relationship management before the achievement of strategic goals suffers (Marcos et al., 2018; Pilon & Hadjielias, 2017; Senn, Thoma, & Yip, 2013). In this regard, the need for a holistic evaluation based on quantitative (e.g., revenue or profit margin) but also qualitative metrics (e.g., relationship quality or customer feedback) is essential to accurately assess KAM success. This balanced evaluation leads to informed decision-making, proactive problem-solving and sustained customer loyalty, which are essential components of long-term KAM effectiveness (Homburg, Wilczek, & Hahn, 2014; Payne & Frow, 2005; Sullivan, Peterson, & Krishnan, 2012; Tzempelikos & Gounaris, 2013).

Global business expansion and the growing complexity in managing long-term relationships with KAs in terms of internal and external orchestration, led to an increasing need for formalization in processes and roles (Herhausen et al., 2022; Homburg, Workman, & Jensen, 2002; Leischnig et al., 2018). One facet of formalization was discussed with regard to the role of KA managers that differs from regular sales roles, as KA managers are responsible for aligning the organization's resources and capabilities with specific customer needs (Davies & Ryals, 2014; Guenzi & Storbacka, 2015; Pardo, Ivens, & Niersbach, 2020). Hence, role

clarity in their distinct responsibilities, such as strategic planning, relationship management and cross-departmental coordination are central in the discussion (Gounaris & Tzempelikos, 2014; Marcos-Cuevas et al., 2014). Besides a formalized role of KA managers, also the role of support teams is to be structured. Especially as members of KAM teams often are from other departments like marketing, customer service or product development, clearly defined roles are fundamental for an effective and efficient account management (Homburg, Workman, & Jensen, 2002; Storbacka et al., 2009).

In this context, standardized processes and structured communication are highlighted as essential for delivering consistent, high-quality service to KAs ensuring that every customer interaction is purposeful and aligned with the organizational standards for customer engagement and strategic goals. A formalized communication process with structured touchpoints allows KAs to expect regular updates and interactions with KA managers and reinforces a proactive approach to relationship management (Friend & Johnson, 2014; Homburg, Workman, & Jensen, 2002; Ivens & Pardo, 2007). Formalized communication processes furthermore include regular opportunities for client feedback, enabling KA managers to evaluate customer satisfaction and to address any emerging issues early. Feedback loops allow the KAM team to continuously improve its service delivery, adapt processes as needed, and stay aligned with evolving client expectations (Marcos-Cuevas et al., 2014). Nevertheless, current research on KAM formalization emphasizes the need for balance between formalized KAM structures and flexibility to ensure customization in management, as extensive formalization might hinder innovation and responsiveness in high-value accounts. Therefore, flexible formalization is highlighted expressing, that structured roles and processes provide a foundation, but KA managers retain the ability to adjust approaches based on individual account dynamics (Gounaris & Tzempelikos, 2014; Ivens, 2005; Storbacka & Nenonen, 2009).

Besides a formalization of roles and processes, globalization led to cultural sensitivity in

KAM research (Kadam, Niersbach, & Ivens, 2023; Lautenschlager et al., 2024). Emphasizing the complexities and unique challenges that arise when managing KAs across borders, KAM operations and strategies must adapt to the diverse cultural, regulatory, and market environments encountered in different regions. Therefore, a nuanced approach with regard to cross-cultural communication, decision-making processes, negotiation tactics and relationship-building approaches is essential to foster trustful long-term partnerships and to manage international KAs effectively (Ellis & Iwasaki, 2018; Zupancic & Müllner, 2008). For KAM professionals it is central to develop cultural awareness and adaptability including training in cross-cultural communication, local business customs or in adjusting the company's engagement style to align with the customer's cultural expectations (Bush et al., 2001; Magnusson et al., 2013; Wang et al., 2014). Consequently, culturally sensitive KAM practices improve customer satisfaction, strengthen relationships and reduce the risk of misunderstandings, which contributes to relationship longevity and resilience (Sinkovics, Kim, & Lew, 2015).

In line with growing complexity due to globalization as well as professionalization of KAM, the management of knowledge of customers, markets and trends became central to fostering innovation and maintaining alignment with customer needs (Guesalaga et al., 2018; Lautenschlager & Tzempelikos, 2021; McDonald, Rogers, & Woodburn, 2000). Thus, knowledge management in KAM refers to the processes and tools used to capture, store, share, and apply knowledge obtained from KAs and represents a crucial business factor for KAM (Lautenschlager & Tzempelikos, 2021; Salojärvi, Sainio, & Tarkiainen, 2010). Therefore, knowledge management in KAM ensures that insights from account interactions are systematically used across the organization, which enhances customer understanding, the development of tailored solutions or services for KAs and reduces knowledge silos within the organization improving collaboration and efficiency (Workman, Homburg, & Jensen, 2003). In this regard, the term of absorptive capacity increasingly was highlighted by KAM research (e.g.,

Hakanen, 2014; Salojärvi & Saarenketo, 2013; Zupancic & Müllner, 2008). Absorptive capacity, that is, “how knowledge is acquired, assimilated, and applied in the co-creation of integrated solutions” (Hakanen, 2014, p. 1195). So gained insights from KAs should be integrated into the organization’s strategies and processes (Jansen, van Den Bosch, & Volberda, 2005; Tzokas et al., 2015). The acquisition or the gathering of knowledge from KAs happens through regular interactions or co-development projects. The assimilation of such knowledge is reflected by processing and integrating the acquired knowledge into internal workflows and decision-making processes often involving the translation of customer-specific insights into actionable strategies. Finally, the use of the assimilated knowledge with regard to the enhancement of product offerings or improved processes that align with customer needs depicts the application stage (Hakanen, 2014; Payne, Storbacka, & Frow, 2008). Overall, by embedding knowledge management and absorptive capacity into KAM practices, organizations reinforce a customer-centric culture that emphasizes responsiveness and adaptability. Consequently, such organizations position themselves as innovative and reliable partners capable of delivering tailored solutions and maintaining long-term relationships. Furthermore, knowledge gained from KAs helps to align KAM activities with strategic organizational goals, ensuring that the organization’s resources and capabilities are optimally invested to meet customer needs (Guesalaga et al., 2018; Tzempelikos & Gounaris, 2015).

In recent KAM literature, the growing complexity of managing KAs, driven by increasingly sophisticated client demands and dynamic market conditions, highlights the critical role of digital solutions. For this reason, advanced tools such as customer relationship management (CRM) systems, data analytics platforms, and AI-driven technologies became essential for enhancing absorptive capacity, enabling organizations to efficiently capture, assimilate, and apply knowledge to meet evolving client needs and foster innovation (Guesalaga, 2016; Herhausen et al., 2020; Payne & Frow, 2005; Rustholkarhu et al., 2022). Since the late 1990s and early 2000s, especially CRM systems became central in the discourse

toward the strategic role of centralizing customer data, enabling insights into client needs, supporting the personalization of products and services in KAM (e.g., Homburg, Workman, & Jensen, 2002; Payne & Frow, 2004; Reinartz, Krafft, & Hoyer, 2004). CRM systems, that are, central repositories for storing client-related data, including purchase history, preferences, feedback, and interaction records. Thus providing a unified platform for KAM teams to access client information, enabling informed decision-making and customized offerings (Swift, 2001).

Besides the discussion about which digital tools to use, knowledge-sharing mechanisms in KAM literature also deal with levers to promote collaboration within an organization. Thus, collaborative platforms that enable real-time communication, such as cross-departmental meetings that involve representatives from various departments ensure an alignment on KA strategies and facilitate knowledge sharing (Homburg, Workman, & Jensen, 2002; Marcos-Cuevas et al., 2014; Ryals & Humphries, 2007). Furthermore, standardization in knowledge management within KAM ensures consistent processes for capturing, sharing, and applying client insights, enabling organizations to efficiently manage multiple accounts while maintaining high-quality service and fostering collaboration across teams (Guesalaga et al., 2018; Ivens et al., 2018; Pardo et al., 2006).

In the 2020s, KAM research has evolved to address contemporary challenges and opportunities by focusing on sustainability, advanced analytics or ecosystem approaches. Integrating sustainability into KAM strategies reflects the growing importance of environmental, social, and governance (ESG) considerations in business relationships. In this context, KAM research elaborates the strategic alignment with sustainability goals of KAs building stronger and value-driven partnerships and discusses sustainability as a competitive differentiator enabling organizations to co-create sustainable solutions with their KAs (e.g., Brown et al., 2024; Kapitan, et al., 2022; Martin-de Castro, 2021; Zhang, Wang, & Gupta, 2023). The proliferation of data from CRM systems, IoT devices or other digital tools and the

need for predictive insights to anticipate client needs and to identify opportunities led to research on advanced analytics in KAM with a focus on leveraging data and analytics to enhance decision-making and optimize KA strategies (Hallikainen, Savimäki, & Laukkanen, 2020; Zhang, et al., 2020). In this context advanced analytics tools, such as AI and machine learning, are studied for their ability to uncover patterns in KAs' behavior and predict account growth. Thus, data-driven insights are highlighted as critical for customizing offerings, managing risks, and identifying cross-selling opportunities (Akter et al., 2021). Moreover, increasing complexity in business environments requires interconnected partnerships shifting value co-creation across entire ecosystems rather than individual partnerships. The emphasis on ecosystem alignment addresses shared challenges, such as innovation or market entry and studies investigate how KAM teams can act as orchestrators within ecosystems, facilitating collaboration among suppliers, partners, and clients (Ranjan, Friend, & Malshe, 2024; Wiczerzycki et al., 2024).

Systematic literature analyses & identified research gaps

Especially since KAM has been intensively researched for decades, a comprehensive and multifaceted body of literature has developed. For this reason, several more recent systematic literature analyses identify, evaluate, and synthesize existing research on KAM and provide a comprehensive understanding of research foci, gaps, as well as of emerging themes and trends. In this regard, the work of Guesalaga et al. (2018), Kumar, Sharma, and Salo (2019) and Sandesh, Sreejesh, and Paul (2023) established structured frameworks for evaluating the quality and relevance of studies ensuring transparency that serves as a guide to future research by highlighting unsolved questions and proposing directions for advancing the field of research.

The paper “Which resources and capabilities underpin strategic key account management?” by Guesalaga et al. (2018) adopts a resource-based theoretical perspective to analyze KAM literature. Focussing on how tangible and intangible resources, along with

operational and strategic capabilities, contribute to effective KAM practices and sustainable competitive advantage. The authors emphasize strategic KAM as the establishment and maintenance of long-term, value-driven relationships with KAs, structured through resource-based and dynamic capabilities perspectives. Key topics discussed include the categorization of KAM resources and capabilities. Tangible resources such as account managers, cross-functional teams, and technology are highlighted, alongside intangible resources like customer knowledge, topmanagement support, and relationship quality. Operational capabilities, such as account selection, trust building, and process coordination, are presented as foundational, while dynamic capabilities, including market sensing, opportunity creation, and adaptation to change, are emphasized as crucial for addressing turbulent market environments. The paper also outlines shifts in KAM research from transactional approaches to relationship-oriented strategies, emphasizing the need for inter- and intra-organizational alignment.

Several research gaps are identified: a) KAM literature lacks a strong theoretical foundation, with resource-based theory (RBT) and dynamic capabilities perspectives underutilized in understanding the mechanisms of KAM success, b) insufficient research has been conducted on how dynamic capabilities, such as market sensing, opportunity creation, and organizational reconfiguration, are developed, deployed, and maintained in KAM practices, c) there is a gap in understanding how KAM resources and capabilities align between suppliers and KAs to create mutual and sustainable strategic value in dyadic relationships, d) the influence of industry, cultural, and organizational contexts on the effectiveness and development of KAM resources and capabilities remains underexplored, limiting the generalizability of existing findings, and e) there is a need for standardized metrics and tools to evaluate and benchmark KAM performance, particularly with respect to how resources and capabilities contribute to account success. Overall, the paper advocates for integrating both operational efficiency and dynamic adaptability in KAM strategies. By addressing these gaps,

the authors propose a more robust and dynamic understanding of KAM, contributing valuable insights for both academic research and managerial application.

Kumar, Sharma, and Salo (2019) adopt a bibliometric approach to analyze the development and structure of KAM literature between 1979 and 2016. Through document co-citation analysis and content visualization, the study categorizes KAM literature into six key clusters while identifying thematic transitions, integration with related disciplines, and future research directions. The authors emphasize the evolution of KAM from transactional approaches to network-oriented strategies, highlighting its growing complexity and interdisciplinary nature. The six clusters identified in KAM research include KAM alliances, focusing on buyer-seller collaborations and conflict resolution; KAM frameworks, addressing conceptual and theoretical models; KAM value creation, emphasizing knowledge integration and co-creation; KAM structure, exploring organizational processes and resource allocation; global account management (GAM), discussing strategies for international accounts; and KAM performance, which examines drivers and measures of success. The paper also traces thematic transitions, such as the shift from functional restructuring to inter-organizational restructuring, competence-based partnerships to joint capability building, and a growing emphasis on sustainability.

Despite these advances, the study identifies several research gaps: a) there is limited integration of advanced organizational theories in KAM research, b) insufficient exploration of network-oriented and ecosystem approaches, particularly regarding value-sharing mechanisms, c) the role of sustainability in KAM, especially in co-creation and long-term partnerships, remains underexplored, d) GAM strategies and performance measures require further differentiation from KAM, e) the dynamics of dyadic relationships and inter-organizational collaboration need deeper investigation, and e) there is a lack of standardized metrics to evaluate the effectiveness of KAM practices, particularly for intangible outcomes like relational

value. Therefore, the authors call for interdisciplinary approaches and refined frameworks to address these gaps and advance the theoretical and practical understanding of KAM. In conclusion, the paper provides a foundation for future research and highlights the strategic evolution of KAM in complex and dynamic business environments.

The latest paper by Sandesh, Sreejesh, and Paul (2023) systematically reviews KAM literature from 1990 to 2022, categorizing the findings into intra- and inter-organizational practices, mediators, moderators, and outcomes. The study integrates empirical evidence, theoretical frameworks, and conceptual models to offer a comprehensive understanding of KAM strategies, antecedents, and outcomes, highlighting its critical role in B2B relationship marketing. The authors identify key intra-organizational practices such as strategic focus in selecting high-potential customers, organizational realignment for resource optimization, internal alignment for enhanced value co-creation, and the use of CRM technology for customer-specific knowledge sharing. Additionally, the paper discusses inter-organizational practices, emphasizing collaboration between suppliers and customers, operational and strategic alignment, and the importance of relational behaviors like trust to enhance relationship quality. The outcomes of KAM are framed around value co-creation through long-term relationships, improved financial performance, and increased relational quality indicators, such as trust and satisfaction. The paper also examines moderators, such as topmanagement involvement and cultural alignment, and mediators like relationship quality and relational value, which influence the success of KAM practices.

However, several research gaps are highlighted. These include a) the limited application of diverse theoretical paradigms, b) underrepresentation of emerging markets, c) an overreliance on qualitative research methods, and d) an insufficient examination of dyadic perspectives that integrate supplier and customer viewpoints, as well as e) the lack of research on digitalization and innovation in KAM processes, particularly in knowledge management and

relationship-building. In summary, the review provides a detailed framework for understanding KAM practices and outcomes while identifying significant gaps in theory, methodology, and context. The authors call for future research to adopt integrated, multidisciplinary approaches and explore underexamined dimensions of KAM to address its evolving role in dynamic business environments. Table 1 summarizes the approaches and the research gaps identified.

2.2 Organization theory (OT)

This dissertation's theoretical underpinnings are based on the concepts of OT, which provides a useful framework for comprehending the complex structure, operational dynamics, and managerial effectiveness of organizations (Scott, 1998). Specifically, organizational structure can be regarded as the anatomy of an organization and, thus, refers to formalities between roles and activities, the hierarchy of authority, and aspects of horizontal and vertical information dissemination within the organization (Park and Mason, 1990). The fundamental assumption of OT is that organizations are systems that can be rationally designed and controlled through systematic principles aimed at enhancing efficiency, predictability, and control (Chester, 1938; March, Guetzkow, & Simon, 1958; Mintzberg, 1993). In this context, formalization is a central pillar of organizational structure, critically determining the effectiveness of organizational processes by providing standardized procedures and reducing ambiguity in task execution (Pugh et al., 1968). Over time, these central concepts of OT have remained integral to discussions on organizational design and management. However, the contributions of various scholars have also enabled further progress in this field, with each introducing distinct perspectives that have enriched the understanding of organizations.

Theoretical overview

	Guesalaga et al. (2018)	Kumar, Sharma, & Salo (2019)	Sandesh, Sreejesh, & Paul (2023)
Methodology	Systematic review with five steps (planning, searching, selection, extraction, synthesis, reporting)	Bibliometric analysis with document co-citation, text mining, and academic survey	Systematic literature review following PRISMA and PAR-4-SLR protocols
Articles investigated	72 articles, 24 journals, from 2001 to 2015;	373 articles, 68 journals, from 1979 to 2016;	104 articles, 25 journals, from 1990 to 2022;
Identified key dimensions/clusters	1) KAM resources <i>a) tangible</i> <i>b) intangible</i> 2) KAM capabilities <i>a) operational</i> <i>b) dynamic</i>	1) KAM alliance 2) KAM framework 3) KAM value creation 4) KAM structure 5) Global account management (GAM) 6) KAM performance	1) Independent variables <i>a) intra-organizational practices</i> <i>b) inter-organizational practices</i> 2) Mediating variables 3) Moderating variables <i>a) intervening factors</i> <i>b) conditional factors</i> 4) KAM outcomes
Sub-dimensions & topics	<p><i>To 1.a):</i> Individual & team resources (KA managers, KAM teams), structure & processes (organizational structure, training, processes & technology)</p> <p><i>To 1.b):</i> Within the supplier firm (topmanagement support, organizational culture, team spirit), in relation to KAs (customer knowledge, relationship quality)</p> <p><i>To 2.a):</i> Identifying & developing relationships (KA selection, relationship & trust building), creating value (knowledge management, value proposition development, KAM design & process co-ordination, measurement & reward)</p> <p><i>To 2.b):</i> To support KAM planning (market sensing, opportunity creation), to support KAM implementation (continuous improvement, reconfiguration)</p>	<p><i>To 1):</i> Collaboration, conflicts</p> <p><i>To 2):</i> Conceptual biases, theory/perspectives, concepts</p> <p><i>To 3):</i> KAM teams, behavior, competence</p> <p><i>To 4):</i> Capabilities, programs, processes, practices</p> <p><i>To 5):</i> GAM capabilities, GAM team</p> <p><i>To 6):</i> Performance drivers, performance measures</p>	<p><i>To 1.a):</i> Organizational (strategy, structure, alignment, integration, knowledge management, capability, resources, culture), people (KA manager quality, KA manager behavior, esprit de corps)</p> <p><i>To 1.b):</i> Organizational (strategy, structure, alignment, integration), people (customer commitment, relational orientation)</p> <p><i>To 2):</i> KAM usage (relationship building, information exchange, productivity)</p> <p><i>To 3.a):</i> Relationship value, relational outcomes</p> <p><i>To 3.b):</i> Topmanagement involvement</p> <p><i>To 4):</i> KA effectiveness, KA performance</p>
Identified research gaps/avenues for further research	<p>Theoretical gaps: Limited integration of resource-based theory and dynamic capabilities perspectives to explain KAM's role in creating competitive advantage</p> <p>Dynamic capabilities: Insufficient research on how</p>	<p>Theoretical integration: Limited use of advanced organizational theories like network theory and resource-based theory to explain KAM complexities</p> <p>Network-based orientation: Insufficient exploration of networks and ecosystems in</p>	<p>Theoretical gaps: Lack of synthesized theoretical perspectives and limited application of innovative paradigms to deepen KAM knowledge</p> <p>Contextual gaps: Overemphasis on developed economies, limited focus on</p>

<p>dynamic capabilities like market sensing, opportunity creation, and reconfiguration are developed and leveraged in KAM</p> <p>Dyadic relationships: Lack of focus on supplier-customer interdependence and the evolution of mutually beneficial relationships in KAM</p> <p>Resource-capability linkages: Limited understanding of how specific resources and capabilities interact and contribute to KAM success</p> <p>Contextual variations: Minimal exploration of how industry, cultural, and organizational contexts affect KAM practices and effectiveness</p> <p>Performance measurement: Absence of standardized metrics to evaluate the success of KAM strategies and resource utilization</p> <p>Operational and strategic differentiation: Insufficient investigation into balancing operational and dynamic capabilities for sustainable KAM outcomes</p>	<p>KAM, including value-sharing and co-creation mechanisms</p> <p>Sustainability in KAM: Emerging focus on sustainability lacks depth in terms of integration into KAM strategies and its long-term impact</p> <p>Digitalization and technology: Limited research on the role of digital tools, such as CRM systems, in enhancing KAM processes and relationships</p> <p>Global Account Management (GAM): Lack of differentiation and detailed study of GAM as a distinct extension of KAM</p> <p>Measurement and metrics: Absence of standardized metrics to evaluate KAM performance, especially in dyadic and network contexts</p> <p>Emerging market contexts: Insufficient focus on KAM practices in emerging economies, with an overemphasis on developed markets</p> <p>Inter-organizational dynamics: Need for deeper research into supplier-customer collaborations and structural alignment for value co-creation</p>	<p>emerging markets, diverse industries, and supplier-customer dyadic perspectives</p> <p>Characteristic gaps: Insufficient exploration of interrelated KAM practices and how intra- and inter-organizational factors collectively impact outcomes</p> <p>Methodological gaps: Heavy reliance on qualitative methods, lack of quantitative and mixed-method approaches, and minimal focus on digital tools supporting KAM processes</p>
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Table 1. Overview of recent systematic KAM literature reviews.

Historically, the focus of OT was on optimizing efficiency and formalizing structures in organizations (Taylor, 1911; Weber, 1922). For instance, Taylor’s scientific management was pivotal in advocating for the standardization of work processes to boost productivity. Additionally, Taylor emphasized the role of systematic observation and measurement in achieving this goal. However, this scientific management approach has been critiqued for its overly mechanical view of workers, which overlooks their autonomy and experience (Wren, 2005). On a broader scale, Weber’s “theory of bureaucracy” offered a comprehensive framework that, similar to Taylor’s approach, emphasized efficiency but within a rigid,

hierarchical structure. In particular, Weber argued that bureaucracy represented the most rational and efficient organizational form, as it is characterized by clearly defined rules, a strict division of labor, and a formal hierarchy (Weber, 1947). While Taylor's focus was on micro-level task optimization, Weber's interest lay in the macro-level structuring of organizations, with a focus on the importance of standardized procedures in ensuring predictability and control (Bendix, 1956). Taken together, these foundational theories, which both highlight the significance of task management and organization structure, laid the groundwork for early organizational thought.

However, the field of OT has also witnessed a shift toward understanding the social and psychological needs of workers, a transition catalyzed by the human relations movement. For example, this change was notably influenced by the Hawthorne Studies, which highlighted the impact of social factors, such as managerial attention, on worker productivity (Lewin, Lippitt, & White, 1939; Mayo, 1933). This shift in focus represented a departure from the earlier emphasis in OT on efficiency and structure, instead highlighting the importance of human behavior in organizational settings. Furthermore, the focus on human relations emphasized the role of leadership and communication in fostering a productive work environment, enabling the recognition of the significance of informal organizations and the executive's role in promoting cooperation and effective communication (Barnard, 1938). Relatedly, the concept of bounded rationality added a layer of complexity to decision-making within organizations by suggesting that individuals operate under constraints related to limited information availability, cognitive limitations, and time pressures rather than using perfect rationality, as posited by classical economic theories (Cyert & March, 1963; March, Guetzkow, & Simon, 1958; Simon, 1947).

The increasing acknowledgment that there is no single best way to structure or manage organizations led to the development of contingency theory. In particular, this theory posits that the effectiveness of organizational structures or management practices is contingent upon

various external factors, such as the environment, technology, and organizational size (Burns & Stalker, 1961). From this perspective, organizations must adapt their structures to align with the specific contingencies they face. For example, their individual environment can be characterized based on its variability, complexity, and illiberality. Firstly, variability, which refers to the frequency of environmental changes and the degree of change involved, indicates whether an organization's environment is rather stable or dynamic. Secondly, complexity indicates whether an environment is composed of numerous and very dissimilar influences. Finally, the term "illiberality" refers to the fact that organizations can experience threats from their environment, such as strong competition, which may jeopardize the achievement of their goals (Child, 1972; Duncan, 1972).

In line with contingency theory, mechanistic organizational structures and management may be beneficial in stable environments, while more organic, flexible structures may be required in dynamic environments (Lawrence & Lorsch, 1967). Consequently, finding the most appropriate fit between the organizational structure and the organization's environment is key to its success (Galbraith, 1973). In summary, contingency theory represents a development of earlier forms of OT, as it highlights that both efficiency and human behavior must be considered in optimizing organizations and that their appropriate balance depends on the specific external context in which an organization operates (Donaldson, 2001).

Nevertheless, contingency theory was discussed as limited with regard to a restricted range of viable organizational structures (Meyer, Tsui, & Hinings, 1993). Accordingly, another significant shift in OT was marked by the development of systems theory, which was influenced by the work of Ludwig von Bertalanffy, who developed the fundamentals of the theory, and applied to organizations by Daniel Katz and Robert Kahn. Specifically, systems theory emphasizes the interdependence of various organizational components and their environment, with organizations viewed as complex and open systems that interact with their environments

and that must constantly adapt to survive (von Bertalanffy 1950 & 1972; Katz & Kahn, 1966).

This perspective contrasts with the more static views of earlier theories, which focused on internal structures and processes without fully considering the dynamic interactions between organizations and their environment (Thompson, 1967). Systems theory also brought attention to the concept of feedback loops, where the output of one part of the system influences the input of another, creating a continuous cycle of adaptation and change (Scott, 1981). Through the development of this idea, systems theory has contributed to the understanding of organizational learning and change, with concepts such as the learning organization emphasizing the importance of continuous adaptation and knowledge management (Argyris & Schön, 1978).

Moreover, the need for the alignment of organizational structures with the surrounding environment has been further highlighted by the resource dependence theory (RDT). Fundamentally, the RDT claims that organizations are obliged to align with their environment because they depend on external resources that are controlled by other organizations or entities in that environment, as no organization is entirely self-sufficient (Pfeffer, 1987; Pfeffer & Salancik, 1978; van de Ven & Walker, 1984). Thus, organizations often rely on external and scarce resources, such as capital, materials, or information, which are controlled by other organizations or stakeholders (Aldrich & Whetten, 1981). This issue obliges organizations to “enter into transactions and relations with elements in the environment that can supply the required resources and services” (Aldrich & Pfeffer, 1976, p. 83). Based on this issue, with regard to the management of organizations, approaches were developed to reduce their dependence on the environment. Specifically, the five options or strategies proposed for reducing this dependence include a) developing mergers or vertical integration, b) entering joint ventures or other inter-organizational relationships, c) evolving boards of directors, d) performing political action, and e) selecting executive succession (Hillman, Withers, & Collins, 2009; Pfeffer & Salancik, 1978).

Following the RDT, a more recent theoretical school of thought is represented by cultural theories of organizations, which, in contrast to previous streams, provide a lens for understanding how external dependencies are interpreted, internally implemented, and acted upon within the organization's cultural context (Schein, 2010). Indeed, implementing the aspect of culture in OT provides an internal and an external perspective through which organizations can make sense of their environment (Smircich, 1983). In this context, Weick (1995) emphasized the concept of "sensemaking", which represents a fundamental process that is deeply embedded in organizational culture, as shared meanings and interpretations of the environment guide organizational actions and decisions (Weick, 1995). Overall, cultural theory highlights the dynamic interplay between organizational culture and external influences and emphasizes the role of power in shaping how such influences are perceived and responded to within the organization (Pettigrew, 1973; Smircich & Morgan, 1982).

Transfer of OT on KAM

OT in its original sense highlights the importance of formalized organizational structures to ensure consistency and reduce ambiguity thus supporting the achievement of strategic objectives of the organization (Barnard, 1938; Weber, 1922). In line with this rationalist perspective on organizations, a formalization of KAM approaches as well as a formalized KA selection process ensures the strategic alignment of organizational structure and its resources and capabilities with the overarching goals of corporate KAM (Herhausen et al., 2022; Homburg, Workman, & Jensen, 2002). Therefore, as stressed by Weber's theory of bureaucracy, the formalization of KAM assures structured processes that create efficiency and effectiveness in customer interactions and reduce the risk of misallocation of resources (Weber, 1922). In this regard, formalization in KAM is analogous to how OT prescribes the formal structuring of roles, procedures, and hierarchical divisions to optimize operational effectiveness (Pugh et al., 1968; Scott, 1981).

However, the level of formalization of KAM approaches and formalization of KA selection processes requires a certain degree of adaptability to ensure effectiveness and efficiency of KAM (Herhausen et al., 2022; Lai & Yang, 2017; Marcos-Cuevas et al., 2014). Contingency theory accordingly emphasizes that organizational structures and management approaches have to be aligned with the various external and internal factors, such as environmental aspects, company size, or strategic goals in order to be effective (Donaldson, 2001; Galbraith, 1973). Hence, different degrees of KAM approach and selection formalization might be effective for an organization as their internal and external contingencies vary (Guesalaga et al., 2018; Pardo, Ivens, & Wilson, 2014). Whilst focusing ways of how organizations adapt their structures, processes and management approaches to its individual contingencies, systems theory emphasizes the interactions and relationships among different parts of the organization (internal subsystems) as well as the organization and its external environment (Kast & Rosenzweig, 1972). In this regard, internal processes and feedback loops allow organizations to maintain an equilibrium and adapt to environmental changes by continuously interacting with their environments and not just adapting to them when needed (Stacey, 1995). Accordingly, organizational KAM, whether it is a distinct department or another part of sales, represents such an internal subsystem of organizations. Furthermore it is interdependent with other subsystems composed of KA managers, KAM teams, topmanagement as well as the departments of the company continuously aligning with environmental changes, such as increased competition, or changing needs of KAs (Guesalaga et a., 2018; Pardo, Ivens, & Wilson, 2014). In the context of learning organizations, the subsystem of the KA relationship plays a central role, as KA managers act as boundary spanners between internal and external subsystems by gathering and sharing customer knowledge, which is crucial for KAM effectiveness (Hald, 2012; Pardo, Ivens, & Wilson, 2014).

In this context of organizations' adaptability, high levels of formalization in KAM approach as well as KA selection might limit the space of possibilities for adaptations to such

an extent that subsystems, such as KA managers, might try to influence and change highly formalized subsystems applying organizational politics (Pardo, Ivens, & Wilson, 2013). Power dynamics as well as political behavior among different stakeholders in KAM also resonates with the concepts of resource dependence theory (RDT). As organizations are influenced by external dependencies on resources controlled by other entities, such as KAs, the competition for control over these critical resources and the political maneuvering within the organization to manage KAs reflect RDT's emphasis on how organizations navigate external pressures and internal politics to reduce resource dependency (Pardo, Ivens, & Wilson, 2013; Pfeffer & Salancik, 1978).

2.3 Resource-based view (RBV)

Primarily as a response to limitations of the industrial organizations perspective on strategic management, focusing organizations' environmental market factors and their impact on performance, the theoretical perspective of resource-based view (RBV) developed (Barney, 1991; Conner, 1991). Thus, as a complementary approach, RBV shifts the focus to the internal strengths of organizations, which offers a more comprehensive view of how firms achieve and maintain competitive advantage (Mahoney, & Pandian, 1992). A fundamental assumption is the resource heterogeneity of organizations, which implies that organizations vary in the types of resources they hold and thus determines different levels of success and performance (Barney, 1991). Therefore, the competitive edge of organizations arises from the distinct and varied combinations of resources and capabilities that are not easily replicated by competitors (Peteraf, 1993; Wernerfelt, 1984).

In line with this, a company thus is determined as a "bundle of resources and capabilities" that has to be managed strategically to achieve sustainable competitive advantage by developing and deploying the strategic assets of the firm (Amit & Schoemaker, 1993, p. 39). Therefore, in literature, the terms "resources" and "capabilities" usually are distinguished. A firm's resources

can be described as the available stocks of factors that are either owned or controlled by the firm, such as tradable expertise (e.g., patents and licenses), financial and physical assets (e.g., property, equipment), and human capital (Amit & Schoemaker, 1993; Grant, 1991; Penrose, 1959). In contrast, capabilities denote a firm's ability to utilize its resources, often in combination, through various organizational processes to achieve specific outcomes. These capabilities are firm-specific, information-driven, and can be either tangible or intangible. They evolve over time as a result of complex interactions between the firm's resources, such as managerial or technological capabilities or organizational culture (Amit & Schoemaker, 1993; Barney, 1991).

Consequently, sustainable competitive advantage can be achieved by understanding and leveraging an organization's tangible as well as intangible resources and capabilities (Sirmon & Hitt, 2003; Wernerfelt, 1984). However, especially intangible resources of organizations are considered critical for creating sustainable competitive advantage, as they often possess qualities that tangible resources lack. The key reasons for focusing intangible resources in RBV are the so-called "VRIN" criteria that define the distinctiveness of organizations' capabilities (Barney, 1991). According to this model, a firm's resources should be valuable (V), rare (R), inimitable (I) and non-substitutable (N) in order to create competitive advantage. Therefore, resources must enable a firm to implement strategies that improve efficiency or effectiveness, they must be uncommon and not easily accessible for competitors, it must be difficult or costly for competitors to duplicate them and no strategically equivalent substitutes must exist that are easy to acquire (Barney, 1991).

In this regard, inimitability is highlighted as a "lynchpin" to understand the sustainability of competitive advantage (King & Zeithaml, 2001). As key mechanisms for organizations' resources to meet this criteria, the supporting role of path dependence, causal ambiguity and social complexity is highlighted (Barney, 1991). Organizations' resource development

processes that often are shaped by unique historical decision-making and consequently are not easy to copy for competitors determine the facet of path dependency (Hunt & Morgan, 1996; Schreyögg & Kliesch-Eberl, 2007). The blurring of the relationship between an organization's resources and its competitive performance makes it unclear to competitors how exactly these resources contribute to the company's success. This causal ambiguity makes it difficult or impossible for competitors to effectively imitate a company's strategies or capabilities, thus maintaining uniqueness (Dierickx & Cool, 1989; Reed & DeFillipoi, 1990). Furthermore, social complexity in terms of intricate and often intangible relationships, organizational culture as well as specific processes within a firm add to the uniqueness and thus inimitability of resources. These socially complex resources are difficult to replicate because they are deeply embedded in the organization's internal dynamics and external relationships (Barney, 1991; Grant, 1996).

In 1997, Barney extended the VRIN framework to include organizational (O) capability, forming the "VRIO" model. In this extended version, firms also need to have the organizational processes, capabilities, and structures in place to exploit the valuable, rare, and inimitable resources. Thus, the VRIO framework evaluates whether the organization is structured in a way that allows it to harness these resources effectively. According to this, firms must be organized to fully exploit its resources and capabilities, meaning that it has the systems, processes, and culture necessary to capitalize on its resources (Barney, 1997). Although, the VRIO model is widely recognized as essential, several critiques have surfaced over time, particularly concerning its ability to address the evolving nature of resources (Barney, 1991). One major limitation is time sensitivity, as resources that are considered valuable today may lose their competitive edge in the future due to rapid technological changes or shifts in consumer behavior (Barney, 1991; Priem & Butler, 2001). Additionally, the model's focus on leveraging existing resources can constrain innovation by failing to account for the need to develop or acquire new resources that drive long-term competitive advantage (Priem & Butler, 2001). Another concern

is the potential erosion of competitive advantage, as even resources that meet the VRIO criteria may eventually be replicated or replaced by competitors, necessitating dynamic capabilities for sustained success (Teece, Pisano, & Shuen, 1997). Consequently, firms must continuously innovate and develop dynamic capabilities to adapt to changing environments and maintain their competitive edge beyond the initial benefits provided by the VRIO framework (Helfat & Peteraf, 2003).

RBV originally emphasized a dynamic approach, focusing on change over time (e.g., Helfat & Peteraf, 2003; Penrose, 1959; Wernerfelt, 1984), but much of the subsequent literature has adopted a static perspective (e.g., Castanias & Helfat, 1991; Peteraf, 1993). This static approach identifies generic resource characteristics, such as managerial skills, that produce competitive advantage without explaining how those resources generate value, or addressing situational differences. Limitations of this static RBV include a lack of clarity about how specific resources create sustained competitive advantage, difficulties in manipulating certain resources like tacit knowledge, and a tendency for researchers to re-label common variables as “resources” in existing strategy research (Priem & Butler, 2001).

Therefore, more recent research focused the concept of dynamic capabilities of firms (e.g., Teece, Pisano, & Shuen, 1997). Dynamic capabilities can be defined as “the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece, Pisano, & Shuen, 1997, p. 516). In this regard, three critical sub-categories are distinguished; sensing opportunities, seizing opportunities, and reconfiguring resources. Sensing opportunities involves identifying potential markets or technological changes, while seizing opportunities requires mobilizing resources to capture value from those identified prospects. The reconfiguring of resources, the third sub-category, refers to a firm’s ability to continually adjust and renew its resource base to maintain competitiveness in changing environments (Helfat & Peteraf, 2003; Teece, Pisano, & Shuen,

1997).

However, the reconfiguration of organizational resources and capabilities to address changes in the environment is discussed to be subject to path-dependency in the sense of an organizational bias. In this regard, organizations' established learning and routines can be self-reinforcing mechanisms that constrain strategic flexibility and need for change limiting their ability to align with environmental changes (Eisenhardt & Martin, 2000; Keller et al., 2022). Over time, successful practices generate feedback loops that strengthen specific routines making it challenging for organizations to deviate from established patterns (Schreyögg & Kliesch-Eberl, 2007). As a key lever to overcome path dependency, organizational learning is discussed. Fostering a learning culture enables organizations to continuously acquire new knowledge, to unlearn outdated routines and thus to adapt to changing environments developing the flexibility needed to explore new capabilities and strategies (Helfat & Peteraf, 2003; March, 1991).

Transfer of RBV on KAM

KAM in its fundamental nature, as the identification of customers, which are particularly important for a company's strategy and thus receive specific and individualized treatment, in the context of RBV represents a core strategic capability of organizations (Guesalaga et al., 2018; Pardo, 1999). In line with this, the strategic capability of KAM leverages a company's valuable, rare, inimitable and non-substitutable resources in terms of relationships with its KAs. Relationships with KAs a) provide value by driving substantial revenues and fostering long-term business growth, b) are rare as the ability to build strong, trusted relationships with high-value customers is not easily replicable by competitors, making it a scarce resource, c) are inimitable as each company's unique history, culture and knowledge about its KAs cannot be easily copied and d) are non-substitutable as no viable substitutes for the deep, cooperative relationships exist that can replace the nuanced interactions and trust built over time (Ivens, et

al., 2018; Varadarajan, 2020).

As a dynamic capability, selecting or nominating only those customers as KAs that really are of strategic value for the company ensures the effective investment of tangible (e.g., financial investments in customer-specific offerings) as well as intangible resources (e.g., specialized industry or market expertise) of the firm. Consequently, a formalized KA selection process that applies selection criteria aligned with strategic goals of the firm, prevents misallocations of resources potentially jeopardizing the competitive edge (Guesalaga et al., 2018; Richards & Jones, 2009). As market conditions and customer needs change, this dynamic capability helps firms to adapt or reallocate resources, and to maintain competitiveness. By regularly assessing KAs, firms prevent the loss of strategic focus and avoid relying on accounts that no longer offer competitive advantage (Johnson & Selnes, 2004).

In this regard, especially intangible resources, such as customer knowledge, trust and relationship-specific expertise are discussed to be critical for maintaining competitive advantage (Srivastava, Fahey, & Christensen, 2001). Thus, customer-specific and relationship-specific knowledge mostly incorporated by KA managers is essential to be implemented in formal selection processes of organizations, converting this personal knowledge into organizational knowledge, to ensure that the KA portfolio is aligned with corporate goals (Georges & Eggert, 2003; Nätti, Halinen, & Hanttu, 2006).

In the context of a formalized KAM approach as well as a formalized KA selection, on the one hand, organizational politics can positively influence resource mobilization and advocate for the selection of KAs aligned with strategic goals. It can also help build cross-departmental collaboration, ensuring the right resources are allocated to high-value accounts (Hochwarter, 2012). However, on the other hand, politics can have negative effects by distorting formal selection processes, leading to the inclusion of accounts based on personal interests rather than strategic criteria. This misalignment can result in resource misallocation

and weakened competitive advantage. Additionally, political dynamics can slow down decision-making, preventing timely adjustments to the KA portfolio (Kacmar & Baron, 1999; Landells & Albrecht, 2017).

2.4 Transaction cost theory (TCT)

As a fundamental assumption, transaction cost theory (TCT) claims that for organizations every exchange of goods and services through the market is associated with a special type of costs, i.e. transaction costs. Consequently, firms organizing transactions internally rather than relying on market exchanges can achieve a minimization of transaction costs (Coase, 1937). Thus, TCT explains the boundaries of the firm in terms of activities a firm decides to perform internally and which it outsources to the external market (Williamson, 1981). In this regard, the central role of hierarchical mechanisms like management, supervision, and internal rules to regulate and control operations is highlighted. Therefore, different levels of authority and responsibility of decision-making managers and supervisors give the firm the ability to coordinate internal activities independently of market settings and competition (Hart, 1995; Milgrom, & Roberts, 1992).

The nature of such costs is plentiful and thus several types of transaction costs were identified: search and information costs, bargaining and decision costs, monitoring and enforcement costs as well as adaptation costs (Coase, 1937; Williamson, 1985). First, search and information costs refer to the efforts and resources spent by an organization in order to identify suitable transaction partners, products or services. Thus, costs of time and expenses in market research or advertising to make informed decisions finding appropriate partners or deals can increase the total costs of transactions significantly (Williamson, 1981). Furthermore, bargaining and decision costs are involved when negotiating and reaching agreements with transaction partners, investing time, effort and other resources drafting contracts or deciding on terms (Coase, 1937; Klein, Crawford, & Alchian, 1978). Monitoring and enforcement costs are

incurred to ensure that transaction partners adhere to the agreed-upon terms and to enforce compliance if necessary. This might involve overseeing performance, verifying quality, and enforcing contractual obligations (Williamson, 1979). Last, adaptation costs arise when unforeseen circumstances or changes in the environment require the adaptation or renegotiation of agreements. In this regard, the need for flexibility in contracts and the associated costs are key elements of transaction cost economics (Williamson, 1985).

In TCT, assumptions about the behavior of contractual partners are discussed, that are, bounded rationality, opportunism and risk neutrality (Williamson, 1985). These assumptions help to explain why transaction costs arise and how firms decide whether to perform transactions internally or externally on the market. First, bounded rationality refers to the cognitive limitations of individuals in terms of information processing, decision-making, and foresight (Williamson, 1996). In the context of contractual agreements, it assumes that while individuals aim to behave rationally, they cannot account for every possible outcome or future contingency due to limitations in their cognitive abilities and available information (Akerlof, 1970; Simon, 1991). In contrast to the assumption of perfect rationality in classical economics, bounded rationality acknowledges that contracts will always be incomplete because parties cannot foresee all future events or changes in circumstances. This contractual incompleteness introduces risks and transaction costs, as future renegotiation or adjustments become necessary when unforeseen events occur (Simon, 1955; Tirole, 1999).

Another key determinant of the level of transaction costs is the factor of opportunism. In this regard, it is assumed, that individuals may act in their self-interest by misleading or withholding information in order to take advantage of the other party involved (Williamson, 1979). Opportunism is particularly problematic when contracts are incomplete due to bounded rationality, as it allows one party to exploit gaps for their own goals (Klein, Crawford, & Alchian, 1978; Simon; 1955). In particular, the transaction costs involved increase when the

other party exploits the gaps by demanding renegotiation after the other party has made significant relationship-specific investments creating asset specificity. This behavior is also referred to as the hold-up problem, in which one party exploits the vulnerable position of another after certain investments have been made (Hart & Moore, 1988; Riordan & Williamson, 1985).

Being used as a simplifying assumption, the aspect of risk neutrality is applied to streamline the analysis of transaction costs, as a risk-neutral firm makes decisions based purely on the expected value of different options, rather than adjusting its decisions for potential variance or risk. Therefore, risk neutrality refers to the hypothesis that economic actors are indifferent to risk when making transactional decisions focusing on the expected outcomes of a transaction and not being by the potential uncertainty or variance in those outcomes. By assuming that actors behave rationally and are indifferent to uncertainty, transaction cost models can focus on how firms organize governance structures to mitigate transaction costs and opportunism (Williamson, 1985).

Accordingly, decisions about government structures, so the way firms manage transactions can be powerful to reduce transaction costs. In this regard, performing market-based transactions in terms of buying or outsourcing from external suppliers have to be differentiated from performing tasks internally relying on internal structures (Klein, Crawford, & Alchian, 1978; Williamson, 1985). Whether to perform transactions externally or internally depends on the specific nature of a transaction. Accordingly, transactions involving asset specificity uncertainty or opportunistic risks tend to be internalized as management of markets appears costly under these conditions (Coase, 1937; Simon, 1991).

In order to reduce organizational costs that arise due to external market transactions, several levers in governance structure are discussed. One opportunity can be classical contracting, in which transactions are governed by market mechanisms. This form of contracts

can especially be effective if little to no asset specificity and low dependency between the parties involved is present (Alchian & Demsetz, 1972; Coase, 1937).

Another opportunity lies in the internalization of transactions meaning that firms handle activities within their own hierarchical structure (managers, supervisors, employees) rather than relying on external market exchanges (Coase, 1937). Therefore, internalizing provides higher levels of control over processes (e.g., negotiations with external partners or performance monitoring) leading to more efficient and less costly management. For example, the need for constant negotiations with external suppliers or partners can then be transformed to a decision that is made once within the organization (Hart, 1995; Monteverde & Teece, 1982). In this regard, the acquiring or merging with a supplier or distributor might allow for having direct control over critical parts of its supply chain (Masten, 1984; Riordan & Williamson, 1985).

A minimization of transaction costs can also be achieved by establishing long-term collaborative contracts with external partners, as transactions require relationship-specific investments. This form of hybrid governance thus blends the elements of both market transactions and hierarchical governance. Although parties are still separate entities, they agree on mechanisms to coordinate and cooperate more closely than in a purely market-based relationship (Dyer, 1997; Heide & John, 1990). Thus reducing the frequency and therefore the cost of negotiation creates reliability, which lowers overall transaction costs (Williamson, 1985). Long-term contracts appear particularly useful in relationships that require specific investments, on which an organization's operations are strongly depending. Consequently, by establishing long-term commitments, organizations can secure reliable inputs and stabilize their operations, reducing uncertainty and opportunism in the relationship (Joskow, 1988).

Summarizing, TCT focuses on how organizations manage their transactions to minimize the costs associated with coordination and exchanges, whether internally or through the market. It highlights the importance of efficient decision-making in choosing the most cost-effective

governance structure for carrying out business activities.

Transfer of TCT on KAM

For research on KAM, TCT offers a valuable theoretical framework. Accordingly, it helps to create a deeper understanding on why KA relationships in contrast to regular customer relationships are managed differently and why this differentiation is essential for organizations' overall effectiveness and efficiency.

First, the development and maintaining of KA relationships requires the investment of non-standardized and thus non-scalable costs, such as relationship-specific offers in terms of customer-individualized products, services, processes or even the employment of assigned KA managers (Ivens & Pardo, 2007). Consequently, this high level of individualization involved in KA-relationships increases asset specificity, meaning that these investments cannot be easily redeployed to other customers (Riordan & Williamson, 1985). In the case of opportunism, that is, where one party may exploit the other's dependency on the relationship (Williamson, 1981), transaction costs in KA relationships are significantly higher as in the case of regular customer relationships (Ryals & Humphries, 2007). This highlights the importance of mitigating opportunism through hybrid governance mechanisms such as long-term contracts or strategic alliances, which are necessary in KA relationships to minimize transaction costs and ensure stability (Dyer, 1997).

Second, TCT sheds light on why organizations' process of selecting KAs determines the effectiveness of transaction costs involved to reach strategic goals. By ensuring that the selection criteria reflect the company's strategic goals and applying these criteria in a formalized selection process, organizations can focus their resources on KAs that offer the greatest potential for long-term strategic value, thereby reducing ineffective transaction costs associated with managing non-strategic and rather regular customers (Ivens & Pardo, 2007; Ryals & Humphries, 2007). Furthermore, organizations can significantly reduce transaction

costs by consistently reevaluating their KAM portfolio, ensuring that it only includes customers who continue to deliver strategic value, thereby preventing the allocation of resources to accounts that no longer align with the firm's long-term strategic goals (Gosselin & Bauwen, 2006; Storbacka, 2012).

In contrast, informal or ad hoc selection of KAs might increase inefficiencies with regard to in the investment of transaction costs, as strategic goals of a company might not be reached with the customers selected (Feste, Ivens, & Pardo, 2020; Homburg, Workman, & Jensen, 2002). This is especially crucial when the selection of KAs is influenced by political factors or power dynamics within the organization as different departments or individuals within the firm may have conflicting interests. As a result, this might lead to political bargaining over which accounts to prioritize based on personal or departmental objectives rather than the overall strategic goals of the organization. This can increase transaction costs in the form of extended decision-making times, involving search and decision-making costs, and the potential misallocation of resources to less strategic accounts (Feste, Ivens, & Pardo, 2020; Feste, Ivens, & Pardo, 2022; Pardo, Ivens, & Wilson, 2014).

2.5 Interim conclusion and overview of methodological approaches

This dissertation comprehensively investigates the role of formalization in KAM, with particular emphasis on KA selection and its interplay with informal organizational elements in fostering strategic alignment and organizational learning to ensure KAM effectiveness through a total of three distinct studies (see sections 3, 4, & 5) that shed light on the topic from different angles based on existing KAM research. Furthermore, the theoretical frameworks of OT, RBV, and TCT (see sections 2.2, 2.3, & 2.4) serve as a theoretical foundation. Table 2 provides an overview of addressed research gaps, research objectives, as well as further methodological details on the three studies conducted.

Study	Research gaps	Research questions	Sample	Methodology
1	<ul style="list-style-type: none"> • Advancing the conceptualization of KAM through qualitative research • Investigating the interplay between resources and capabilities within KAM • Strengthening knowledge on inter- and intra-organizational alignment in KAM • Providing fundamental insights into the influence of dyadic KAM relationships on portfolio management • Enhancing the understanding of dynamic KAM capabilities in fostering competitive advantage • Shedding light on the role of contextual variations in KA account selection processes within organizations 	<ol style="list-style-type: none"> 1) How do organizations identify and select their KAs? 2) How can the design of KA selection processes achieve intra- and inter-organizational alignment? 3) How do political factors influence decision-making in KA selection and portfolio management? 	<p>n = 73</p> <p>Expert interviews</p>	<p>Inductive qualitative content analysis</p>
2	<ul style="list-style-type: none"> • Clarifying the role of KAM formalization in driving effectiveness • Identifying multiple equifinal pathways (combining formal as well as informal elements) to KAM effectiveness • Exploring dynamic capabilities enhancing formalized KAM • Investigating different KAM practices across organizational contexts and identification of factors contributing to KAM effectiveness • Using fsQCA addressing methodological gaps in KAM research 	<ol style="list-style-type: none"> 1) In which contexts does KAM formalization enhance KAM effectiveness? 2) How do different configurations of formal and informal KAM design elements contribute to KAM effectiveness? 	<p>n = 221</p> <p>Online survey</p>	<p>Fuzzy-set qualitative comparative analysis</p>

3	<ul style="list-style-type: none"> • Resolving conflicting findings on the impact of KAM formalization on effectiveness • Investigating how formalized KA selection processes enhance customer knowledge integration • Exploring the interaction between formalized KAM structures and informal knowledge-sharing practices • Examining the alignment of formalized KA selection with organizational strategic objectives. • Assessing the influence of organizational integration types on KAM formalization • Applying advanced quantitative methods 	<ol style="list-style-type: none"> 1) What role does KA selection formalization play in translating KAM formalization into higher KAM effectiveness? 2) How does the organizational integration of KAM determine the relationship between formalized KAM structures and KA selection processes? 3) How does the integration of customer knowledge into the KA selection process mediate the relationship between KAM formalization and KAM effectiveness? 	n = 207	Online survey	Moderation & mediation analysis
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Table 2. Overview of research approaches.

3 Study 1

Key account selection as a political process: Conceptual foundation and exploratory investigation

Abstract

Key Account Management (KAM) is a sales management strategy focused on identifying customers of high strategic significance and providing them with dedicated management attention. The selection of key accounts (KAs) represents one of the most critical processes within KAM. This study seeks to offer an in-depth understanding of the key account selection process. On basis of 73 expert-interviews, the qualitative study shows that KA selection is not only a technical process, but has political importance for different actors in a company. Drawing on research on organizational politics and the political economy paradigm we discuss the facets of companies' internal and external power-related, political factors as well as economic, "rational" elements in KA selection. We close with a discussion of implications and avenues for future research.

Keywords

Key account management; strategic account management; key account selection; KAM process; organizational politics; political behavior

3.1. Introduction

KAM requires identifying customers who are particularly important for a company; that is, they have strategic impact on the future of the business (Pardo, 1999). For many firms, KAM has become an important means to remain competitive and improve both value creation and value capturing with strategically important customers. It has attracted significant attention from both management practitioners and academic researchers. Today, businesses in a wide range of industries develop and implement KAM programs. When adopting KAM, firms first identify key accounts (KAs) within their customer base, conduct detailed analyses, and then formulate strategies and operational capabilities to meet the needs of these KAs and foster long-term collaborative relationships (Ivens & Pardo, 2007; Ojasalo, 2001; Ryals & Humphries, 2007). KAM involves mobilizing specific actors, activities, and resources to generate value within KA relationships and to secure appropriate returns from them (Leischnig et al., 2018; Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003).

Nonetheless, implementing KAM presents significant challenges, with many organizations encountering difficulties or failing to reach their desired performance outcomes (Ryals, 2012). One important factor when building a KAM program and operating it is constituted by the process of KA selection. In fact, KA selection represents an actual starting point of KAM implementation (Guesalaga et al., 2018; Storbacka, 2012). Subsequently, the related process of confirming the KA status of certain customers and nominating or denominating others represents a revolving core process within a firm's KAM capability (Ivens et al., 2018).

Research on KA selection and, more generally, on customer portfolio management, has produced a rich body of work to deepen the understanding of potential selection criteria and methods to integrate diverse information about customers (e.g., Davies & Ryals, 2014; Guesalaga & Johnston, 2010; Yorke & Wallace, 1986). However, only few authors have

pointed to the fact that KA selection – beyond portfolio techniques and other procedural questions – represents an intra-organizational process that may involve power considerations and other political elements (e.g., Homburg, Workman, & Jensen, 2002; Kempeners & van der Hart, 1999). To the best of our knowledge, no empirical research or more comprehensive conceptual foundation of the KA selection process has been published. At the same time, scholars in different fields of management research have started highlighting the inherent political dimension of sales- and marketing-related processes. For example, Kyriazis, Massey, Couchman, and Johnson (2017) introduced a “sociopolitical framework” for the study of new product development processes. Sethi, Iqbal, and Sethi (2012) identified micropolitics, hurdles, conflicts, and coalitions as characteristics of R&D processes. This is in line with authors such as Elg and Johansson (1997), Pettigrew (1973), and Pfeffer and Salancik (1974) who highlighted the political character of decision-making in companies in general and in the field of marketing.

Given the opposition between the predominantly rational characterization of the KA selection process in the KAM literature so far and the emphasis on political nature of firm-internal decision-making in the more general management and marketing literature, the purpose of this research is to study KA selection from a political behavior perspective. It builds on a perspective of KA selection that is rooted in literature on organizational politics and on the political economy (PE) paradigm (Arndt, 1983) where stakeholders are oriented to acquiring and defending critical resources. The PE paradigm highlights the fact that marketing processes typically do not purely follow the rationalist view suggested by classical economic theory but that such processes are also marked by notions commonly discussed in OT, social exchange theory, and the like.

The primary objective of the present research is to advance the knowledge on KA selection by taking a broader view of this critical activity in KAM through rooting it in PE

analysis. More specifically, we want to understand who participates in KA selection, the processes, why, how, and with which goals. In order to do so, this study presents insights gained through a qualitative empirical study conducted among KA managers in which they explain their knowledge on and view of the KA selection process in their firms, following a semi-structured interview approach.

The results of our research contribute to KAM literature by developing an integrative perspective that connects aspects of organizational design in KA selection with customer portfolio management and KAM implementation issues. Our study provides a vision for the essential steps to identify and assess key customers. We show that certain approaches to key account (KA) selection can hinder the effective implementation of KAM by disrupting inter-unit collaboration and complicating the management of relationships with key accounts. From a managerial standpoint, these insights offer firms a framework to critically assess their current KA selection practices, recognize potential impediments to KAM success, and develop strategies to address or prevent them (Leischnig et al., 2018).

The remainder of this article is organized as follows. The next section outlines the conceptual background of this study, with an emphasis on KAM, the concept of KA selection, antecedents of organizational politics and the political economy paradigm. We then discuss the empirical material and present the results of the interviews. We conclude with a discussion of theoretical contributions, managerial implications, and avenues for further research.

3.2 Theoretical foundation and state of research

3.2.1 KA selection as fundamental KAM process

The importance of KA selection

KAM research generally acknowledges that only a small proportion of a company's customer portfolio consists of strategic accounts and that this account segment is responsible

for the largest share of revenue (Gosselin & Bauwen, 2006; Gosselin & Heene, 2003; Millman & Wilson, 1999; Turnbull & Valla, 1986; Wilson & Weilbaker, 2004). Selecting “wrong” accounts whose business strategy is solely oriented towards operative efficiency and comparative price advantages in purchasing would have negative effects, including opportunity costs (Storbacka, 2012). Hence, selecting the “right” KAs plays a fundamental role for the success of KAM initiatives, especially for relationship effectiveness and KAM performance (Lusch & Day, 1986; Ojasalo, 2001; Richards & Jones, 2009; Woodburn & McDonald, 2011; Zupancic & Müllner, 2008). Prioritizing strategic account relationships is seen as a fundamental process in KAM (Storbacka, 2012). By contrast, to date this process has received only limited attention from research and practitioners (Wengler, Ehret, & Saab, 2006).

Regarding the design of strategic account management programs, “alignment” is discussed as a relevant approach to improve account performance in terms of value creation for the account as well as value capture for the company, resulting in the realization of mutually beneficial goals (Pardo, Ivens, & Wilson, 2014; Storbacka, 2012). Storbacka (2012) classified “account portfolio definition” as a first design element of strategic account management programs that aim at attaining inter-organizational alignment. Account portfolio definition is the “process of increasing the organization’s understanding of the selected customer’s business concerns and opportunities, and jointly developing a value proposition and an encounter process for the delivery of the value proposition” (Storbacka, 2012, p. 261). The relevance for inter-organizational alignment has its roots in the high level of responsiveness to customer needs required in KAM (Workman, Homburg, & Jensen, 2003). Gosselin and Bauwen (2006), as well as Clarke, Freytage, and Zolkiewski (2017) used the alternative term of “external alignment,” adding the recognition of “the challenge inherent in optimizing and balancing market possibilities and burdens” (Clarke, Freytage, & Zolkiewski, 2017, p. 6).

However, inter-organizational or external alignment represents only one side of the coin.

To reach this strategic congruence or fit with potential strategic customers, companies often need to handle their strategic customers differently to meet their different value requirements (Ivens et al. 2009). Accordingly, “internal” or “intra-organizational” alignment has been identified as a critical determinant of performance (Guesalaga & Johnston, 2010; Kathuria, Joshi, & Porth, 2007). Internal alignment can be described as the challenge “to keep everybody on the same page” (Guesalaga & Johnston, 2010, p. 1067). This implies the shaping of company internal processes and operations (Sheth & Sharma, 2008; Workman, Homburg, & Jensen, 2003), as well as the definition of ownership of internal tasks (Pardo, Ivens, & Wilson, 2014). Tools that support the achievement of internal alignment are, for example, meetings with cross-functional agendas, joint decision-making, the shaping of specific management systems and processes, the organization in a matrix structure, and the use of support capabilities such as IT systems (Guesalaga & Johnston, 2010; Storbacka, 2012). More specifically, the prioritization of strategic customers should employ a balance of inter- and intra-organizational alignment to avoid costly misalignments (Corsaro & Snehota, 2011).

Recently KAM research on applies a capability-based approach to KAM and refers to company processes as organizational capabilities (Jean et al., 2015). A capability is defined as “the ability of an organization to perform a coordinated set of tasks, utilizing organizational resources, for the purpose of achieving a particular end result” (Helfat & Peteraf, 2003, p. 999). Ivens et al. (2018) defined the process of KA selection as an organizational-level spanning capability (OLS) that links organizational-level outside-in capabilities (OLOI) and organizational-level inside-out capabilities (OLIO). Outside-in capabilities constitute the monitoring of the more general environment, applying market sensing or competitor sensing, whereas inside-out capabilities are reflected by customer-oriented manufacturing approaches or special supply chain solutions and are therefore activated by the requirements of KAs. As KAM is constantly driven by the harmonization of external conditions and company-internal structures and processes, the selection of KAs, as well as portfolio management and planning,

ensure the effectiveness and efficiency of KAM at the level of the KAM program (Ivens et al., 2018). In this regard, a KAM strategy can be interpreted as a kind of “glue” between these KAM requirements and is particularly visible when defining and nominating KAs. A systematic literature review on resources and capabilities for KAM identifies KA selection as an operational capability that enables companies to identify and develop relationships (Guesalaga et al., 2018).

Account planning and selection encompass several activities that range from the collection and systematic analysis of market information (Millman & Wilson, 1999) to an analysis of each relationship with regard to value creation, value capture, or future business potential (Storbacka, 2012). The perspective we adopt assumes that the core elements of KAM have the potential for political issues, as they bring together a variety of influences and the various logics or realities of different individuals and groups. Therefore, power in KAM design is twofold, since KAM design defines power distributions as well as leaves room for making use of KAM structures in order to obtain power. This raises the question of how strongly individuals (or groups) become involved in resulting power issues by exercising power positions trying to take advantage of political situations and thus to impose their view(s) and to achieve their goals. Next, we describe those aspects of KAM that are most closely linked to political issues.

Formal and dynamic aspects on KA selection

A broad stream of literature deals with portfolio analysis as a useful means to identify KAs and to realize strategic customer management (e.g., Fiocca, 1982; Homburg, Droll, & Totzek, 2008; Zolkiewski & Turnbull, 2000). The axes of portfolio matrices are built by selection criteria that define the relative importance of accounts. First attempts to define “major” or “important” accounts use aspects such as sales volume, customer profitability, and centrality of sales (e.g., Barrett, 1986; Campbell & Cunningham, 1983; Wengler, Ehret, & Saab,

2006). From this traditional perspective, KAs are large accounts with extraordinary economic features that imply their potential value to be static. By contrast, applying a strategic lens to KA selection, this approach is insufficient since a proper handling of the relationship by the supplier could develop the potential of KAs even further (Shapiro et al., 1987; Spencer, 1999). Hence the necessity to apply selection criteria that reflect long-term potential as well as short-term realities, based on a mixture of tangible and intangible, quantitative and qualitative account criteria is highlighted (Cheverton, 2008; Ivens & Pardo, 2007). More recent voices stress the fact that customer portfolio building is a dynamic and permanent process of prioritization, which is not fixed to ascertain one point in time but rather to develop on a daily basis. Therefore, customer portfolios should not be interpreted as selected, but as developed through customer interactions (Corcoran et al., 1995; Clarke, Freytage, & Zolkiewski, 2017; Terho, 2008). In line with this, Storbacka (2012, p. 263) stated: “Based on the interaction it seems that managing the selection process can be more important than setting the selection criteria.”

To implement a balanced approach to KAM programs, several organizational levers have been discussed regarding the organizational design of the fundamental dimensions of KAM. Due to the fact that KAs are customers that a company manages in order to achieve its strategic corporate goals, a clear definition of strategic accounts should exist in a company. This ensures that the corporate strategy can be applied and pursued from the beginning of strategic account selection. In this context, the precise determination and formulation of selection criteria seem to be crucial, as they reflect a company’s strategic goals, as well as the evaluation of potential fulfillment of customers’ value creation targets (Davies & Ryals, 2009; Ryals & McDonald, 2008). The topmanagement of a company must shape this overarching business approach (Gosselin, 2002; Gounaris & Tzempelikos, 2013; Homburg, Workman, & Jensen, 2002; Millman & Wilson, 1999). Topmanagement involvement in KA selection is instrumentally necessary to determine market- and strategy-aligned selection criteria and to decide on how to apply these (Jaworski & Kohli, 1993; Tzempelikos & Gounaris, 2015). Topmanagement must

develop a strategic and long-term perspective on how KAs should be selected and managed (Toulan, Birkinshaw, & Arnold, 2006). At the same time, topmanagement should not be the sole decision-making authority, since its limited involvement and interaction with specific customers prevents extensive, balanced, or up-to-date customer knowledge (Woodburn & McDonald, 2011).

Furthermore, KAM often relies on cross-functional account teams instead of individual KA managers (Jones et al., 2009; Tzempelikos & Gounaris, 2015; Workman, Homburg, & Jensen, 2003). Individual KA managers are unlikely to have the all-encompassing expertise, diverse skills, or capacity required (Salojärvi & Saarenketo, 2013) and do not have sufficient intrafirm influence (Weitz & Bradford, 1999; Workman, Homburg, & Jensen, 2003), whereas customers are becoming more complex concerning their value-generating processes, involving different product categories and functional units (Harvey et al., 2003; Moon & Armstrong, 1994). Hence, KA managers become responsible for managing the activities of teams rather than managing KAs on their own (Weitz & Bradford, 1999). From the perspective of KA selection, KAM teams seem to be crucial with regard to customer information. First, team members offer information from various competence angles when it comes to evaluating the company's capability to fulfill the value proposition targets of customers – one fundamental basis for a strategic partnership. Furthermore, due to their various contact points and occasions, team members are a crucial source of information that allows evaluating account potentials for portfolio management holistically. In addition, the use of teams is discussed as a signal to customers that the supplier attributes KA status which enhances strategic and collaborative relationships (Ivens & Pardo, 2008; Salojärvi & Saarenketo, 2013). Consequently, this awareness should facilitate the exchange of customers' sensitive data. The implementation of team structures in KAM is an effective mechanism to integrate information systems and vital customer knowledge (Katzenbach & Smith, 2005). The use of information systems supports the customer focus of KAM programs (Bull, 2003). In this context, the use of customer

relationship management (CRM) systems has been discussed extensively (e.g., Salojärvi, Sainio, & Tarkiainen, 2010; Wang & Brennan, 2014). However, Salojärvi, Sainio, and Tarkiainen (2010) state that the “mere implementation of a CRM solution is not sufficient to create a ‘learning organization’” (p. 1397). To achieve knowledge-based learning, Archol and Kotler (1999) proposed the development of “network organizations” (p. 147) that create a better fit to a company’s external knowledge environment by organizing functional components accordingly. Consequently, this emphasizes knowledge diffusion using dynamic, integrated CRM systems instead of solely collecting external customer or market information (Stein & Smith, 2009). These integrated CRM systems can serve as a knowledge resource and information that is used to identify and retain strategically valuable customers (Iriana & Buttle, 2006; Ryals, Knox, & Maklan, 2000). Kumar and Reinartz (2012) defined CRM as “the strategic process of selecting the customers a firm can most profitably serve and of shaping the interactions between a company and these customers. The goal is to optimize the current and future value of the customers for the company” (p. 23).

Since the formalization of management is a central topic in OT, KA selection processes should be examined in terms of their degree of formalization, as well (Homburg, Workman, & Jensen, 2002). Regarding the effects of formalization on KAM effectiveness and performance, different opinions exist. Formalized rules impede adaptation to external changes and the flexible use of information (Deshpande & Zaltman, 1984; Jaworski & Kohli, 1993). However, missing formalization can be responsible for certain misconceptions of KAM, to the extent that no clear distinction between traditional KA selling and value-adding KAM is made (Sengupta, Krapfel, & Pusateri, 1997) or that companies without KAM serve their most important customers like KAs but managed by the ordinary marketing and sales organization. This case-by-case mentality is considered problematic, since only a formalized KAM is capable of realizing synergies, lowering transaction costs, or adding value offerings to “hidden” KAs (Wengler, Ehret, & Saab, 2006). Formalized arrangements for KAs improve coordination

(Gosselin & Bauwen, 2006; McDonald, Rogers, & Woodburn, 2000; Nätti & Palo, 2012).

As a consequence, the selection of KAs should be based on a consensus on the selection criteria, since otherwise the choice of accounts becomes politically influenced and could hinder the inter-organizational fit between suppliers and customers (Davies & Ryals, 2014; Storbacka, 2012; Toulan, Birkinshaw, & Arnold, 2006; Wilson & Weilbaker, 2004). Furthermore, dedicated formal teams are discussed as an expedient support authority for the KA selection process, since team members with different functional competences form a collective type of intelligence (Guenzi & Geiger, 2011; Jones et al., 2005).

3.2.2 A reality check of perspective: organizational politics and KAM

Extant research on KA selection mostly takes an organizational structure or rational perspective by highlighting the formal design of selection processes, the application of selection criteria aligned to company strategy, or the continuous evaluation of the KA portfolio as critical to the performance of KAM (e.g., Cheverton, 2008; Davies & Ryals, 2009; Homburg, Workman, & Jensen, 2002; Wengler, Ehret, & Saab, 2006). KAM research predominantly follows the “rational actor” stream of OT, assuming that KAM pursues clear objectives to which the clear objectives of individuals and groups in the company contribute. Conflicts of interest do not prevail or only arise when, for example, aberrations occur due to the inadequate communication of objectives. Yet, the uncertainty and complexity of the corporate environment continues to cause difficulties for the organization because the consequences of actions, as well as present or future environmental conditions, cannot be evaluated with certainty (e.g., Jones & Hirst, 1986). Rationalities are “always contextually situational” and “always implicated with power” because “different power actors operate in and through different rationalities, which have different rules for producing sense and, at the more formal outer limits, for producing truth” (Clegg, Courpasson, & Phillips, 2006, p. 240).

Antecedents of organizational politics

More scarce research on KAM “in action” emphasizes that KAM implementation is sometimes “appearing more as a ‘muddling through’ process than a carefully planned and implemented chain of events” (Pardo, Salle, & Spencer, 1995, p. 123) which is to some extent the result of a relative adaptation to different actors, especially to the key accounts selected. Regarding KAM implementation, the power of customers is discussed as a neglected factor in the sense that powerful customers force KAM implementation and selecting a suitable strategy for KAs may vary significantly with the power structure within different accounts (Ojasalo, 2001; Workman, Homburg, & Jensen, 2003). Even from an intra-organizational perspective, there is a “lack of research on cross-functional influence of the sales organization and competition for resources within the organization” (Workman, Homburg, & Jensen, 2003, p. 15). This goes along with the idea that any form of significant organizational change has the potential for a redistribution of power (Hutt, Johnston, & Ronchetto Jr., 1985).

A complex and often contradictory relationship exists between “power” and “resistance,” as power can be viewed as a means to overcome resistance and vice versa, which often makes the two terms indistinguishable (Fleming & Spicer, 2008). In an empirical study, Pressey, Gilchrist, and Lenney (2014) identified a continuum of resistance strategies for KAM implementation that vary in severity from disengagement to hostility. Dealing with setup costs for KAM, the organizational adaptation costs to change an organization’s structure, as well as cost for internal resistance, have to be taken into account (Wengler, Ehret, & Saab, 2006).

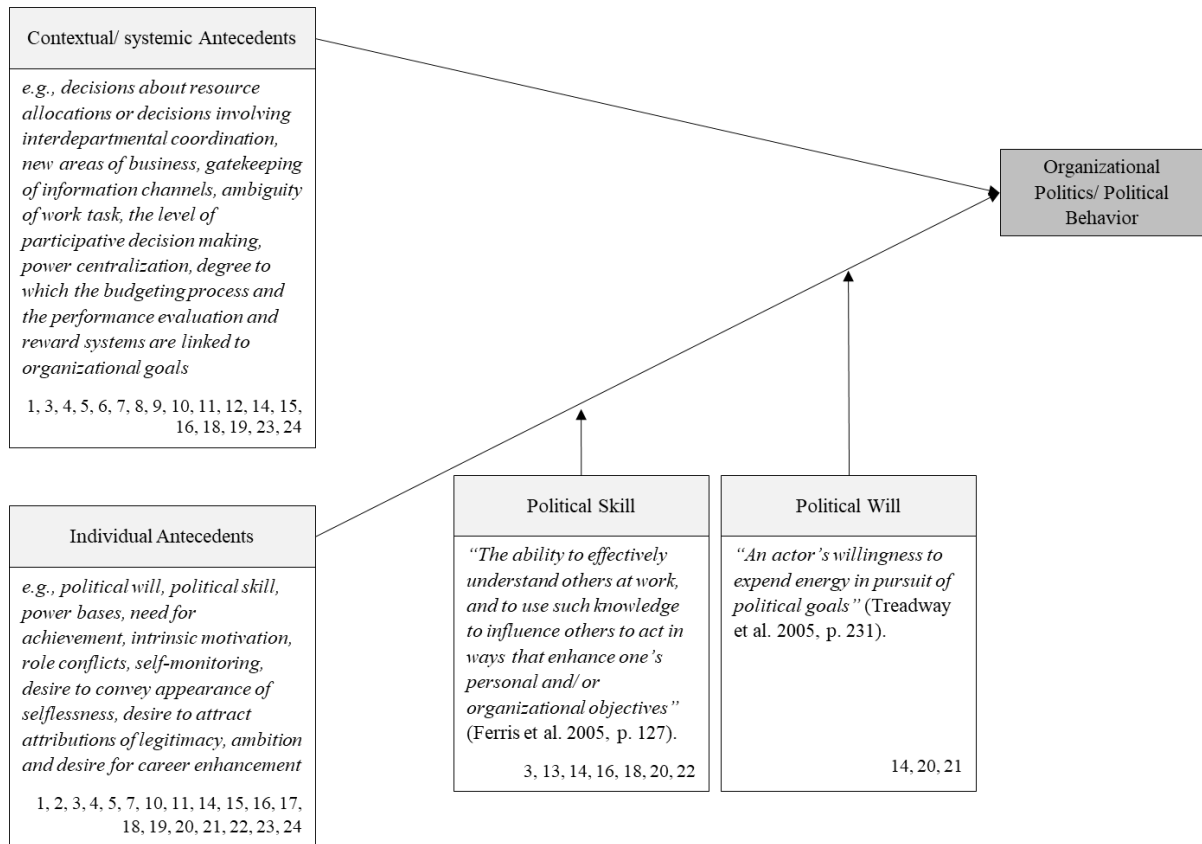
The observable but often covert actions to enhance executives’ power to influence a decision are referred to as “politics” or “political behavior” (Buchanan & Badham, 2008; Pettigrew, 1973; Pfeffer, 1981). These activities are often informal, unofficial, and conducted discreetly to promote ideas, shape organizational decisions, strengthen influence, or accomplish specific goals (Brandon & Seldman, 2004; Hochwarter, Witt, & Kacmar, 2000). A

consolidation of the most widely cited definitions of political behavior by Lepisto and Pratt (2012) defines organizational politics as “(1) an actor’s (individual) or actors’ (group); (2) self-interested, goal-directed; (3) power and social influence actions’ that are performed; (4) in relation to two or more independent social actors; (5) by means that are not officially sanctioned” (Lepisto & Pratt, 2012, p. 74). This politics stream of OT follows a pluralistic view. Assuming that organizations are coalitions of individuals and groups, each having its own objectives, the pursuit of which is universally accepted as long as they are following certain rules, which include contribution (or appearance of contribution) to the objectives of hierarchically higher levels (Jones & Hirst, 1986).

With regard to the pervasiveness of organizational policy, two basic positions are discussed. One fundamental assumption claims that political activity is immanent in all interactions and is therefore a constitutive element of organizations, whereas organizational rationality only serves as rational argumentation for an ex post legitimization of individual or group preferences (Friedberg, 1995; Neuberger, 1995). This study follows a less radical approach, taking the position that political activity is not inherent in all organizational interactions and rather constitutes a continuum between completely rational and politically biased organizational decision-making processes. In line with this view, the level of conflict, and thus the political intensity of a resource allocation decision, is influenced by structurally determined factors (Pfeffer, 1981; Piercy, 1986).

Consequently, literature on organizational politics identifies a variety of possible antecedents for the occurrence of political behavior (e.g. Allen et al. 1979; Barclay, 1991; Eisenhardt & Bourgeois, 1988; Fleming & Spicer, 2014; Mishra, Sharma, & Swami, 2016), which, in a broader sense, can be categorized into contextual or systemic and individual triggers of political behavior (e.g., Buchanan & Badham, 2008; Chanlat, 1997; Muhammad, 2007; Ralston, 1985; Treadway et al. 2007; Lawrence & Robinson, 2007). A summarizing, but not

exhaustive, presentation of the research on the respective antecedents can be found in Figure 1.



1 Pettigrew (1973)	9 Barclay (1991)	17 Lawrence & Robinson (2007)
2 Allen et al. (1979)	10 Ferris & Judge (1991)	18 Treadway et al. (2007)
3 Pfeffer (1981)	11 Chanlat (1997)	19 Buchanan (2008)
4 Mintzberg (1985)	12 Möller (2000)	20 Liu, Liu, & Wu (2010)
5 Ralston (1985)	13 Ferris et al. (2005)	21 Treadway (2012)
6 Eisenhardt & Bourgeois (1988)	14 Treadway et al. (2005)	22 Ellen (2014)
7 Kohli (1989)	15 Muhammad (2007)	23 Fleming & Spicer (2014)
8 Jones (1990)	16 Ferris et al. (2007)	24 Mishra, Sharma, & Swami (2016)

Figure 1. Antecedents of organizational politics/ political behavior.

For example, Pettigrew (1973, p. 4) discussed the “resources sharing system of an organization” as contextual factor for political behavior dealing with factors such as new areas of business, the competitive environment within the firm, the contact with the other party’s topmanagement, or the gatekeeping of information channels. An empirical study by Jones (1990) examined 13 factors of organizations as related to the level of internal politics: degree

of stakeholder representation in the goal structure; strategic information search process; degree to which strategic assumptions are challenged; the clarity, measurability, prioritizing, difficulty, awareness and time congruity of organizational goals; level of participative decision-making; and degree to which the budgeting process and the performance evaluation and reward systems are linked to organizational goals. For example, stakeholder representation describes the fact that stakeholders whose interests are adequately represented in an organization normally feel less motivation for political behavior, whereas those stakeholders who perceive their underrepresentation might engage in coalition building or in withdrawal of organizational support. Additionally, the transmission of organizational goals entails the importance for topmanagement to adequately communicate the organization's strategic goals to all business units since otherwise the opportunity is taken to develop one's own self-serving goals.

In general, facets of change, in a proactive as well as in a reactive sense, tend to be associated with political behavior, especially since change is linked to a restructuring of resources and power in an organization's structure and thus provides an arena for politics (Burns & Stalker, 1961; Mintzberg, 1985; Pettigrew, 1973; Pfeffer, 1981). Thus, Mintzberg (1985, p. 182) identified the intention "to effect a change in the organization" as an adaptive reason for political behavior. In Mintzberg's connotation, achieving change by applying political behavior determines negative behavior of groups or individuals that is seen as self-serving and deceptive (Mintzberg, 1983 & 1985; Ferris & Treadway, 2012; Ferris et al., 2019). Most traditional literature on political behavior has taken this negative perspective (e.g., Ferris, Russ, & Fandt, 1989; Kacmar & Carlson, 1997; Porter, Allen, & Angle, 1981). However, some contemporary organizational theorists of Mintzberg assigned a more neutral connotation to political behavior, defining it as a natural and pervasive part of organizational life that is likely critical to the effective function or success in and of organizations (e.g., Ferris & Judge, 1991; Pfeffer, 1981). In contrast, political behavior is discussed as an important component of influence processes in organizations (Mayes & Allen, 1977). Contemporary research on organizational politics views

political behavior in a more positive light, recognizing it as a mechanism for promoting justice, supporting followers, and driving positive change (Ellen, 2014; Ellen, Ferris, & Buckley, 2013; Hochwarter, 2012). Beyond internal company factors, external environmental conditions, such as high commercial uncertainty marked by numerous sellers with shifting market positions, frequent market entries and exits, or situations where the buying company lacks a dominant supplier candidate, are also seen as potential drivers of political behavior (Buchanan, 2008; Möller, 2000).

Another broad stream of literature on political behavior within organizations deals with individual antecedents for the use of political behavior (e.g., Chanlat, 1997; Kohli, 1989; Liu, Liu, & Wu, 2010). The underlying perspective is that individuals in an organization not only react to situations and contexts, but also play a decisive role in shaping them (Ferris et al., 2019; Ferris & Judge, 1991). Accordingly, Bandura (Bandura, 1986, p. 167) noted: “People act on their environment. They create it, preserve it, transform it, and even destroy it, rather than merely react to it as a given. These changes involve a socially embedded interplay between the exercise of personal agency and environmental influences.” The degree of potential influence of actors is determined by various factors. First, individuals’ resources in terms of different types of power limit their room for political acts. Kohli (1989) differentiated individuals’ power of reward, coerciveness, reference, legitimacy, expertise, information, and their power in department(s). Results show that especially expert power, as well as informational sources of power, dominate the buying decision process. Expert power is “the extent to which an individual is perceived by others as being knowledgeable about relevant issues” (Kohli, 1989, p. 52) and encourages other actors to follow the expert, as better results are expected. Information power refers to “an individual’s access to and control over relevant information” (p. 53). Therefore, actors who exercise this type of power have more access to information sources than others (Kasulis & Spekman, 1980; Kohli, 1989). However, power bases of individuals have to be accompanied with the constructs of “political skill” and “political will.”

Political skill is “the ability to effectively understand others at work, and to use such knowledge to influence others to act in ways that enhance one’s personal and/or organizational objectives” (Ferris et al., 2005, p. 127). Accordingly, individuals with political skills are said to have a keen sense of social observation of others and a greater understanding of social interactions. Based on this acumen, politically savvy individuals know how behavior adapted to different situations can act as a lever to achieve a desired outcome. They find it easy to identify and develop key contacts and networks to achieve their goals by displaying a subtle style that supports friendships, strong alliances, and coalitions in their development. A crucial factor is the condition that a politically well-versed person is of integrity and sincerity or at least appears to be so (Ferris et al., 2007; Pfeffer, 1992). However, political ability per se does not necessarily lead to political behavior, since individuals have to be willing to use this skill. Therefore, political will is defined as “an actor’s willingness to expend energy in pursuit of political goals” and is viewed as “an essential precursor to engaging in political behavior” (Treadway et al., 2005, p. 231). Political will follows an individual’s need for achievement and their goal-directed intrinsic motivation (Ryan & Deci, 2000; Treadway et al., 2005). Treadway (2012) suggested that the motivation for political behavior is determined by risk assessment and that individuals are driven to political behavior for instrumental as well as relational reasons aimed at serving themselves or others (Liu, Liu, & Wu, 2010; Treadway, 2012).

KAM as “political arena”

Implementing KAM challenges traditional organizational structures, as it often requires fundamental shifts in an organization’s orientation around customers (Wilson & Woodburn, 2014). However, against the background of achieving the corporate goals and strategy, internal alignment also requires harmonization with external alignment (Ivens et al., 2018). This can be achieved through the selection process of KAs, since only those customers are defined as KAs which have an extraordinarily strategic importance for achieving the company’s goals (Millman

& Wilson, 1999; Pardo, 1999). The attribution of responsibility for KAs to company-internal instances is accompanied with a great ability or possibility to (re)distribute power and resources. Thus, in the course of managing strategically important customers, the authorities involved have the power to contribute significantly to the success of the company. In order to ensure full and tailored management of KAs, greater investment in KAM departments in the form of financial or human resources is also made, which strengthens the instance's position of power in relation to other corporate structures within the company, such as regular sales departments. Furthermore, managing bodies also gain intangible resources in the form of explicit knowledge about the KA, which is often personal and can remain so if company structures do not force information sharing (Gruber et al., 2010; Guesalaga et al., 2018). Based on the nature of KAM – the management of long-term, complex, and strategically important customer relationships – it seems utopian to think that corporate structures can provide a universal frame of reference for the management of each customer. Accordingly, KA managers and other entities must be granted sufficient freedom in customer-specific decision-making, which also provides scope for pursuing one's own interests or a general use of power (Day, 2000; Salojärvi, Sainio, & Tarkiainen, 2010). From an external point of view, customers are often informed about their KA status in a company, making them aware of their special position and able to use it in the exercise of power (Pardo, 1997).

The political economy paradigm: a tool to investigate politically influenced alignment processes

Stryker (2000) claimed organizational politics to be “key to how an organization's internal and external environment interrelate because organizational politics reflect and shape what new institutionalists call institutional politics” (Stryker, 2000, p. 180). Following institutional theory, organizations are considered as involving inter-dependent sets of economic as well as sociopolitical forces affecting collective behavior and performance (Stern & Reve,

1980). An adequate tool to capture internal and external forces of organizational change is provided by Arndt's (1983) "political economy paradigm" (PE). One basic assumption of the paradigm is that one actor, given a goals perspective, does not reflect reality. Instead, the paradigm views collective behavior and performance as a result of the interplay of the economic exchange system and socio-political forces, such as the goals of power holders.

The concept is based on two main dichotomies, namely external/ internal and polity/ economy (Buchanan, 1964; Stern & Reve, 1980). Polity reflects the "power-and-control system" (p. 48) of an organization and focuses on power as well as on values that are intended to be achieved by using power. Economy is described as "the productive exchange system of a social unit or society transforming 'inputs' into 'outputs'" (p. 48) and designs the division of labor, resource allocation to accomplish tasks, and the maximization of efficiency.

Based on these two dimensions, Arndt (1983) proposed a typology for PE analysis. He outlined the resulting combinations in more detail and underlined the dependence of organizations on their environment, in other words, on a set of interest groups exerting economic and political forces (Salancik & Pfeffer, 1978). In this regard, an organization has certain relations to the environment that connect the organization's environment with the organization's internal PE. These can be influenced either politically or economically. Due to the connectedness to the environment, the same applies to the company's internal PE. Political relations to the environment are characterized by "dependence relations," "inter-organizational form," or "control mechanisms" whereas economic relationships to the environment are based on "competitive markets," "quasi-integrated systems," or "integrated vertical marketing systems." Concerning the resulting internal PE of an organization, Arndt has named "goals of the social unit," "distribution of power," "power bases," "boundary-spanning positions," and "mechanisms for managing conflicts" as elements of internal polity. Furthermore, "structure of the social unit," "internal exchange processes," "allocation rules," and "incentive systems" form

the internal economy of an organization or company (Arndt, 1983, p. 48).

In the PE paradigm, a high proximity to alignment approaches is apparent. Inter-organizational and internal alignment processes are not only driven by environmental characteristics, such as environment complexity or turbulence, but also by internal or external political and economic interests. Consequently, “harmonizing” inter- and intra-organizational alignment processes through KAM portfolio planning and management should be influenced by polity and economy. This view provides an approach to (1) enrich previous research on customer portfolios and (2) create a better understanding of different designs of KA selection processes.

3.3 Methodology

Our study aims to explore how a balance between inter- and intra-organizational alignments is expressed through companies’ design of KA selection processes and how political factors might influence the decision-making on KA selection and portfolio management by conducting semi-structured, in-depth interviews. Applying this method allows for generating valuable insights concerning general processes and structures in companies but also for exploring strategic or political reasons for their individual designs. Focused topics of the interviews were the criteria-driven definition of KAs, company-related designs of KA selection processes, political influences on this design, KA team profiles, and the handling of customer information with regard to KA selection.

3.3.1 Data collection

Our data stems from 73 interviews conducted in 2019. All interviewees worked in KAM or equivalent company areas such as sales. Typical job titles were KA manager, regional, global or corporate account manager or equivalent sales positions, such as head of sales or vice president sales. All respondents were given the option of conducting the interview either in

person or by telephone based on their preference and convenience. Mixing interview modes should not have any negative effects of the survey method on data quality (e.g., Cachia & Millward, 2011; Holt, 2010). The duration of the interviews varied between 45 min and two hours. To ensure comprehensive information gathering, interviews were audio recorded and transcribed verbatim.

About one-third of respondents represent medium-sized companies (50 to 500 employees), whereas two-thirds work for large-sized companies (> 500 employees). Indeed, large-sized companies do not reflect the typical distribution in the German economy. However, in line with a priori sampling, we constituted this respondent composition, since strategically oriented KAM is mainly a phenomenon of large-sized companies (e.g., Biesel, 2013). Likewise, the international or global orientation of the companies allows the results to be generalized. The industry structures varied, but approximately 50% of the companies are active in manufacturing industries; 20% in professional, scientific, and technical activities; 15% in the transport, IT, and communications sector; and the remaining 15% in trading and financial activities. Most respondents are regular KA managers (approximately 45%), global account managers (approximately 15%), or corporate account managers (approximately 10%). The others have professional titles such as “director of sales” or “senior sales manager” (approximately 30%).

3.3.2 Data analysis

Pratt (2008) discussed the inherent conflict of qualitative research. On the one hand, it needs to be oriented towards existing theoretical bases, but on the other hand, qualitative research has to find an autonomous way to generate new insights into a topic. Therefore, topics of qualitative research are not based on a particular theory but their theoretical framing may be expansive. To neutralize this contradiction and create open theoretical frames, we followed a problem-centered approach that focuses on a phenomenon or real-life issue rather than on gaps in two or more theories (Pratt, 2008). Our inductive, qualitative content analysis follows Gioia’s

methodology that allows for qualitative rigor in inductive research (Gioia, Corley, & Hamilton, 2013).

A first view of interview materials raised numerous aspects, codes, and categories. Therefore, as a first step, we open-coded the interview transcripts (Corbin & Strauss, 2008). Organizing the data into categories led to more than 50 preliminary categories. Following Strauss and Corbin's (1998) notion of axial coding, we sought similarities and differences among the various categories. This step allowed for a clustering into a reduced number of 22 categories. According to Gioia et al. (2013), this represents a manageable number of categories.

In the second step of the analysis, we applied a theoretical lens to the identified concepts of step one and looked for the "deeper structure" on a more abstract level. The goal of this step was to create a better understanding of the phenomena, identifying themes or dimensions that structure the terms of the first step of the analysis. In line with this, we organized the 22 concepts into ten themes that represent structures in the data (Gioia et al., 2013). In our third step, we analyzed the links between the different themes of step two, oriented towards our research questions of (1) how organizations identify and select their KAs, (2) how the design of KA selection processes can achieve intra- and inter-organizational alignment and (3) how political factors influence decision-making in KA selection and portfolio management.

3.4 Findings

3.4.1 Internal and external economy

Internal economy: internal economic structure/ processes

Existence of formalized KA selection processes.

When asked whether there is a formalized process in the company for identifying and selecting KAs, the majority of companies have no formalized process for selecting their KAs:

“There are no formalized processes; there are no selection criteria. The size and amount of work is relevant, yes. [...] There are no formalized processes, so that we ask ourselves the question where do we invest and where do we not invest, where do we want to build up an organization and where do we not want to have it, because we are not profitable there.”

I-40 | Head of Sales | Professional, scientific, and technical activities |
medium company

Few managers described a detailed process that is divided into concrete process steps or involves multiple forms of analysis. Reasons for this include: a) The selection process is too strategic and, hence, confidential for respondents to describe it in detail:

“I cannot and should not explain all the processes of my company.”

I-69 | Global KA Manager | Manufacturing industry |
large company

“Here we come slowly to the limits of the possible, what I may tell you.”

I-12 | Senior Director Global Client Executive | Transport, IT and communications |
large company

b) Respondents do not have any contact points to KA selection and therefore have no knowledge about the process and the creation of the customer portfolio:

“We do not define the KAs; our department is honestly not even involved in this process. The sales department mainly determines it. I honestly do not know all the criteria.”

I-70 | KA Manager | Manufacturing industry |
large company

“Unfortunately, I have hardly any points of contact and I cannot comment on that. So

that's not my responsibility."

[So you don't participate in this, you'll just be told the final results?]

"Exactly."

I-71 | KA Manager | Professional, scientific, and technical activities |
medium company

"No, at least I don't know one and the last times we chose one, we more or less decided by nose, by gut feeling, finding a common opinion."

I-39 | Regional Account Manager | Manufacturing industry |
large company

In addition, the simple application of selection criteria alone is described as equivalent to a formalized selection process in the majority of cases:

"Here we have relatively objective criteria. We set a certain revenue threshold for individual country clusters [...] which the account should exceed, so that they are actively supported by us. If they are below that threshold, then they do not have a dedicated KA manager and are not actively managed by us."

[Are there specific process steps that are applied?]

"That's just it, we look at the revenues that the individual customers generates. Then we decide whether to include them in our active portfolio: yes or no. There is another issue. In addition to pure revenues, strategic components are also important for us. Let me just say that in the context of digitalization, we are also increasingly switching our sales services to digital platforms. And then there are KAs that may not be able to break this threshold on the revenue side, but which are nevertheless extremely interesting for us from a technological point of view, where you can still use qualitative criteria [...] topics

such as digitalization and new distribution capabilities [...] the distribution channel structure, to what extent it is being converted to newer technologies.”

I-62 | Vice President Sales | Transport, IT, and communications |

large company

Here, quantitative criteria play by far the most important role and only occasionally are qualitative criteria used to assess potential KAs:

“The selection surely takes place according to qualitative and quantitative criteria [...] we look for the customers with either the highest volume of existing business or the highest potential, then we perform a ranking. There are not necessarily fixed volume issues [...] also not necessarily fixed potential topics, but in the sense of growing together [...] a strategic component sometimes is more important than just the volume issue.”

I-22 | Senior KA Manager | Manufacturing industry |

large company

[Which selection criterion plays the biggest role in the KA selection?]

“Of course, the most important criterion is always revenue.”

I-72 | Head of Sales | Manufacturing industry |

medium company

“Unfortunately, in this day and age it’s about money.”

I-57 | KA Manager | Transport, IT, and communications |

medium company

However, well-founded formalized KA selection processes do exist, especially in global industry groups. If detailed process steps are mentioned, they follow the scheme (1) macroeconomic market analysis to identify promising segments, (2) pre-selection of KAs, and

(3) application of quantitative and qualitative criteria for the final selection of KAs:

“The selection process [...] is the task of the KA Managers supporting organizations [...]. The first phase, selection of target markets, is all about identifying the most promising industry segments for [company name] to approach. This kind of market transparency is a prerequisite for deciding on the right markets and key customers to serve and the right activities to focus on. The basis for creating market transparency is the segmentation of the market into those markets that promise the highest potential for future growth. Different tools help us obtain this data. The [model name] for example, utilizes macro-economic data regularly updated by well-respected external sources. It offers access to [company]-relevant market potential figures for many countries. Once the target market segments have been identified, a two-stage approach is used for the selection of key customers. First, a set of companies is pre-selected based on their company turnover and the attractiveness of their industry for the [company] portfolio. Second, those customers are assessed using quantitative and qualitative criteria related to goals, circumstances, and industry segment specifics to determine their suitability to be served by a KAM approach. Examples of quantitative criteria include the growth rate of customer markets as well as the total [company name]-relevant cross-unit potential. Qualitative criteria include the customer’s strategic fit with [company name] and the existing relationship with the customer, as well as the customer’s performance in its market and the attractiveness of its core market for [company name]. Potential key customers are then structured into sub-groups according to their required account management approach (corporate, global, regional) and finally, they may be nominated.”

I-36 | Corporate Account Manager | Manufacturing industry |

large company

Medium-sized companies do not yet feel the need to develop detailed selection processes,

which could be justified by their lower power-related base of operations in contrast to larger companies (see section “External Polity”). Medium-sized companies justify this lack of formalization or objective approaches in the selection of KAs, for example based on the company age, size, or critical relevance of sales to be able to grow further:

“We are not there yet [...] the company is very pragmatic [...] I believe you would be unworldly if you would do so [...] with criteria, formalisms. In the end it’s all about earning money and that you also understand that [...] sales are important. Profitability and sales, you have to work with these two sizes [...] but if you go beyond, strategically [...] that does not work [...] they can say strategically we should go in that direction and suddenly a customer comes who is so different in nature and has an order for you, then we accept that. The whole corset doesn’t work [...] because you are still in this iterative process of trying things out, which things work and other things just do not work, and you then build up some business model out of those iterative processes, which is then stable for some time and then again changes. And you also have to allow that, because you are not so huge that you are a monopoly and can say: ‘I stand here and I set the trends.’ If you are a very small company, then you count your sales a day [...] then you hope that someday you sell so much that you can live on it. So you always count it up. At some point, you say: ‘Now I have a lot, now I sell a lot and earn a lot of money.’ Then comes the next one who says [...] ‘to take the business to the next level we do not just have to sell a lot but we have to ask ourselves how much market share that is of the total market.’ How much do I have to continue to grow then [...] if then at some point the market share is no longer 5% but 50%, then you can no longer think about the market share, because then this doesn’t help you anymore. But then you have to ask the question, which drivers within this 50% secure me a market share growth in the future [...] in the beginning you try to feed yourself and then you only have to look conceptually at the segment that will bring your market share even further. Here, as I said, we are not so far as to apply these

formalisms in that way.”

I-40 | Head of Sales | Professional, scientific, and technical activities |
medium company

Anchoring of the process in corporate hierarchy.

Alignment of KA selection decisions with the corporate customer development strategy is mainly ensured by the fact that topmanagement acts as the final decision-making authority to admit or further develop KAs, as well as to generally define the argumentative basis for decision-making:

[Is topmanagement involved in the selection of KAs?]

“Well, I would not say operationally, but strategically, in the way that the criteria are of course coordinated with topmanagement.”

I-65 | KA Manager | Professional, scientific, and technical activities |
large company

“Not in the daily operational work, but when it comes to annual objectives or realignments or we are not yet in the right environment [...]. Strategically topmanagement is involved with certainty [...], what products do we have, where do we want to position them, that is a strategic direction of the topmanagement.”

I-73 | KA Manager | Professional, scientific and technical activities |
medium company

“Topmanagement must agree with the selection of the area at the end.”

I-34 | Corporate Account Manager | Manufacturing industry |
medium company

Rare exceptions are cases in which a selection model is pre-defined in advance by

topmanagement, which is passed top-down. However, topmanagement is not involved in the final decision for or against a KA:

“But whether we serve or do not serve a customer, concerning this, I only rely on the correct application of the model by the local sales management units.”

I-62 | Vice President Sales | Transport, IT, and communications |
large company

Occasionally, KA managers from medium-sized companies reported that the selection of KAs lies solely with themselves, as they have experience with the customer which is used as the basis for the appointment. This selection might not be aligned to a company’s strategy, as strategic decisions are mostly located at the topmanagement level and therefore might have negative effects especially on the achievement of strategic and qualitative KAM initiative targets.

“This [selection of KAs] is relatively individual. It is done by every manager, of course because of his experience and [...] his success predictions he associates with it. In addition, that can be very different and quite individual criteria, which are then used. Of course, you cannot suddenly [...] make a mosquito an elephant or something. [...] each employee can freely write down his selection.”

I-21 | KA Manager | Manufacturing industry |
medium company

Evaluation of KAM portfolio and potential denomination.

In our sample, the types of customer portfolio evaluation are linked to company size. A continuous or fixed-time approach is mostly performed by large-sized companies, especially in manufacturing industries. In contrast, medium-sized companies either do not evaluate their KAs at all, especially if they are too important or too few, or only evaluate on the basis of events

concerning the customer or the market. However, a few exceptions exist in medium-sized companies that also evaluate on a regular or fixed-time basis. This might be due to the market they are in, as they find themselves in highly innovative and/ or technological environments. Therefore, evaluations of KA portfolio compositions can be performed:

a) At no time:

“No, not really. We might watch more towards the end of the contract period. Well, that’s always contractually regulated. If no notice of termination is received at the end of the quarter, the contract is extended by one year. Then it automatically remains in KA status, if it had one before.”

I-61 | KA Manager | Manufacturing industry |
medium company

b) On a continuous basis:

“It is, of course, subject to constant review. I can’t tell you exactly when it’s running, but we regularly receive an email from the Corporate Account Management Office telling us which KAs have been nominated but also which accounts have been denominated. [...] a continuous review. What influences are there on an account that make it necessary to either nominate an account manager or to denominated an account manager?”

I-18 | Corporate Account Manager | Manufacturing industry |
large company

c) On a regular/fixed-time basis:

“Once every year, it’s a fixed point in time.”

I-20 | National Director Sales | Manufacturing industry |
medium company

d) Based on events:

“It can also happen through events. For example, there’s a split from the customer who’s regrouping. That’s just what we have here in Germany with the [branch] companies such as [company names] that split up and restructure again – of course we have to react relatively quickly and must then follow suit with KAM. As a rule, it is actually time-related, i.e. it is checked regularly.”

I-46 | Corporate Account Manager | Manufacturing industry |

large company

External economy: internal economic structure/ processes

Companies in rapidly changing environments.

Most large-sized companies manage to adapt to a fast-moving market by adapting internal company structures to it:

“If I look back, the last 10 to 15 years, it was like, once a ‘company,’ always a ‘company.’ But this is definitely not so. We are going through the biggest reorganization we have ever had. We are adapting to the fast moving market. [...] The last 10 considerably faster. [...] I would say we are one of the five to six DAX companies that are doing it very, very well.”

I-41 | Corporate Account Manager | Manufacturing industry |

large company

A harmonization between external conditions and internal structures is also reflected in the solidity of the KA selection process, in that concrete process steps are implemented throughout the company and quantitative and qualitative criteria for evaluating customers are applied, as well as a continuous or fixed-term regular evaluation of the customer portfolio. This

ensures the permanent pursuit of the monetary and strategic corporate goals by means of an optimal composition of the customer portfolio. However, far more medium-sized companies in dynamic environments focus solely on turnover developments of customers:

“This is a very good question, which I can also answer with very dynamic. It is indeed the case that we are in the IT sector and as an application performance monitoring tool provider. [...] And accordingly it is a very dynamic environment, with new technologies [...] we have new releases for our products, for our tools, every two weeks.”

[Is there an objective selection process in the company by which KAs are identified and selected?]

“That depends entirely on how much they pay. It’s really the numbers and the budget that the customer spends with us. These are the KAs [...] otherwise it is not defined as a KA.”

[Is the KA status of a customer checked again?]

“Of course, it is possible that at some point the customer is so dissatisfied because he has had so many technical problems that he says, ‘I don’t need that many licenses anymore.’ This means that they have to be demoted if they have fewer licenses and will therefore pay less with the next contract extension. The same applies to the small accounts that buy additional licenses and pay a larger amount of money.”

I-8 | KA Manager | Professional, scientific, and technical activities |
medium company

A sporadic evaluation of KA status despite a radical corporate environment is justified by the customer-driven achievement of competitiveness and the associated retention of the customer against competitors:

“I believe that the interests of the customer ultimately advance a company and also bring innovation into a company. And when a customer says, ‘do the impossible,’ whether it’s

innovation or cost reduction, it's because it can help a company to get better.”

I-40 | Head of Sales | Professional, scientific, and technical activities |
medium company

“KAM is not an end in itself. In the end, everything is always just driven: Do we have a competitive advantage with the customer? That is the competition. And that's why it was important for me to say once again: why are we doing all this KAM? To be better than the competition, to motivate the customer, to think of us first and not of our competitors.”

I-50 | Vice President Global KAM | Manufacturing industry |
large company

Companies in stable environments.

Although companies that are in a stable and therefore less disruptive environment in terms of sectors and markets have well-founded selection processes that analyze even informal networks of market players, the evaluation of the customer portfolio with regard to the effectiveness of the selection could be improved:

“The [industry name] is an extremely conservative industry [...] due to our development cycles, the development times alone are already extreme [...] the second, the approval hurdles are very high.”

[Is there an objective selection process in your company with which KAs are identified and selected?]

“Of course, there is a proper [process]. We sit down, also with external consultants, list all persons relevant to the decision, invest in whether there are informal networks that have certain KAs, monitor these informal networks as well and then decide who we should look after, by whom and how intensively.”

[Is the KA status of customers checked again?]

“Yes, too rarely (laughs).”

[So you would say you have KAs in your portfolio that are actually no longer KAs?]

“Not in my portfolio, because I have three customers from whom we know relatively precisely what business we can expect in which year and this alone qualifies the current business. But of course we do have KAs where we would have to think regularly, does it make sense to provide a KA manager for them? Simply because the number of opportunities or the number of leads that can develop from them simply do not justify the costs.”

I-28 | KA Manager | Transport, IT, and communications |

large company

A possible justification for well-founded selection but only marginal evaluation processes for the potential denomination of KAs could be that there are only a few shifts in competition. However, precisely for this reason identifying emerging KAs can bring decisive competitive advantages in a deadlocked market.

3.4.2 Internal and external politics

Internal polity: internal sociopolitical structure/ processes

At least two business units have to evaluate customer as high in importance.

Since at least two Business Units (BUs) have to classify the customer as important, this creates dependency structures among the business units. A positive or negative cooperation between business units can determine the declaration or the maintenance of the KA status of a customer. This dependent relationship could also be used as a political or power tool. Business units specifically could use their bargaining power by withholding their voting rights for

customers in order to harm other business units and thus strengthen their position within the company:

[With which departments of the company do you work together concerning KAM?]

“We work with the units, the business units, that also do business with the customer.”

[And when choosing the KAs, who is involved in the process?]

“We ultimately ask all business units for their opinion and evaluation. [...] depending on whether they [customers] are low, medium, or high [in status] we need two units that rate it as high and are willing to spend money on it.”

I-35 | Vice President KAM | Manufacturing industry |
large company

In particular, since business units that consider the same customers to be important might be similar in their field of business, these business units are in direct competition with each other. This is illustrated by the fact that it is common for KAs to be transferred from one business unit to another if the volume of business there is greater or if the business unit has “better access” to the customer. This means that the business units are not only in a dependent relationship but also in direct competition with each other:

“Actually, [...] it has happened, especially with our BUs, business units, with our business fields, that another area, for example with company A [...], that’s the one, a very large volume of work with the customer year after year, every year, and then at some point it was decided, it [the other area/BU] has a much larger volume with the customer, has much better access to the customers. We switch the account from BU A over to BU B because that makes more sense.”

I-48 | KA Manager | Manufacturing industry |
large company

Topmanagement as final decision authority and KA manager collaborations.

In most cases, topmanagement is named as the final power for the selection and de-selection of KA customers:

[Is topmanagement involved or who ultimately selects the key accounts?]

“Yes, key account, that’s senior director level, so that’s basically one under the management. It just depends on the overall strategy and the overall strategy stands and falls with topmanagement.”

I-51 | KA Manager | Professional, scientific, and technical activities |
large company

“Topmanagement [...] starts with the development of a matrix and based on this matrix the respective EMEA managers [...] make [decisions]. [...] They have the power and then perhaps discuss it again with the board of directors. But if the board says, ‘We no longer see the customer as a key customer,’ then from the company’s point of view he can be downgraded to a normal customer, yes.”

I-59 | International KA Manager | Manufacturing industry |
large company

Therefore, KA managers are in power-dependence of topmanagement decisions for the selection and deselection of KAs. Hurdles of power dependency and lack of control over the KA portfolio composition become visible by KA managers forming alliances with other KA managers to achieve a higher bargaining power and by the fact that they operate for years to argue that customer status should be raised:

“[...] in the end it is also an internal selling. [...] I am currently helping a colleague with a large [Nationality] customer that would actually be a classic corporate account, and I have just helped him to achieve a definition of this customer as an account. And this is

now a process over 1–2 years and I am helping him with the internal sales in the company.”

I-47 | Principle Corporate Account Manager | Manufacturing industry |

large company

Conflicts occur in particular when customers are nominated as KAs whose status cannot be traced as they do not have the classic characteristics of a KA. Here, politics seem to play a role in selection:

“It’s based on economic metrics, such as sales or profit, but it’s also a bit of politics involved. So, on the one hand, it’s about what makes economic sense and on the other hand, it is also the point, depending on which customer is defined as a KA, this has an impact on who in turn is responsible in the organization. That is the reason why it’s not always 100% clear to me what are the criteria and why is a customer classified as it is classified. That politics also plays a role was visible in the old organization, for example, when we were a dedicated KAM team [...] there was one customer of which we all thought, it is so small, no one understands why it is with us. There were also customers in the regional unit who were bigger. So purely from the key figures, it didn’t make sense.”

I-63 | Regional KA Manager | Manufacturing industry |

large company

“As KA manager, I was responsible for one and a half and later for two and a half customers. What do I mean by half the customer? It wasn’t really a KA in the sense of, there is always the question of how to define a KA, that it is a customer who is important or a customer who should be important, but it was just a big brand, but in that sense didn’t buy anything and the other was a major automotive supplier.”

[The KA selection process. Were there any processes to select a KA?]

“So, it wasn’t arbitrary, but somehow it was.”

I-33 | KA Manager | Manufacturing industry |

medium company

This conflict is aggravated when KA managers are given targets that have to be achieved with KAs whose selection is not comprehensible:

“I have clear target agreements that result from financial targets, i.e. really what turnover, what result, what contribution margin and also what quantity I should sell to the customer. So financial targets as well as these, as well as the qualitative targets, that I should negotiate projects, for example, or that I should negotiate contracts with the customer, that I should advance projects with the customer, that I should advance innovations with the customer and that is set out in writing in targets, which are then also evaluated.”

I-43 | Regional KA Manager | Manufacturing industry |

large company

“Of course I have to report to my boss [...] So I have to say that I will be given targets at the beginning of the year and I must, of course, meet them. I will then have to report them.”

I-7 | Director Customer Service | Professional, scientific, and technical activities |

large company

These conflicts may result in a lack of cooperation with the performed selection on part of the KA managers. In the longer term, KA managers may be interested in consciously reducing the turnover of non-traceable KAs so that they no longer have to keep them in the portfolio to be managed, to legitimize deselection, and to achieve a more promising portfolio

composition for the future. If KA managers cannot influence the selection process and think that company internal politics play a role, this might lead to frustration, lack of understanding or motivation, and potential conflicts. Consequently, the management of incomprehensible and/or unaccepted KAs may not be as comprehensive as required by managers to develop the KA for optimal profit. This feeling of suppression could be reinforced by the fact that KA managers have the deepest knowledge about and experience with respective customers. However, they are (completely) excluded from the selection decision.

Withholding of information about the customer.

Although CRM tools for systematic collection and forwarding of customer data would be available, not all information from the KA manager is entered into this tool. It is said that customer information could “theoretically” be entered into tools or that a great deal of information is stored in the head of the respective KA manager only:

“We could do that. There is a system that can contain all sales information worldwide and if I want to share something with my stakeholders, I can do that. I personally do not use it.”

I-6 | Director KAM | Retail and hospitality |
medium company

[How do you secure customer information? Are there any tools?]

“Theoretically in CRM, I would answer that, but with the ‘theoretical’ before that (laughs).”

I-33 | KA Manager | Manufacturing industry |
medium company

“There’s a lot of great tools. But you have to say with customers like that, there is a lot of information that is in our heads. We don’t necessarily write it all down. And of course

we also have confidentiality issues. Many of the things I discussed with the client were not suitable for the ears of my KA colleagues from the competition, from their competition, so to speak.”

I-50 | Vice President Global KAM | Manufacturing industry |
large company

One reason why KA managers act as a closed information pool within the company could be that KA managers are in a role conflict. On the one hand, KA managers are positioned higher in terms of their hierarchical anchoring in the company organization than regular sales/ other department representatives, so that they can meet the customer at eye level in negotiations:

“In KAM, a KA manager must simply be higher up in the hierarchy [than regular sales employees] because what are his focus contacts at the key customer? Usually it’s the topmanagement.”

I-66 | Head of KAM | Professional, scientific, and technical activities |
large company

On the other hand, KA managers are not valued in their role within the company and no added value is attributed to their work:

“There used to be malicious tongues, who said we [KA managers] were more like artists and got a salary. But it’s not like that. We still have certain fixed tasks. I believe that nobody can do his job without appreciation. Even when it comes to recognition from my colleagues, I’m more of an exotic. You have to advertise yourself.”

I-36 | Corporate Account Manager | Manufacturing industry |
large company

In line with this, they describe themselves in the role of lone fighters and cooperation with the KA team often only comes about when critical situations arise with the customer and

the knowledge of the KA managers is decisive for solving problems in the customer's management.

“In 80% of the cases I have to scream loud and run after people. In the other 20% of the cases where they come up to me, they've screwed up and needed my help to tell the customer something that doesn't sound so bad.”

I-32 | KA Manager | Manufacturing industry |
medium company

“There are colleagues who are more open and work closer together with us [KA managers], and then there are people who say we don't need them, they are just annoying and they don't really see any added value or advantage. Then it happens quite often, when things escalate, when the child is already gnawing in the well, then it occurs to those who are otherwise not so open in their communication, remember 'oh there is a KA manager, he could actually help me now.' That is sometimes a little bit difficult when things are already far advanced and you are called as the very last emergency nail. People are saying, why didn't you tell me earlier? [...] many say 'no' and that is the situation where the ideal description of these account teams, as it is in the manual, sometimes works better, sometimes less well. In the end, that's because of people, in certain regions. In the end it depends on people. I also have to be open. I cannot take away your successes from my colleagues and write to them for my benefit because they then have no desire to work with me. As I call into the forest, so it comes back. [...] You also have to fight in the lone role [...] It's not that easy to be a lone fighter. And the expectations are already there with the company. People go away from the customer and you have to re-establish the relationships. And you have to see how you get on.”

I-36 | Corporate Account Manager | Manufacturing industry |
large company

Therefore, it might create power and *raison d'être* in crisis situations when the KA manager is the one with the deepest knowledge about the customer:

“If you are a KA manager, then ultimately, the customer is your daily business. In other words, you try to absorb and interpret all the information [...] You are also the contact person, the expert in the company for the customer. So if anybody wanted to know anything: What’s going on, is it currently on [customer name] or what is not working? Then they ask me. Because you are the one who is ultimately the one who delves deeply into the culture of the customer. With your many relationships to the customer, to people, but also with your daily occupation with the corresponding literature.”

I-50 | Vice President Global KAM | Manufacturing industry |
large company

From the KA managers’ view, they are dependent on this assistance to colleagues to strengthen their positional relevance and legitimacy in the company in order to gain support and assistance in the management of a KA within their own company. Deep customer knowledge enables KA managers achieve this. From the view of other departments or KAM teams, they are dependent on the knowledge of KA managers (e.g., for the optimum management of the customer in projects). Additionally, the topmanagement needs customer information to evaluate the accuracy of KA status of a customer. Without this knowledge, developmental tendencies are not recognizable by topmanagement and the dynamic adjustment of the portfolio is delayed, which might mean a loss of profitability of the KA portfolio composition.

However, even if both parties are dependent on each other and could complement each other, collaboration between KA managers and KAM teams only occurs if conflicts or critical situations in the management of key customers arise. An additional reason why this is the case could be that KAM teams may have concerns that when using the support of a KA manager

success with the client will be attributed to the KA manager. Therefore, KAM teams may get into a conflict of legitimacy in favor of the KA manager. Hence, cooperation with the KA manager is postponed until the last minute. In order to keep the legitimacy mechanism for the KA manager role in the form of the “indispensable savior in times of need” running, KA managers may, for their own purposes, fuel the conflict or difficult situations mentioned in the management of a KA by withholding customer information. Thus, KAM teams are forced to return to the KA manager repeatedly and the manager’s legitimation is established.

Described conflicts in the collaboration between the KA manager and the associated account team may lead to a lack of collaboration. Due to this lack of cooperation, full management of a KA may not be guaranteed. Resulting reduced exploitation of customer’s potential may indicate that the KA is worse off than it should be in an evaluation of the portfolio and the risk of a status suspension or decrease is increased. As consequence, the company loses sales potential.

To maintain this channel of power, KA managers might increasingly side with the key customer and possibly store negative customer information only in the head and avoid deselection over the short or medium term:

“One is in principle a mediator in the interface between customer and the company. And you will always try to achieve a bit more for the customer and here I am very clear in my statement, to achieve a bit more for the customer. In my view it has no lasting effect if [...] the future is at stake for the result of the moment [...] one is of course sometimes too much of an ‘Advocatus Diaboli’ for the customer and [...] one is acting against the interests of the company. This mix of interests [...] is sometimes very difficult there.”

I-22 | Senior KA Manager | Manufacturing industry |

large company

“If we have trust problems and the customer says, ‘You guys can’t do that’ and I say, ‘You’re right, you can’t do that, it’s not possible’ [...] And there I am also the lawyer of the customer within the company.”

I-28 | KA Manager | Transport, IT, and communications |
large company

Furthermore, since KA managers accumulate deep knowledge about the customer over years or decades, it would be a serious problem for KA managers if the customer was no longer a KA. The power of the KA would be lost as previously important information becomes more or less redundant due to the denomination. To avoid this, KA managers often report that they give more to the customer than to the company itself. Furthermore, customer information that is only “stored in the head” could fall under the radar of deselection. This would not be serious quantitative characteristics (these must be passed on) but rather tendentious qualitative characteristics, which may be relevant to the implementation of an account business plan or corporate strategy and give early indications of the future development direction of customers. For example, KA managers could conceal the nuances of a customer’s change of status to its company and therefore delay the definitive status change. Particularly in radically changing and highly competitive industries, this “safeguarding of information dominance over the customer” could massively restrict the efficiency of selection and deselection processes and could make them non-dynamic, which may entail opportunity costs in terms of profitability.

In some cases, the structures of the corporation are described as “too careful,” which means that the KA manager has to overcome structures at his own risk in order to keep the customer. Accordingly, perceived shortcomings or insufficient control of the internal economy cause internal policies in form of a conflict the KA manager has to solve on their own. However, to take half a step towards the customer can already be half a step too much, which can no longer be justified by the internal processes. Structures in the company are exceeded that were

mostly created at a higher management level in order to achieve the strategic goals of the entire group. However, these overriding goals are not directly visible or comprehensible for the KA manager at that moment. This can have a negative impact on KAM performance, as it adheres to a customer who, according to company structures, should no longer be a KA. This would be particularly serious in cases where a KA is on the verge of losing KA status. So that the status is artificially postponed or prevented.

“I believe a salesperson should try to solve problems more and more energetically, even against resistance and rules in the company, than a clerk, for example. The clerk has his framework; he sticks to it. And a KA manager has to discuss and exceed limits.”

I-3 | National KA Manager | Manufacturing industry |
large company

“The charm of account management lies in the fact that you can act freely. There are of course cash barriers – no question about that. But they are far from being as pronounced as they are at the operational level.”

I-4 | Corporate Account Manager | Manufacturing industry |
large company

Seniority and structural differentiation of KA managers.

Moreover, time and experience seem to resolve this role conflict of KA managers, in that the aspect of “seniority” leads to a new legitimization of the role. Thus, the role of “KA Manager” per se is seen as a “senior” position in the company:

“A bit of grey hair is of course not bad for a KA manager [...] no offence [...] But I think it helps a bit [...] KAM is typically a senior role, for example because you know the whole portfolio [...] you’ve already been through some crap [...] you’ve already been through some crises. If this is your first crisis, you’re getting nervous.”

I-42 | Global Account Manager | Manufacturing industry |

large company

In the course of their experience, senior employees are specifically deployed for the acquisition and development of new business relationships, thus gaining legitimate autonomy in the further development of the customer portfolio:

“There are also so-called ‘face directors’, i.e., senior employees who are specifically concerned with acquisition and the establishment of new business relationships [...] these are very highly qualified senior employees from the surrounding area. They know very well how professional sales works, but it is then also very much tailored to this individual.”

I-26 | Senior KA Manager | Professional, scientific, and technical activities |

medium company

This powerful special position of senior KA managers even goes beyond the limits of a customer’s profitability, in that if a customer wishes so, a KA manager can continue to look after the customer even when no business is done:

“It may well be that a customer drops from 100 to 0 and no longer generates any turnover, and if something like that lies idle for years, if a customer simply [...] no longer generates any orders through the years and then suddenly comes back, then it may also be that he is simply no longer listed as a KA with us. Unless he insists on old relationships, on the old employees here in the company, which are often grown structures [...] In that case, the customer’s wishes are in the foreground, respectively the customer should be well looked after.”

I-17 | KA Manager | Professional, scientific, and technical activities |

medium company

Additionally, within the group of KA managers, especially large industrial companies define different types by different requirement areas in terms of scope, internationality, and diversity of business areas:

“There is a certain account management system at [company name]. There are regional account managers who, as the name suggests, operate in the region and usually serve one or two customers [...] However, these are usually customers who do not operate globally. Then there are the global account managers, who [...] are also on the move globally. But usually only specific to one division. [...] Corporate accounts, that’s yours truly, they serve the entire range of companies, that is, the entire breadth of up to [...] we have business relationships with all 10 divisions of the company [...] then of course globally.”

I-47 | Principle Corporate Account Manager | Manufacturing industry |
large company

With the requirement profile of the respective KAM type, the reputation or authority of a KA manager in the company might increase, as the relative importance of the customers can be transferred to the importance of the position of the KA manager. For example, they use their authority in the company to define a career path for junior employees:

“For many, many years there was no career path for KA managers at [company name] [...] That’s why I myself have been fighting for it for many years. The model was already available for project managers, where we had the same problem many years ago. These are all jobs that you don’t learn overnight and account management is basically about building customer relationships [...] And then I was more than happy, because last year in September the management board decided that we are going to build a career path for account managers [...] we have a certification process with us where you really have to pass tests. The training takes three years [...] and I was the very first principal account

manager [...] something like that somehow fills you with a certain self-satisfaction. I mean we are all people; we work not only for money but also for recognition. [...] Many young colleagues have also contacted me, “can I talk to you?” and “oh I didn’t know that, so interesting!”

I-47 | Principle Corporate Account Manager | Manufacturing Industry |
large company

By promoting and supporting aspiring KA managers, senior KA managers secure their position in the company by ensuring that their experience is consistently differentiated from that of their younger colleagues who are not in a competitive position but rather in a position of dependence. Restrained, because personal knowledge about how to deal with customers can thus create a situation of dependence that is perceived as “natural” by younger colleagues. The need to pass tests within the training program represents another potential power lever for senior KA managers by promoting only those who behave or develop in line with the required “school of thought.” The power of experienced KA managers is secured over generations of successors, and with it their reputation and position in the company.

Senior KA managers also help younger colleagues when it comes to marketing potential KAs before topmanagement and can thus have a direct influence on the establishment of a customer in the KA segment. These potential KAs can then either be supported due to their promotional effect on existing KAs of the corporate account manager or blocked for the KA status due to destructive factors.

External polity: distribution and use of power resources among external actors

Non-economic KA selection due to a limited number of potential KAs on the market.

Dependency structures also occur regarding the external circumstances of a company. External circumstances here are defined as the relationship to customers and market or industry

characteristics. For example, the selection of KAs cannot develop its full potential if only a few customers of the market/ industry are available or can be reached as potential KAs. This means that there is no well-founded selection process, as KAs are “logically” pre-defined by the market or by the initiation of a business relationship by a big player:

[How does the company select its KAs?]

“The KAs are purely logical. Even if I showed you the list, even you, as one that is not in the industry, would probably come up with the same [result].”

I-33 | KA Manager | Manufacturing industry |
medium company

The choice of companies regarding their KAs is also limited by competitive structures. Thus, selection per se is already a political instrument vis-à-vis the competition, as customers are “occupied” by a company and the intervention of a competitor is associated with certain risks. In line with this, compliance concerns limit the possibilities of selection:

“If this is a pure [competitor name] account, [...] so [competitor name] is our main competitor. You have to think very carefully about whether you invest in this. What access do we have, yes?”

I-42 | Global Account Manager | Manufacturing industry |
large company

“What is extremely important for [company name] are compliance issues. That one really puts the company through its paces to find out to what extent there have been any compliance violations. And if that should be the case, then there would be no authorization to acquire this customer at all or to make him a KA.”

I-44 | Head of KAM | Transport, IT, and communications |
large company

One-sided dependency relationships with key customers arise in particular for medium-sized companies, as they find themselves in relationships of unilateral dependence with KAs and consequently might not be in a power position to select or deselect major players on the market freely. Therefore, medium-sized companies are often highly dependent on existing KAs in their customer portfolio, since these customers are expected to ensure the permanent growth of the company and to legitimize interference in the market:

“It’s like that, of course, we sometimes have customers who are not profitable and where you notice that, you could actually close the whole thing down or you have to change it so fundamentally to earn money. And there it is interesting that a younger company or a smaller company, as we are, is driven by sales, and this decision ‘and then we also lose sales,’ it is a difficult decision, yes [...] this weakness in decision-making, that you drag along things that don’t make money, but do sales [...] to pull plugs, we don’t like to do that.”

I-40 | Head of Sales | Professional, scientific, and technical activities |
medium company

“It is more or less a credo of our sales management that they say, hey, you have to keep at it and look after them.”

I-56 | KA Manager | Retail and hospitality |
medium company

This dependency is also visible beyond the limits of economic legitimacy by holding on to KAs that generate revenue, but whose management is not cost-effective. Even if no turnover has been generated with the KA for a long time, this is still not a decisive reason not to manage the KA. This means that KAs are in a position of power to claim the company completely for themselves (besides “non-competitive” customers) and to secure the dependency position, for

example by linking the inclusion of further promising large players in the KA portfolio of a mid-sized firm to the termination of the business relationship on the part of the existing KA. On the side of medium-sized companies, this behavior is then legitimized, for example, with qualitative arguments, in that a “big name” in the customer portfolio should not be given up, as it could lead to prestige for the medium-sized company due to a halo effect:

[Are there any processes to evaluate whether the KA status has to be cancelled?]

“No, because it has its name and even if we haven’t managed to sell something for two years and would have to deselect it in a process, or have to say, there’s no point for wasting work. If you have the logo of a KA in your customer presentation, then you go ahead.”

I-33 | KA Manager | Manufacturing industry |

medium company

However, such dependency relationships in the selection of a few possible KAs are not limited to medium-sized companies. Even large companies operating in industries or markets where the number of potential KAs is severely limited report conflict situations in which, on the one hand, key figures have to be achieved, but on the other hand, there is little leeway in the selection of KAs:

[So it’s fair to say that when managing a KA, you tend to focus more on the customer’s specifications? So like you just said, happy customer, happy company?]

“Exactly, that’s the way it is. This is quite a contradiction; because on the other hand we are a listed company [...] we have to achieve certain key figures, which can lead to contradictory goals. It is quite clear, [...] with us it is obvious, we only have a certain number of KAs. We cannot afford to scare away one KA because we cannot easily get another one.”

I-28 | KA Manager | Transport, IT, and communications |

large company

Regardless of the size of the company, this dependency relationship forces management to intensify customer orientation in order to have “a good chance on the market.” The company’s guidelines must still be followed; however, a clear shift towards the fulfillment of customer needs is visible:

“I can actually say that the market itself is clearly forcing us to be very customer-oriented. This means that we have to fully meet the needs of the customer so that we have a good chance on the market.”

I-2 | KA Manager | Manufacturing industry |

medium company

“Well, sales is always a bit externally controlled by the customer who sets the priority.”

I-31 | KA Manager | Manufacturing industry |

large company

[What is the management more oriented towards, the specifications of the company or the wishes of the KA?]

“The wishes of the customer. Specifications from the company, so there are already some. But it is like making a wish. So like Christmas. You always say, and this is generally true, you can’t brush the customer against the grain. You’re selling values, besides the products and services. I learned that in sales. The bait must be appealing to the fish, not to the fisherman [...] What does the customer need in his market, in his environment? So the orientation always starts from the customer’s side.”

I-36 | Corporate Account Manager | Manufacturing industry |

large company

In the case that representatives of the KA are aware of the company's dependency and the resulting "unconditional" customer orientation, the target-oriented spread of business-critical information "baits" can be used as political lever by the KA to achieve intended business conditions. Same might apply for the case of withholding such information. These goals might only be favorable for the customer and not necessarily for the supplier company. This risks the effectiveness and efficiency of the entire KAM initiative:

"Ultimately, however, the decision is still made by a person and when the customer says: 'You might be a little far away or think about it, others might do it that way,' you often come into the range. If you are just close to the customer here, then you may get the information and then one or the other decision will be made in favor of it."

I-37 | Head of KAM | Manufacturing industry |

large company

Customers focus on supplier diversity.

KAs maintain diversity in the suppliers by steering the award of contracts through political considerations. For example, a contract is awarded elsewhere if the supplier could gain too much power over the KA by feeling negotiating power through the repeated award of a contract. The potential loss of a supplier who has not been considered in the award of a contract for a long time can also lead to a redirection of the award of the contract in its favor.

"Let me put it this way, even if we submit or prepare a bid, we still have I would say four to five major competitors worldwide, if, for example, I have received three major orders from a KA in the last 10 years, then it is clear that I will naturally bid again on the fourth. Of course, it is also almost to be expected that the fourth order will go to someone else. Simply because the customer naturally also wants to maintain a certain diversity of suppliers and if he does not consider a supplier for orders over 20 years, then there is a

possibility that he will disappear from the market and the competitive situation among us suppliers will then simply become somewhat less or easier and it will develop into a supplier market. At the moment it is a very clear buyer's market. The buyer practically dictates the market price and 20 years ago we calculated 20–25% gross profit. At the moment, we can still be happy if we get 5%.”

I-29 | KA Manager | Manufacturing industry |

large company

Diversity in suppliers thus reduces dependence on individual suppliers, as power is exercised by playing out choices. However, suppliers are thus dependent on political decisions of the KA. This makes a well-founded argumentation for the evaluation of KAs considerably more difficult, since not only economic aspects are decisive for the turnover with the customer, but political aspects can also play a decisive role in maintaining independence. The problem here is that the selection processes used have so far hardly been able to capture or take such policies into account:

“We have a strategic CRM in marketing and we use it to calculate values, this applies to the entire customer base of the company and the KAs is practically the upper right corner of it. That's a cube [...] political dimensions cannot be covered by such a cube. It can take hard facts and also a few soft facts into account, but unfortunately not everything.”

I-60 | Head of KAM | Transport, IT, and communications sector |

large company

If a KA does not place any orders for a longer period of time for diversity reasons, the company can exercise power by announcing a possible deselection or denomination of the customer from KA status to a regular, non-preferred customer status. This could put the customer under pressure to award a contract to the company in a timely manner, as otherwise

the original goal of diversity in the providers would still be lost:

[Is it possible that a customer was once a KA and this status is taken away from him?]

“Could be, so it can happen and has happened, of course. Of course they are not very happy if they notice that. They are also human. Those are the tricky moments.”

I-47 | Principle Corporate Account Manager | Manufacturing industry |

large company

A de-nomination is not only linked to the termination of preferential treatment of the customer in management but also to the exclusion of the customer from important industry meetings organized by the supplier, where informal contacts with relevant industry players can be established and maintained and current industry trends can be discussed in a closed coalition. The exclusion from such meetings could have further effects on business with other companies through signaling effects:

“This then has the consequence that the board members of the account that was downgraded are no longer invited to Executive C-Suites. We have very high-quality and top-class events once or twice a year, including the participants’ and capital city congress [...] They are then no longer invited by us. [...] That would then change completely.”

I-59 | International KA Manager | Manufacturing industry |

large company

Power positions of suppliers due to new technologies.

If a company offers innovative products (e.g., innovative technologies necessary for customers to keep pace with digitalization), this leads to a power position of the company towards its KAs:

“I witnessed this in 2019 [...] when GSM mobile phones were introduced. It was a hype

without end. Everyone needed training. In the meantime, all knowledge about this technology is freely available on the Internet. Nobody pays more money for training. This means that the whole area of telecommunications, like a utility, is no longer business critical, but process management is business critical. Every butcher, every baker must ultimately map his business processes digitally somewhere with the requirements of data protection – documented in an audit-proof way. In this respect one can only say, yes, a golden future for us.”

I-58 | KA Manager | Transport, IT, and communications |
medium company

The power on the part of the company supplying new technologies is also strengthened by framework conditions, such as the lack of laws, since they are not restricted in their actions by any explicit regulations:

“There is also another aspect – that federal legislation usually lags behind the economic facts by a decade. Then we will have a doubly golden future, so to speak, because the entire legal basis for keeping or bringing this digitalization within a framework is not yet in place.”

I-58 | KA Manager | Transport, IT, and communications |
medium company

Due to the dependence of customers on innovative products and services, the company can take advantage of all the benefits of strategic KA selection by selecting as KAs only those customers who align most with the company’s objectives. Thus, within the group of medium-sized enterprises, in particular enterprises in innovation-driven sectors such as the IT industry have selection, evaluation, and de-selection processes for KAs that take into account both quantitative and qualitative aspects, which is the regular exception for medium-sized enterprises

in other less innovation-driven sectors:

[How do you determine your KAs?]

“I would primarily say, on the one hand, on the subject of sales, of course. But also explicitly on how open the customer is to using the complete product portfolio in the future or to even think about it and to understand it, i.e. a customer with whom we may have made a lot of money in an initial project, but with whom we know that he is actually not open to anything else, we would not prioritize him as highly relevant as we would a customer [...] who we know is always open to new technologies, new solutions and so on, and is actually up for it.”

[Then what is the most important criterion?]

“A customer’s ability to evolve and its openness to see that we can make things happen.”

[Is the status of a KA checked or updated?]

“Basically, it’s a fixed date that you just go through it again and look at it every year: does it make sense that the customer is a KA for us, yes or no? But of course it can also be situation-based, that you simply notice that either someone is broke or, what kind of things have just happened [...] then you change the status, of course. But in any case, we look annually at it over and over again, to reassess it and then of course also situationally.”

[Does this mean that a customer’s KA status can also be revoked?]

“Yes, definitely.”

I-73 | KA Manager | Professional, scientific and technical activities |
medium company

As part of the regular review of the KA portfolio, companies can select customers with

the largest order volume or the best strategic opportunity to achieve their goals. This enables companies to achieve a strategic fit with the customer or legitimacy and resonance for their innovation more quickly. This selectivity also allows for bidding competition among customers, since the company's key customers may gain a potentially decisive advantage over competitors by using the innovation and the intensive support provided by the company in the course of KA management. In addition, innovative IT companies in particular are able to maintain their power, since the implementation of an IT system in customer companies is usually associated with great financial and organizational effort, so that the switch to competing products could not take place without negative effects.

Consequently, companies are in a powerful position to de-nominate KAs that are not performing in line with the company's objectives and to deny them KA status, which is communicated to the customer:

“If significant changes occur either in our business or in the business of the large customer [...] the selection process can also include the reverse path, so the elimination of markets, large customers, or KA managers. These decisions are made on the basis of several criteria, which are evaluated by managers in the market and in the global and regional KAM offices as part of regular reviews. One reason for cancellation may be that the expected potential can no longer be realized due to changes in the industry or because business processes lack stability or profitability. In this case, KAM may not be the appropriate way to serve a particular customer. The decision to cancel a KA's status must be communicated internally within our own organization and externally to the key customer.”

I-36 | Corporate Account Manager | Manufacturing industry |

large company

“The processes are the same [selection and deselection]. It doesn't mean that if the basic

criteria that have been specified are met, there is automatically a KA manager involved, but there are additional conditions that have to match each other and then they continue. And then there is not only a nomination process in my company, but also a systematic denomination process. If you realize that after three years with an account you have achieved nothing [...] achievement at the end of the day is numbers, not the good relationship. That I have established a good relationship with my client after three years is not enough. Then the customer is de-nominated again.”

I-15 | Corporate Account Manager | Manufacturing industry |
large company

3.5 Conclusion

3.5.1 Theoretical and managerial contributions

This research (1) uses a qualitative research approach to explore how a balance between inter- and intra-organizational alignments is expressed through companies’ design of KA selection processes, and (2) enriches the prevailing rational perspective on KA selection and portfolio management by introducing an organizational politics perspective. This study therefore contributes to the scarce literature on KA selection, which was previously focused on the criteria used for “rational” selection processes but paid little attention to actual selection processes. By drawing on the political economy paradigm, we introduce a conceptual lens to the KAM literature that allows a new perspective on and a deeper understanding of KAM. As Arndt (1983, p. 47) stated: “The political economy worldview means positioning marketing as exchange behavior, the social unit being a marketplace for the exchange of scarce resources [...]. The focal social unit (the unit that is the object of analysis) is conceived as a political coalition of internal and external interest (stakeholder) groups having partly common and partly conflicting goals.” We believe that this research supports Arndt’s view showing the value of

research on political phenomena in sales and marketing in general, beyond KAM.

By taking the perspective of inter- and intra-organizational alignments combined with influences of the organizational politics view, we create an innovative perspective and new connecting points for further research on KA selection as part of a company's KAM capability. We confirm the more general finding that KAM practices are heterogeneous across companies (Homburg, Workman, & Jensen, 2002). This important empirical result is about 20 years old now. It described KAM at a point where it had been implemented in some companies for about 20 years while others were in the process of implementing KAM. One could have expected that, since 2002, a development and homogenization of KAM process has taken place. However, at least for the field of KA selection, this does not seem to be the case.

While this result is interesting, our study also provides insights into the reasons why KAM – similar to other management concepts – even after many years of implementation does not converge to a unique form. Our research suggests that the force of political factors in many companies is such that different aspects of what the literature describes as “the rational way to do things” are modified, distorted, or even abandoned. Rather, internal as well as external political factors play a major role in how the actual practice of KAM is shaped in a company. Introducing this new perspective, we furthermore add to the approximation of research and management practice. By taking a broader picture of the whole decision-making process, our research supports responsible managers to design selection processes that reach a balanced inter- and intra-organizational alignment. This balance serves as a fundamental basis to select the “right” accounts for KA status, and in line with optimal resource allocation, to secure success and performance of the KAM initiative.

3.5.2 Limitations and avenues for further research

This study represents a first step to gain basic insights into the interplay of inter- and intra-organizational alignment that becomes visible through companies' design decisions on KA

selection processes. Additionally, we provide first impressions on how various aspects of the political economy (PE) perspective might allow interesting and relevant additional insights into management processes in business-to-business (B2B) companies. However, our findings point to the necessity of more fine-grained and detailed analyses of KA selection and, most likely, numerous other management processes that are related to customer management on B2B markets.

The qualitative analysis approach has provided the opportunity to gather rich data that shows the variance in the way companies manage KAs in particular and, more generally, their customer portfolios. However, we have not established a link between the specific way KA selection takes place in a company and the outcomes to which KA selection design may lead. The literature suggests that selecting KAs with the utmost accuracy is decisive for KAM performance and success (e.g., Gosselin, 2002; Zupancic & Müllner, 2008). However, a quantitative analysis that provides more systematic insights into configurations of KAM selection design elements and KAM performance would allow establishing if certain KA selection approaches lead to better outcomes than others – or if different configurations are equifinal. A case-oriented, set-theoretic research approach that describes cases as combinations of attributes as well as the outcome in question (Fiss, 2011; Ragin, 2008) appears particularly promising (e.g., fuzzy-set qualitative comparative analysis; fsQCA). This method deals with the extent to which a certain case has membership in the sets of specific attributes or combinations of these attributes and the outcome set (Ragin, 2008). Furthermore, this methodology assumes multiple conjunctural causality, expressing the fact that an outcome rarely has a single cause and that causes are not isolated from other causes. A major advantage of fsQCA lies in its incorporation of equifinality, which means that a system can achieve the same final state even if it has different initial conditions and even on a variety of different paths (Fiss, 2011). Consequently, applying a fsQCA-approach allows for identifying equifinal solutions in KA selection design and implementation to reach a specific KAM performance

outcome and therefore provides valuable operative and strategic design implications for decision makers.

A second avenue for future research concerns using the political economy paradigm more systematically in inter-organizational research on business markets. While the framework itself is not new, few studies have attempted to use it for empirical purposes. Our research suggests that the framework “resonates with respondents.” While we did not share the internal structure and the purpose of the framework with the interviewees, their statements reflect the internal/ external and political/ economic logic of the framework. Most importantly, the political nature of apparently “rational” processes is highlighted by the framework. Anecdotal evidence suggests that many management processes around inter-organizational interfaces are characterized by similar traits. We thus encourage more scholarly research to use the political economy framework to guide empirical work, not only in KAM research, but more generally in studies of business markets. Interesting research questions include, for example, an exploration of which internal and external political factors play key roles across B2B management processes and whether specific groups of actors (e.g., within specific functions or on specific hierarchical levels) are related to specific kinds of political factors.

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4 Study 2

Key account management formalization and effectiveness: A fuzzy-set qualitative comparative analysis

Abstract

Formalization is both an important design factor of KAM systems and a key concept in research on KAM. However, extant research has provided contradictory results regarding the effect of KAM formalization on KAM effectiveness. We attempt to explain those results by choosing a different methodological perspective, by taking a more differentiated view of KAM formalization, and by studying the combined effects of formal and informal KAM design elements on KAM effectiveness. Our study uses survey data collected from 221 KA managers, which were analyzed using fuzzy-set qualitative comparative analysis (fsQCA). It identifies several equifinal configurations of formal and informal KAM design elements that foster high KAM effectiveness.

Keywords

Key account management; formalization; effectiveness; fsQCA

4.1 Introduction

KAM and related approaches (such as national, regional, international, global, strategic, or corporate account management) aim at managing a company's most strategically important customers using a specifically designed system of actors, resources, and activities (e.g., Ivens & Pardo, 2016; Lautenschlager & Tzempelikos, 2021). Formalization of KAM systems has been emphasized as an important design factor in KAM (Herhausen et al., 2022; Workman, Homburg, & Jensen, 2003). In OT, formalization has been a concept of scholarly interest for several decades. It aims at reducing complexity in the coordination of actors and activities through formalized structures and processes (e.g., Gosselin & Bauwen, 2006; McDonald, Rogers, & Woodburn, 2000; Nätti & Palo, 2012).

Research on KAM formalization is diverse and focusses on various KAM elements, such as general KAM approaches or programs (e.g., Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003), KA selection processes (e.g., Feste, Ivens, & Pardo, 2020), KA managers' roles (e.g., Georges & Eggert, 2003), and the communication in dedicated KAM teams (e.g., Lai & Yang, 2017). The results of extant research are partially contradictory. Some authors find that high levels of formalization may impede adaptations to external changes and the flexible use of information (Ivens, 2005; Workman, Homburg, & Jensen, 2003). Others observe positive effects on KAM effectiveness (Herhausen et al., 2022). Furthermore, research on informal KAM elements outweighs approaches on formal KAM. The latter has received only limited academic attention (Leischnig et al., 2018; Wilson & Woodburn, 2013). Moreover, we lack differentiated empirical evidence regarding the effects of formalization in KAM organizations on their performance (e.g., Feste, Ivens, & Pardo, 2020; Herhausen et al., 2022).

The purpose of this research is to develop a more fine-grained understanding of how different types of KAM formalization affect KAM effectiveness. For this purpose, this study (a) takes a configurational perspective to analyze KAM design configurations that result in high

KAM effectiveness; (b) studies different KAM design elements of formalization as compared to KAM formalization in general; and (c) includes informal KAM design elements in order to study their interplay with formal design elements regarding KAM effectiveness.

Our study uses survey data collected from 221 KA managers and analyzed using fuzzy-set qualitative comparative analysis (fsQCA). It identifies several equifinal configurations of formal and informal KAM design elements that foster high KAM effectiveness. The remainder of this article is organized as follows: First, we review the literature on formalization of KAM system elements and informal elements of KAM. Second, we present the methodology of our fsQCA approach. Third, we present the results from the configurational analysis. Finally, we conclude with theoretical and managerial implications and shed light on avenues for further research.

4.2 Theoretical foundation and state of research

4.2.1 The strategic relevance of KAM

KAM is an important means for firms to create competitive advantage. As a concept, it has received strong interest from both managers and scholars (Leischnig et al., 2018). Companies in a wide range of industries develop and implement dedicated programs to manage strategically important customers and the relationships with these KAs (Snehota & Hakansson, 1995; Ivens, Pardo, & Tunisini, 2009). In KAM, companies identify KAs from their portfolio of existing and potential future customers, they analyze them, they develop strategies and customized solutions to address the demands of these KAs, and they build long-term cooperative relationships with them (Ivens & Pardo, 2007; Ojasalo, 2001; Leischnig et al., 2018; Ryals & Humphries, 2007). As such, KAM requires specific actors, activities, and resources to create value in KA relationships and to extract appropriate value from such relationships (Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003).

KAM systems represent major investments for companies, they take a long time to build up, their introduction typically requires important changes in a company's organizational chart and processes, and it may lead to redistributions of power that need to be managed carefully (Leischnig et al., 2018).

4.2.2 Formalization in OT

OT identifies formalization as a central construct (Pfeffer, 1991; Scott, 1992). Vlaar, van den Bosch, and Volberda (2006) emphasize the ambiguous character of formalization as it can represent a process as well as an outcome. From a process perspective, organizations are interpreted as a set of coordinated interactions bindingly achieved through the formalization of organizations (Barnard, 1968; Thompson, 1967). Formalization as an outcome describes “the extent to which rules, procedures, instructions, and communications are written” (Pugh et al., 1968, p. 75). The specific research stream on sensemaking in organizations discusses formalization as valuable means to create sense (e.g., Aaltvedt & Philippe, 2020; Thapa Karki, Xheneti, & Madden, 2021; Vlaar, van den Bosch, & Volberda, 2006). In this regard, formalization helps members of organizations to make sense of other members of the same, organization but also of other organizations and of embedding contexts of these actors resulting in a reduction of understanding problems (Blomqvist, Hurmellina, & Seppänen, 2005; Vlaar, van den Bosch, & Volberda, 2006).

4.2.3 Formalization as a design variable in KAM

KAM formalization and its importance for KAM effectiveness

Early on, KAM research has identified formalization as a fundamental dimension of KAM programs (Shapiro & Moriarty, 1984a, 1984b, 1984c). KAM formalization is defined as the “extent to which the treatment of the most important customers is governed by rules and standard procedures” (Homburg, Workman, & Jensen, 2002, p. 45). The literature on KAM

implementation discusses formalization as important intra-organizational means to create value in relationships with KAs (e.g., Leischnig et al., 2018). Furthermore, formalized KAM activities and processes are directly linked to KAM strategy and the KAM program (Homburg, Droll, & Totzek, 2008; Ivens et al., 2018; Shah et al., 2006).

Research on formalization of KAM in organizations is multifaceted and focusses on various elements of KAM programs. A literature review reveals four main research streams dealing with distinct types of KAM formalization, that are, KAM approach/ program formalization (e.g., Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003), KA selection formalization (e.g., Feste, Ivens, & Pardo, 2020), KA manager role formalization (e.g., Georges & Eggert, 2003), and KAM communication formalization (e.g., Lai & Yang, 2017). Table 3 summarizes the extant literature regarding these four different KAM formalization types.

The literature assumes that the degree to which KAM practices are formally implemented in a company strongly determines KAM effectiveness (Davies & Ryals, 2009). Following Workman, Homburg, and Jensen (2003, p. 7), we define KAM effectiveness as “the extent to which an organization achieves better relationship outcomes for key accounts in comparison with average accounts”. In this context, formalisms are expected to allow achieving effectiveness in the use of KAM resources (Homburg, Droll, & Totzek, 2008; Zeithaml, Rust, & Lemon, 2001).

Research on KAM formalization has provided contradictory results regarding implications for KAM effectiveness (Gounaris & Tzempelikos, 2013; Guesalaga & Johnston, 2010; Herhausen et al., 2022). Certain studies suggest that less formalized KAM approaches lead to higher levels of KAM effectiveness (e.g., Workman, Homburg, & Jensen, 2003). This is in line with authors arguing that formalization levels are accompanied by higher bureaucratic hurdles as well as by lower levels of flexibility in managing KAs’ demands when KAM actually

requires agile and flexible problem-solving approaches (Ivens, 2005; Millman & Wilson, 1999; Workman, Homburg, & Jensen, 2003).

Formalizing general approaches/ programs	Formalizing the KA selection process	Formalizing roles in KAM	Formalizing KAM team interaction
Pegram (1972); Stevenson (1980); Platzter (1984); Shapiro & Moriarty (1984a, 1984b); Colletti & Tubridy (1987); Wotruba (1991); Pardo, Salle, & Spencer (1995); Yip & Madsen (1996); Napolitano (1997); Sengupta, Krapfel, & Pusateri (1997); Dishman & Nitse (1998); Kempeners & Van der Hart (1999); Millman & Wilson (1999); Montgomery & Yip (2000); Homburg, Workman, & Jensen (2002); Workman, Homburg, & Jensen (2003); Piercy & Lane (2006); Wengler et al. (2006); Ivens & Pardo (2008); Zupancic (2008); Davies & Ryals (2009); Salojärvi et al. (2010); Salojärvi et al. (2013); Davies & Ryals (2014); Marcos-Cuevas et al. (2014); Pardo et al. (2014); Vanharanta et al. (2014); Davies & Ryals (2015); Tzempelikos & Gounaris (2015); Guesalaga et al. (2018); Ivens et al. (2018); Leischnig et al. (2018); Feste, Ivens, & Pardo (2020); Fazli-Salehi, Torres, & Zúniga (2021); Herhausen et al., 2022; Lautenschlager & Tzempelikos (2024); Peters (2024);	Fiocca (1982); Campbell & Cunningham (1983); Barrett (1986); Lusch & Day (1986); Turnbull & Valla (1986); Shapiro et al. (1987); Corcoran et al. (1995); Millman & Wilson (1999); Spencer (1999); Zolkiewski & Turnbull (2000); Ojasalo (2001); Gosselin (2002); Gosselin & Heene (2003); Wilson & Weilbaker (2004); Gosselin & Bauwen (2006); Wengler et al. (2006); Ivens & Pardo (2007); Cheverton (2008); Homburg, Droll, & Totzek (2008); Ryals & McDonald (2008); Terho (2008); Zupancic & Müllner (2008); Al-Husan & Brennan (2009); Davies & Ryals (2009); Richards & Jones (2009); Corsaro & Snehota (2011); Woodburn & McDonald (2011); Storbacka (2012); Gounaris & Tzempelikos (2013); Pardo et al. (2014); Clarke, Freytag, & Zolkiewski (2017); Guesalaga et al. (2018); Ivens et al. (2018); Feste, Ivens, & Pardo (2020); Lautenschlager & Tzempelikos (2021); Sun et al. (2022); Agndal, Arvidsson, & Nilsson (2023); Ivens (2023);	Pardo (1999); Sengupta, Krapfel, & Pusateri (2000); Abratt & Kelly (2002); van Dick & Wagner (2002); Georges & Eggert (2003); van Dick et al. (2004); Brown et al. (2005); Reisel, Chia, & Maloles Iii (2005); Piercy & Lane (2006); Woodburn (2006); Guenzi, Pardo, & Georges (2007); Ryals & Rogers (2007); Ashforth, Harrison, & Corley (2008); Vanharanta, Gilchrist, & Pressey (2011); Wieseke et al. (2012); Wilson & Holt (2012); Marcos-Cuevas et al. (2014); Pressey, Gilchrist, & Lenney (2014); Wilson & Woodburn (2014); La Rocca et al. (2016); Guesalaga et al. (2018); Mahlamäki, Rintamäki, & Rajah (2019); Peters, Ivens, & Pardo (2020); Pardo et al. (2020); Schmitt, Klein & Lussier (2025);	Sengupta, Krapfel, & Pusateri (1997 & 2000); Abratt & Kelly (2002); Homburg, Workman, & Jensen (2002); Schultz & Evans (2002); Workman, Homburg, & Jensen (2003); Arnett et al. (2005); Nätti et al. (2006); Sharma (2006); Ivens & Pardo (2007); Madill, Haines Jr, & Riding (2007); Guenzi et al. (2009); Richards & Jones (2009); Alejandro et al. (2011); Atanasova & Senn (2011); Sullivan, Peterson, & Krishnan (2012); Salojärvi & Saarenketo (2013); Salojärvi et al. (2013); Davies & Ryals (2014); Friend et al. (2014); Gounaris & Tzempelikos (2014); Guesalaga (2014); Marcos-Cuevas et al. (2014); Tzempelikos (2015); Tzempelikos & Gounaris (2015); Lai & Yang (2017); Mahlamäki et al. (2019); Lautenschlager & Tzempelikos (2021); Bornemann & Hettich (2022);

Table 3. Types of KAM formalization.

More recent quasi-replicative research that re-examines the work by Workman, Homburg, and Jensen (2003) in today's context, in contrast, reveals a rather weak but positive influence of KAM approach formalization on KAM effectiveness (Herhausen et al., 2022). As a result, there is consensus regarding the necessity of gaining a better understanding of the role of KAM formalization for KAM effectiveness (Guesalaga et al., 2018; Homburg, Workman, & Jensen, 2002; Marcos-Cuevas et al., 2014; Workman, Homburg, & Jensen, 2003).

Specific foci of KAM formalization

Besides the general formalization of a company's KAM approach, another stream of literature differentiates the formalization of KA selection processes as important prerequisite for KAM effectiveness (e.g., Feste, Ivens, & Pardo, 2020). KAs, as strategically most important customers, are designated through systematic analysis and selection of current and potential future customers (Pardo, 1999; Zupancic, 2008). KAM research posits that only a small proportion of a company's customer portfolio consists of strategic accounts and that the KA segment is responsible, in general, for the largest share of revenue (Gosselin & Bauwen, 2006; Gosselin & Heene, 2003; Millman & Wilson, 1999; Turnbull & Valla, 1986; Wilson & Weilbaker, 2004). Selecting "wrong" accounts whose business strategy might solely be oriented towards operative efficiency and comparative price advantages in purchasing would have negative effects, including opportunity costs (Storbacka, 2012). Hence, selecting the "right" KAs plays a fundamental role for the success of KAM initiatives, especially for relationship effectiveness and KAM performance (Lusch & Day, 1986; Ojasalo, 2001; Richards & Jones, 2009; Woodburn & McDonald, 2011; Zupancic & Müllner, 2008). Thus, prioritizing strategic account relationships is highlighted as a fundamental process in KAM and one of the keys to effectiveness (Storbacka, 2012; Woodburn & McDonald, 2011).

Literature dealing with KA selection sets a focus on the discussion of relevant selection criteria (e.g., Ryals, 2006; Tzempelikos & Gounaris, 2015; Wang & Brennan, 2014). In this context, the precise formulation of selection criteria is crucial, as they reflect a company's strategic goals as well as the evaluation of potential fulfillment of customers' value creation targets (Davies & Ryals, 2009; Ryals & McDonald, 2008). Even if a rich body of literature exists that discusses potential selection criteria and methods to integrate diverse information about customers (e.g., Ryals, 2006; Tzempelikos & Gounaris, 2015; Wang & Brennan, 2014), by contrast, the implementation of formalized KA selection processes, to date has received only limited attention from empirical research approaches and from practitioners (Feste, Ivens, & Pardo, 2020; Sun, Marcos, & Prior, 2022).

The establishment of standard procedures and processes allows KA selection to be constantly aligned with corporate strategy and therefore company goals. It allows regular re-evaluations of the customer portfolio with a view to dynamics that may require denominations of existing KAs and nominations of new ones (Dhar & Glazer, 2003; Homburg, Steiner, & Totzek, 2009; Johnson & Selnes, 2004; Ryals, 2002; Terho & Halinen, 2007). KAM literature highlights the need for a robust and replicable identification process (Woodburn & McDonald, 2011). Consequently, a formalized selection process allows all customers to be considered with a same lens, and to appoint and develop those customers as KAs that are of the utmost importance in achieving the company's goals.

On the part of the individual KA manager, formalization is discussed in terms of a formal KA manager role that might be able to reduce role conflicts. In line with role theory, role conflict is a major stress factor that causes tension and anxiety for the holder of a certain role in a company. The level of tension is called role stress, which, according to the theory, has a great impact on the work performance of individuals (Singh & Saatcioglu, 2017). Thus, role conflict is determined by the extent to which the various demands or expectations of different

actors in the role set are incompatible with each other (Chonko, Howell, & Bellenger, 1986; House & Rizzo, 1972). These may be conflicts among task areas, resources, rules or policies, and people (Nicholson & Goh, 1983).

The origin of KA managers' role conflicts can be twofold resulting from the fact that the role of a KA manager defines a conflict per se. In their role, KA managers are often referred to as "boundary spanners" (Storbacka, 2012). As boundary spanners, KA managers are the coordinators for the business relationship between the strategically important account and their own company (Niersbach, 2016). The activities of boundary spanners are subject to dynamic changes and are often not clearly defined. Therefore, this position often requires adaptation to different situations and needs of the parties (Liu et al., 2014). It is desirable for a person in the organization to receive instructions from only one superior ("Principle of Unity of command") (Rizzo, House, & Lirtzman, 1970). However, this is impossible in the position of a KA manager, since its task is to establish a dyadic business relationship between different organizations. Therefore, KA managers often find themselves "caught between two stools" trying to meet the expectations of both sides – often resulting in role conflicts (Liu et al., 2014).

According to Georges and Eggert (2003), KA managers fulfill two basic functions with the aim of generating value for the customer. On the one hand, (1) they coordinate customer-specific processes within their own organization and can thus improve the company's customer orientation (internal function). "[A]ccount managers are typically described as captains or leaders of teams who are in charge of selecting technicians and other specialists who then meet with specialists on the buying side" (Guenzi, Georges, & Pardo, 2009, p. 302). Pardo (1999, p. 284) therefore refers to this as the "animator of internal resources". Since KAM teams are made up of different functional areas, they may sometimes have divergent objectives and ways of working. As the leader of the KAM team, the KA manager therefore ensures that everyone involved in the KAM process adheres to the guidelines and standards in order to enable

successful collaboration (Ryals & Bruce, 2006). Serious in this regard is the fact, that in KAM practice, KA managers most often have no authority or control over team members or resources (Woodburn & McDonald, 2011).

On the other hand, (2) KA managers need to improve the “fit” between the services offered by his own company and the needs of the customer (external function) (Guenzi, Georges, & Pardo, 2009; Nätti & Palo, 2012). Thus, the KA manager is at the same time the negotiator, advisor, advocate, and friend of the customer as well as information broker between both parties (Millman & Wilson, 1995; Ryals & Bruce, 2006). Because of these special demands on the KA manager, problems can arise with regard to issues such as self-determination, authority to confer, and his or her support (Storbacka, 2012). Summarizing, KA managers have numerous contacts both inside and outside the organization, which is reflected in their extended role set (Niersbach, 2016; Walker, Churchill, & Ford, 1975). Walker, Churchill, and Ford (1975) cite a large and diverse role set as one of the main reasons for a higher level of role conflict.

As KA managers are thus a core actor in a permanent inter- and intra-organizational alignment process, through which account performance and in line with this, company value creation are to be promoted, their tasks deal to a minor extent with standard business objectives (Storbacka, 2012). In such uncertain, ambiguous contexts, problems of understanding tend to prevail (Jap, 2001; McGinn & Keros, 2002). Consequently, this hinders a mutual understanding of all KAM actors involved and thus requires the creation of sense.

Formalization of KA manager role mitigates the inter- and intra-organizational alignment challenges of the KA manager by establishing processes and structures that are already aligned with the corporate strategy as well as facilitating the management of the customer by limiting the set of alternative actions. Accordingly, formalization facilitates actors test and set expectations about the alignment of roles and tasks, partners’ approaches, and their reactions to

expressions and actions (Klein Woolthuis, Hillebrand, & Nooteboom, 2005).

Nevertheless, we argue that the degree of role formalization is decisive for positive effects on KAM effectiveness. Therefore, a highly formalized role might also impede the necessary flexibility in the management of the customer, which in turn might increase KA managers' role conflicts and has negative effects on KAM effectiveness. This goes in line with Mintzberg's statement that "formalization is a double-edged sword, easily reaching the point where help becomes hindrance" (Mintzberg, 1994, p. 386). However, with regard to KA managers' task of team coordination, managers in not formalized or only slightly formalized KAM teams are dependent on their own personal power of persuasion and influence to mobilize important resources which takes resources from the management of KAs accordingly (Jensen, 2001).

Closely linked to the formalization of KA managers' role, research deals with the establishment of cross-functional account teams as support for the work of KA managers. These teams provide an operational network for account managers (Davies & Ryals, 2009). Interdisciplinary teams can bring together members from all functions that interact with the key customer, fostering closer inter-unit collaboration and creating channels for customer-specific knowledge sharing (Kempeners & van der Hart, 1999; Nätti, Halinen, & Hanttu, 2006; Salojärvi, Sainio, & Tarkiainen, 2010). For KA managers, the KAM team serves as a support function (Niersbach, 2016). On the customer side, the use of KAM teams strengthens customer relations, which is accompanied by a consolidation of customer satisfaction as well as their loyalty to the company (Arnett, Macy, & Wilcox, 2005). KA managers and the KAM team are the core actors in the KAM system at the interface with the KA (Rehme, 2001).

Research on KAM teams furthermore discusses KAM formalization by distinguishing two types of KAM teams that vary with regard to their degree of formalization. That are dedicated teams and fluid teams (Lai & Yang, 2017). Formalized, dedicated KAM teams are composed of members who permanently work on management tasks of specific KAs. In

contrast, fluid KAM teams are characterized by temporary ad hoc assembly to take advantage of customer opportunities. (Bradford et al., 2012; Tannenbaum et al., 2012). In line with this, challenges for internal alignment arise that might determine KAM programs' effectiveness (Pardo, Ivens, & Wilson, 2014).

4.2.4 Informal design elements of KAM

A review of the KAM formalization literature reveals that KAM research to date has emphasized the benefits of formalisms in various areas of KAM. Nevertheless, implementations of distinctly formalized KAM elements in companies remain rather limited even after decades of KAM practice (e.g., Feste, Ivens, & Pardo, 2020; Herhausen et al., 2022). In contrast to informal elements, formal elements of KAM systems, as well as their interplay with informal elements, have received only limited academic attention (Leischnig et al., 2018; Wilson & Woodburn, 2013). Thus, to base this research on a more comprehensive view of KAM implementations and its effectiveness, we analyze the combination of formalized and non-formalized KAM design elements.

Firstly, we introduce the concept of KAM consensus that determines the degree of establishment and acceptance of KAM programs in companies, assuming that the degree of consensus varies the implementation of strategies in the form of adhered formalisms. Thereby, we emphasize that internalization of the strategy in all actions and decisions requires consensus on this strategy throughout the whole management team (Amason, 1996).

Furthermore, Vlaar, van den Bosch, & Volberda, (2006) claim that the process of formalization is intertwined with power, as the creation of understandings contains power issues and self-interested behavior. In a qualitative interview study with KA managers, Feste, Ivens, and Pardo (2020) introduced an organizational politics perspective on KAM. A consolidation of the most widely cited definitions of political behavior by Lepisto and Pratt (2012) defines organizational politics as “(1) an actor's (individual) or actors' (group); (2) self-interested, goal-

directed; (3) power and social influence actions that are performed; (4) in relation to two or more independent social actors; (5) by means that are not officially sanctioned” (Lepisto & Pratt, 2012, p. 74). Political activity is described to be not inherent in all organizational interactions, constituting a continuum between completely rational and politically biased organizational processes. Consequently, the political degree of organizations depends upon structurally determined factors (Pfeffer, 1981; Piercy, 1986).

With regard to KAM research on the use of formal, dedicated KAM teams, studies revealed that the use of teams per se is not able to influence KAM effectiveness in a positive way, but that the development of an esprit de corps plays a central role instead (Homburg, Workman, & Jensen, 2002; Salojärvi, Saarenketo, & Puumalainen, 2013). Consequently, formally established team members may not fully grasp the strengths and weaknesses of each other’s competencies due to a lack of prior collaboration, and may have difficulty envisioning the planned outcomes of the relationships especially in early stages of collaboration (Jap & Ganesan, 2000). However, formalization enables and even forces the actors or units involved to engage in sensemaking, which supports the achievement of common ground and mutual understanding (Blomqvist et al., 2005; Brown, Colville, & Pye, 2015; Vlaar, van den Bosch, & Volberda, 2006). Following Homburg, Workman, and Jensen (2002), we define esprit de corps as “the extent to which selling center participants feel obliged to common goals and to each other” (Homburg, Workman, & Jensen, 2002, p. 45). Thus, we investigate the concept of esprit de corps as an indicator for successful sensemaking through formalization.

In summary, our study addresses the following research gaps: (1) we differentiate and examine different forms of KAM formalization to resolve existing contradictions regarding their impact on KAM effectiveness, and (2) a comprehensive view of KAM implementation is drawn by examining the combined impact of both formal and informal KAM design elements on KAM effectiveness.

4.3 Methodology

Our study aims to explore configurations of formalization aspects of KAM design, the use of teams, role conflicts and of the existence of organizational politics that lead to high KAM effectiveness. Thus, we want to establish if certain forms of formalization of KAM approaches/ organizational structures and processes lead to better outcomes than others – or if different configurations are equifinal.

4.3.1 *Data collection & sample characteristics*

Employing an online survey, KA managers and individuals with alternative job titles, such as regional account managers, global account managers, national account managers and individually comparable job titles working in either medium-sized or large companies were canvassed in Germany. Respondents were invited to participate in the online survey via a shared link to an online survey platform and were contacted personally via business platforms like LinkedIn. In order to motivate their participation, a management summary of study results was offered as incentive. Furthermore, the voluntary and anonymous nature of participation was guaranteed. Thereby, a rather high response rate of about 24% was achieved. First of all, a sample cleaning was carried out to compare and verify information given on business platforms and more actual information provided in the study. As part of this, individuals with current positions outside of KAM, or individuals who reported managing more than ten KAs, as well as working in small businesses, i.e., companies with fewer than 50 employees, were excluded from further analysis (12 participants). This left a data set of 221 valid participants for further analysis.

The majority of respondents (70.6%) are classic KA managers, 13.6% are global account managers and 6.3% have a management function in sales/ KAM. At 81.4%, male managers are considerably more frequent than female managers are. Respondents have been working in the

field for an average of 8.2 years and have been with their current company for an average of 9.5 years, thus representing experienced and suitable participants for the research interest. On average, respondents manage 4.2 KAs. 85.5% of respondents are employees in large companies with more than 250 employees and 14.5% are employed in medium-sized companies with at least 50 employees, which represents KAM being mainly a phenomenon of large-sized companies (e.g., Biesel, 2013). The top three most frequently represented industries in the dataset are the automotive sector with around 17%, and the IT-sector and consumer goods industry with around 10% each.

4.3.2 Measurement of constructs

To capture the constructs of interest, a standardized questionnaire was used as the data collection instrument applying multiple-item scales. Existing multiple-item scales were used to capture the constructs prioritization strategy, KAM approach formalization, use of teams, selling center esprit de corps, organizational politics, role conflict and KAM effectiveness. In line with prior research on customer prioritization in KAM, prioritization strategy of companies was measured by adapting a reduced form of the established scale of Homburg, Droll, and Totzek (2008). Following the integrative conceptualization of KAM, bridging marketing organization research and relationship marketing research, KAM approach formalization was determined on a seven-point Likert-type agreement scale ranging from 1 for “strongly disagree” to 7 for “strongly agree” following Homburg, Workman, & Jensen (2002). Same applies to the measurement of use of teams and their esprit de corps (Homburg, Workman, & Jensen, 2002; Jaworski & Kohli, 1993). To capture companies’ degrees of politicization of organizational processes, respondents were asked to indicate their perception on a seven-item agreement scale (Gandz & Murray, 1980). Focusing on aspects of dysfunctional individual and organizational consequences which are discussed results of existing role conflicts within complex organizations, a five-items scale was used.

In contrast to the advanced theoretical discussion on the optimal design of a KA selection process, to the best of our knowledge, no measurement instrument exists to date that would allow the required degree of formalization of the selection process of companies to be ascertained. Consequently, an operationalization of the construct was developed with reference to the results of a previously performed qualitative interview study with KA managers (Feste, Ivens, & Pardo, 2020) and in discussion with experts in KAM research. The resulting measurement instrument displays very favorable results in terms of validity and reliability. Following this approach, an instrument was also developed to measure company-wide consensus on the company's KAM. Items used deal with topics such as the awareness of an added value through KAM, the general support provided and possible controversies with regard to KAM. The results of the confirmatory factor analysis also yield promising results in this respect.

In the course of a confirmatory factor analysis (CFA), the measurement of the complex constructs is formally represented by their indicators, whereby each individual indicator corresponds to a biased measurement of the underlying construct (Homburg & Giering, 1996). All constructs are modeled via reflective indicators as a function of their observable indicators (Christophersen & Grape, 2009). In this respect, changes in the indicators are caused by changes in the construct (Diamantopoulos & Winklhofer, 2001). Originally inverted items were reversed so that high values correspond to an equally high expression of the construct. Furthermore, a quality assessment of the measurement model is performed. Thus, the parameters are estimated and the consistency of the model is assessed with respect to the empirical data basis. Using local and global measures of fit, the quality of the model is evaluated in terms of reliability and validity at the indicator, construct, and model levels (Homburg, Klarmann, & Pflesser, 2008).

First, a quality test is conducted at the indicator and construct levels using the classic quality measures Cronbach's alpha and item-to-total correlation. This test can be regarded as a

pretest so that an indicator adjustment can take place for the main investigation and only indicators that are as reliable as possible are included in the further investigation (Backhaus, Erichson, & Weiber, 2015). All items of the constructs prioritization strategy, KAM approach formalization, KAM selection formalization, KAM consensus, use of teams, selling center esprit de corps, and of KAM effectiveness exceeded factor loadings of at least 0.5, thus correlating sufficiently with the corresponding factor (e.g., Hair et al., 2014). In line with this, also indicator reliability values all are above the 0.4 threshold. Likewise, all values obtained for the corrected item-total correlation exceed the minimum of 0.5 as required. As a further local measure of quality at the indicator level, SPSS AMOS reports so-called critical ratios (C.R.) instead of t-values, i.e. the ratio of estimated covariance and standard error, which can be used analogously for the quality assessment. With regard to this measure of quality, all items of the constructs mentioned exceed the threshold value of 1.96 for a two-sided test at the 5 % level. Thus, all factor loadings are significantly different from zero and the null hypothesis can be rejected (Homburg, Klarmann, & Pflesser, 2008). Furthermore, the reliability measure Cronbach's Alpha is determined, whereby the internal consistency of the indicators measuring a factor is checked (Cronbach, 1951). With achieved minimum values of 0.8, the internal consistency of the indicators is confirmed.

Scale refinement based on the exclusion of inappropriate items, was performed on the two construct measures of organizational politics and role conflict (Churchill, 1979; Netemeyer, Bearden, & Sharma, 2003). For organizational politics, items four and six revealed factor loadings of 0.04 and 0.25, thus correlating only weakly with the underlying factor. Same applies to item three of the role conflict operationalization showing a factor loading of only 0.45 and therefore falling below the minimum acceptable threshold of 0.5. According to Hulland (1999), low factor loadings are potentially due to incompletely formulated or inappropriate items, as well as an improper transfer of an item from another context (Hulland, 1999). As a consequence, these items were excluded from further analyses.

To evaluate convergence validity at the construct level, both factor reliability (FR) and average variance extracted (AVE) are determined for each construct (Fornell & Cha, 1994). Achieving factor reliability values ranging between 0.67 and 0.88, all factors exceed the minimum value of 0.6. Additionally, values reported for average variance extracted (AVE) of constructs range between 0.50 and 0.78, thus >50% of the variance of the indicator variable on average can be explained by the factor (Homburg, Klarmann, & Pflesser, 2008). Accordingly, convergence validity is given at the construct level. Table 4 summarizes the construct measures used in this study and provides additional information on local fit parameters obtained through CFA.

Discriminant validity is assessed on the basis of the Fornell-Larcker criteria (Fornell & Larcker, 1981). This can be used to examine whether the measurements of the reflective constructs used in the model differ sufficiently from each other. Thus, it can be derived from Table 5 that discriminant validity can be confirmed, as the average variance extracted of each construct is greater than any squared correlation of the respective construct with another construct of the study model.

A review of model fit at the model level was performed via the designation of global goodness-of-fit measures. Since χ^2 has only little significance for the evaluation of the overall model, since it is strongly dependent on the number of degrees of freedom and the χ^2 -test tends to reject the model for larger samples in contrast to small samples, irrespective of the actual correctness of the model, an evaluation via the χ^2 -test is not performed and the RMSEA is preferred (Bagozzi & Yi, 1988). With an RMSEA of 0.05, a good model fit is confirmed. As already described, χ^2 is strongly dependent on the number of degrees of freedom and should therefore be normalized by the number of degrees of freedom for an assessment of the model. Thus, a value of 1.61 could be obtained for the quotient, which also certifies a good model fit. For an evaluation at the model level, further fit measures were checked, which consistently

reveal a good model fit (NFI = 0.80 < 0.9; NNFI or TLI = 0.90 ≥ 0.9; CFI = 0.91 ≥ 0.9; SRMR = 0.06 < 0.1) (Homburg, Klarmann, & Pflesser, 2008). Finally, on basis of construct measurements using multiple items, mean indices were calculated, so that one value per construct will be used as input for fsQCA (Pappas & Woodside, 2021).

Prioritization Strategy ($\alpha = 0.84$; FR = 0.84; AVE = 0.57)
(Homburg, Droll, & Totzek, 2008)

Our customer management strategy states that...

7-point Likert-type agreement scale ranging from 1 “Do not agree at all” to 7 “Fully agree”.

Item	Statement	Factor loading
1)	Specific customers/customer segments obtain priority.	0.77
2)	Customers/customer segments are served differently according to their importance.	0.80
3)	The allocation of marketing and sales resources to customers/customer segments depends on their importance.	0.72
4)	The form of customer care is differentiated according to the importance of customers/customer segments.	0.74

KAM Consensus ($\alpha = 0.82$; FR = 0.70; AVE = 0.55)
(*)

To what extent do the following statements apply to your company’s key account management?

7-point Likert-type agreement scale ranging from 1 “Do not agree at all” to 7 “Fully agree”.

1)	Key account management is a controversial topic in our company. (r)	0.67
2)	Different departments often disagree on issues related to key account management. (r)	0.52
3)	Everyone in our company explicitly supports key account management.	0.88
4)	Everyone in our company is aware of the added value of key account management.	0.84

KAM Approach Formalization ($\alpha = 0.83$; FR = 0.83; AVE = 0.55)
(Homburg, Workman, & Jensen, 2002)

To what extent do you agree with the following statements about your company’s key account management?

7-point Likert-type agreement scale ranging from 1 “Do not agree at all” to 7 “Fully agree”.

1)	Within our organization, formal internal communication channels are followed when working on key accounts.	0.71
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Study 2

2)	To coordinate the parts of our organization working with key accounts, standard operating procedures have been established.	0.66
3)	We have put a lot of thought into developing guidelines for working with our key accounts.	0.83
4)	Our company has its own formal structures for key account management.	0.75

KAM Selection Formalization ($\alpha = 0.93$; FR = 0.87; AVE = 0.70) (*)

To what extent do you agree with the following statements about the selection of key account customers in your company?

7-point Likert-type agreement scale ranging from 1 "Do not agree at all" to 7 "Fully agree".

1)	We have established criteria for the selection of key account customers.	0.82
2)	There is a standard process for almost all key account customer selection decisions.	0.86
3)	There are rules and processes for selecting key account customers.	0.88
4)	The procedure for selecting key account customers is standardized.	0.86
5)	The process of selecting key account customers is comprehensively documented in writing (e.g. in manuals).	0.76
6)	The process flow for selecting key account customers is consistently followed.	0.85

Use of Teams ($\alpha = 0.78$; FR = 0.67; AVE = 0.50) (Homburg, Workman, & Jensen, 2002)

To what extent do you agree with the following statements regarding teamwork in your company's key account management?

7-point Likert-type agreement scale ranging from 1 "Do not agree at all" to 7 "Fully agree".

Within our KAM organization...

1)	...when there is a problem related to our key account relationships, a group is brought in to solve it.	0.60
2)	...key account-related decisions are made by teams.	0.80
3)	...we have teams that plan and coordinate activities for key accounts.	0.64
4)	...decisions about key account customers are regularly made in interdisciplinary teams (e.g. controlling, logistics, etc.). (*)	0.69

Selling Center Esprit de Corps ($\alpha = 0.93$; FR = 0.88; AVE = 0.78) (Homburg, Workman, & Jensen, 2002)

To what extent does team spirit play a role in your company's key account management?

7-point Likert-type agreement scale ranging from 1 "Do not agree at all" to 7 "Fully agree".

People involved in the management of a key account ...

Study 2

1)	...are genuinely concerned about the needs and problems of each other.	0.84
2)	...have a team spirit which pervades all ranks involved.	0.89
3)	...feel like they are part of a big family.	0.88
4)	...feel they are “in it together”.	0.91

Role Conflict ($\alpha = 0.79$; FR = 0.68; AVE = 0.48)
(Rizzo, House, & Lirtzman, 1970)

To what extent do you agree with the following statements about working in key account management in your company?

7-point Likert-type agreement scale ranging from 1 “Do not agree at all” to 7 “Fully agree”.

1)	You have to do things that should be done differently in the company.	0.71
2)	You have to change or break company rules or policies to get a job done.	0.77
3)	You work with several groups that work very differently.	#
4)	You do things that are readily accepted by some company members and not accepted by others.	0.62
5)	You don’t have sufficient resources to do your job.	0.66

Organizational Politics ($\alpha = 0.87$; FR = 0.84; AVE = 0.59)
(Gandz & Murray, 1980)

To what extent do you agree with the following statements about organizational politics in your company?

7-point Likert-type agreement scale ranging from 1 “Do not agree at all” to 7 “Fully agree”.

1)	The existence of organizational politics is common in our company.	0.68
2)	In our business, successful leaders must be good at acting politically.	0.88
3)	The higher you go in our corporate hierarchy, the more political the climate becomes.	0.81
4)	In our company, only organizationally weak people apply organizational politics. (r)	#
5)	In our business, you have to act politically to move forward.	0.87
6)	Organizational politics helps our company function effectively.	#
7)	In our company, powerful executives do not act politically. (r)	0.54

KAM Effectiveness ($\alpha = 0.88$; FR = 0.72; AVE = 0.52)
(Homburg, Workman, & Jensen, 2002)

Compared to your average accounts, how does your organization perform with key accounts with respect to...

7-point Likert-type agreement scale ranging from 1 “Very poor” to 7 “Excellent”. 4 represents “About the same”.

1)	...achieving mutual trust?	0.79
2)	...achieving information sharing?	0.66
3)	...achieving a reputation of fairness?	0.71
4)	...achieving investments into the relationship?	0.77
5)	...maintaining long-term relationships?	0.78
6)	...reducing conflicts?	0.70
7)	...meeting sales targets and objectives?	0.64

Notes:

α = Cronbach's Alpha; FR = Factor Reliability; AVE = Average Variance Extracted;

(r) Inverted item

(*) Own scale/item development

(#) Item eliminated after scale refinement procedure

Table 4. Local fit parameters of construct measures.

Fornell-Larcker Criteria (Discriminant Validity)									
	1	2	3	4	5	6	7	8	9
Prioritization Strategy	0.57								
KAM Consensus	0.01	0.55							
KAM Formalization	0.03	0.18	0.55						
KA Selection Formalization	0.02	0.03	0.39	0.70					
Use of Teams	0.04	0.12	0.35	0.12	0.50				
Esprit de Corps	0.02	0.33	0.22	0.05	0.27	0.78			
Role Conflict	0.01	0.15	0.07	0.01	0.02	0.08	0.48		
Organizational Politics	0.03	0.07	0.00	0.02	0.00	0.05	0.13	0.59	
KAM Effectiveness	0.01	0.20	0.12	0.05	0.16	0.32	0.18	0.06	0.52

Note: AVE on the diagonal and squared correlations between constructs below.

Table 5. Assessment of discriminant validity.

4.3.3 *Data analysis*

Fuzzy-set qualitative comparative analysis (fsQCA)

We apply a case-oriented, set-theoretic research approach that describes cases as combinations of attributes as well as the outcome in question, i.e. fuzzy-set qualitative comparative analysis (fsQCA). This method explores how a consistent combination of attributes results into a limited set of configurations that sufficiently generate an outcome of interest, thus high KAM effectiveness. Relationships between attributes and the focused outcome are represented in terms of set memberships and overlaps between sets (Fiss, 2011; Ragin, 2008). Therefore, fsQCA deals with the extent to which a certain case has membership in the sets of specific attributes or combinations of these attributes and the outcome set (Ragin, 2008). FsQCA is able to overcome several limitations of other established QCA techniques, such as crisp-set QCA (csQCA) and multi-value QCA (mvQCA) and has received increased attention recently (Fiss, 2011; Ordanini, Parasuraman, & Rubera, 2014; Pappas & Woodside, 2021). Consequently, fsQCA helps to identify configurations of antecedents, thus causal recipes with the focused outcome (Ragin, 2000).

Moreover, this methodology assumes multiple conjunctural causality, expressing the fact that an outcome rarely has a single cause and that causes are not isolated from other causes. A major advantage of fsQCA lies in its incorporation of equifinality, which means that a system can achieve the same final state even if it has different initial conditions and even on a variety of different paths (Fiss, 2011). Consequently, applying an fsQCA approach allows for identifying equifinal solutions KAM design and implementation to reach a specific KAM performance outcome and therefore provides valuable operative and strategic design implications for decision makers.

FsQCA investigates the relationship between causal conditions and the outcome of

interest in terms of necessity and sufficiency of attributes. An attribute that has to be present for an outcome to occur is called necessary, whereas an attribute or combination of attributes whose presence can lead to the focused outcome is called sufficient (Ragin, 2008). With regard to set relations, necessity expresses that instances of the attributes are a superset of the instances of the outcome while sufficiency represents that instances of the attributes/ combinations of attributes are a subset of the instances of the outcome (Ragin, 2006).

We performed the fsQCA following the approach suggested by Fiss (2011), Ragin (2008) as well as Schneider and Wagemann (2010) and starting with calibration.

Calibration of memberships

We calibrated construct measures into fuzzy-set membership scores. Resulting scores represent the degree of membership of cases in the target set, showing if and how much cases belong into a specific set. Scores may range between 0 and 1. A fuzzy-membership score of 1 represents a case to be a full member of a fuzzy-set (fully in the set), and a fuzzy-membership score of 0 represents a case to be a full non-member of the set (fully out of the set). A fuzzy-membership score of 0.5 represents a case that is a of the intermediate set where maximum ambiguity is present (Pappas & Woodside, 2021).

Following a direct calibration method, we selected three qualitative breakpoints that determine the degree of membership in the fuzzy-set for each case, so whether the case is fully in, intermediate or fully out of the target set. The application of a direct method is recommended and more common and is discussed to produce more rigorous studies that are easier to be replicated and validated, thus adding to knowledge gain in research (Pappas & Woodside, 2021; Ragin, 2006; Rihoux & Ragin, 2009). In line with previous studies applying seven-point Likert scales, the values 6 (full membership), 4 (crossover point, full membership as well as full non-membership), and 2 (full non-membership) were used as thresholds (e.g., Ordanini, Parasuraman, & Rubera, 2014; Pappas et al., 2016).

Problems may arise in terms of cases that meet the crossover point with a fuzzy-set membership score of exactly 0.5, because it is not fully determinable whether these cases are in or out of the target set. Consequently, a constant of 0.001 was added to the fuzzy-set membership scores for all cases below full membership scores of 1, which avoids dropping cases from further analyses (Fiss, 2011; Ragin, 2008).

4.4 Findings

On the basis of calibration, findings were generated in two steps. First, a necessity analysis was conducted to examine the necessity of an attribute for the outcome of interest to occur. Second, the sufficiency of attributes/ combinations of attributes for the outcome to occur was analyzed.

4.4.1 *Analysis of necessity*

A condition is defined as necessary if it is always present when the outcome is present. This means that, among all cases, there must be no case in which the outcome is present but the condition assumed to be necessary is not (Schneider & Wagemann, 2007). This is the case when the fuzzy-set membership score of the outcome is smaller than the fuzzy-set membership score of the attribute for each case (Ragin, 2006; Schneider & Wagemann, 2007). Because this rule does not hold for all empirical cases, the inspection of consistency scores is recommended. Consistency scores express the extent to which the empirical data fulfill a superset relation (Ragin, 2006). Attributes can be considered necessary or at least almost always necessary if consistency scores of at least 0.9 are achieved (e.g., Leischnig, Ivens, & Henneberg, 2015).

Consistency scores for all conditions and their negations were calculated. Table 6 contains the results of the necessity analysis and reports consistency and coverage scores for all conditions and their negations. No condition can be stated as necessary for the outcome because the maximum consistency score achieved is 0.84.

	Consistency	Coverage
Prioritization Strategy	0.84	0.81
KAM Consensus	0.64	0.92
KAM Formalization	0.72	0.88
KA Selection Formalization	0.55	0.88
Use of Teams	0.62	0.91
Esprit de Corps	0.74	0.91
Role Conflict	0.46	0.80
Organizational Politics	0.67	0.81
~Prioritization Strategy	0.30	0.86
~ KAM Consensus	0.56	0.81
~KAM Formalization	0.46	0.82
~KA Selection Formalization	0.61	0.80
~Use of Teams	0.55	0.78
~Esprit de Corps	0.42	0.75
~Role Conflict	0.72	0.88
~Organizational Politics	0.49	0.91

Notes: ~ negotiation; 0.90 = necessity threshold;

Table 6. Necessary conditions for high KAM effectiveness.

4.4.2 Analysis of sufficiency

Sufficiency analysis was performed to investigate configurations of KAM formalization, KA selection formalization, KAM consensus, use of teams, esprit de corps, role conflict, and organizational politics sufficient for high KAM effectiveness. A condition can be considered sufficient if it leads to the outcome for each case studied (Schneider & Wagemann, 2007). We used the truth table algorithm of the fsQCA software. It summarizes all logically possible and empirically present configurations (Greckhamer et al., 2008). The output encompasses the frequency. Truth table lines having a frequency of zero express that none of the cases in the

data are explained by them. The truth table was sorted by frequency and consistency (Ragin, 2008). A frequency threshold was set to ensure that a minimum number of cases can be involved in the assessment. Following the literature, the threshold was set at 3 (recommended for samples with $n > 150$ cases; Fiss, 2011; Ragin, 2008). All combinations with smaller frequency were removed from further analysis. By doing so, n of more than 70% of the cases remained in the analysis.

To identify configurations of attributes that lead to the outcome of interest consistently, the configurations were ordered by their raw consistency in descending order (Pappas & Woodside, 2021; Schneider & Wagemann, 2010). Raw coverage values of 1 express that 100% of the number of cases in a respective configuration consistently are positive for the outcome. Since this is not absolute for all solutions, we added another consistency measure obtained by fsQCA software, that is, proportional reduction in consistency (PRI). This alternate measure of the consistency of subset relations should be high and close to raw consistency scores. Following Misangyi and Acharya (2014), the minimum acceptable PRI-scores were set at 0.75. By doing so, a minimum acceptable level of consistency of 0.83 (PRI) and 0.97 (raw consistency) was obtained. Furthermore, to avoid a purely technical determination of whether the outcome is present or not, content-theoretical aspects from previous research were taken into account. Table 7 reports the sorted truth table based on raw consistency after removing combinations with low frequency.

Study 2

Prio	Cons	Form	Sele	Team	Espr	Role	OrgP	Number	Effe	Raw consist.	PRI consist.
1	1	1	1	1	1	0	1	19	1	1	1
1	1	1	1	1	1	1	1	19	1	1	1
1	1	1	1	1	1	0	0	7	1	1	1
1	1	1	0	1	1	1	1	7	1	1	1
1	1	1	1	1	1	1	0	6	1	1	1
1	1	1	1	0	1	0	1	6	1	1	1
1	1	1	0	1	1	0	1	6	1	1	1
1	1	1	0	0	1	0	0	4	1	1	1
1	1	0	0	1	1	0	0	3	1	1	1
1	1	1	1	0	1	1	1	3	1	1	1
1	1	0	0	1	1	1	1	3	1	1	1
1	0	1	1	1	1	0	1	5	1	0.994933	0.985673
1	0	1	0	1	1	1	1	5	1	0.994347	0.975407
1	0	0	0	1	1	1	1	3	1	0.994016	0.972222
1	1	1	0	1	1	0	0	6	1	0.98767	0.961977
1	0	1	1	1	0	1	1	4	1	0.986367	0.928923
1	1	1	1	0	1	0	0	3	1	0.986035	0.946752
1	1	0	0	1	1	0	1	3	1	0.985827	0.941987
1	0	0	0	0	0	0	0	3	1	0.982297	0.912289
1	0	1	1	1	1	1	1	8	1	0.981552	0.943974
1	0	1	1	0	1	1	1	3	1	0.977785	0.895251
1	1	1	1	0	0	1	1	3	1	0.973719	0.828374
1	1	1	0	0	0	1	1	3	0	0.961193	0.745334
1	0	1	0	1	0	1	1	5	0	0.949046	0.741189
1	0	0	1	0	0	1	1	3	0	0.930011	0.540984
1	0	1	1	0	0	1	1	3	0	0.920916	0.638418
1	0	1	0	0	0	1	1	3	0	0.919961	0.605183
1	0	0	0	0	0	1	1	8	0	0.844055	0.443042

Table 7. Sorted truth table.

Next, the identified solutions were inspected to identify core and peripheral conditions. The software computes three solutions (complex, parsimonious, and intermediate solution). ‘Solution’ refers to a combination of configurations that is represented by a high number of cases, where the premise “combination leads to outcome” is consistent (Pappas & Woodside, 2021). Core conditions appear in the parsimonious as well as in the intermediate solution.

Peripheral conditions are the conditions that are eliminated in the parsimonious solution and that appear only in the intermediate solution (Fiss, 2011). Core conditions represent a higher relevance, whereas peripheral conditions have a less relevant role in a configuration.

Table 8 reports the configurations that are sufficient for high KAM effectiveness as resulting from the intermediate solution. The presence of a condition is indicated with a regular circle, whereas the absence/ negation of a condition is indicated with a crossed-out circle. “Do not care”-conditions are represented by a blank space. Large circles indicate core conditions and smaller circles peripheral ones (Fiss, 2011). Reported overall coverage (interpreted like R^2 in regression analyses) expresses the degree to which a solution of configuration can explain the outcome (Ragin, 2008; Woodside, 2013). The results indicate an overall solution coverage of 0.58 which suggests that a substantial proportion of the outcome is covered by the eight solutions. The configurations are ordered by raw coverage (Ragin, 2008). The results show eight equifinal sufficient combinations of formalism, teams, and politics for high KAM effectiveness (Fiss, 2011). The solutions reveal asymmetric effects on the outcome, since for almost all attributes, the presence and absence support high KAM effectiveness in dependency of the presence or absence of other attributes.

To interpret the recipes, three complementary angles are taken, that is, reassessing structures/ patterns in all recipes, reassessing single recipes and reassessing the cases that are members of individual recipes (Legewie, 2013).

	Solutions								
	1	2	3	4	5	6	7	8	
KAM Baseline									
Prioritization Strategy	○	○	○	○	○	○	○	○	
KAM Concensus		○	○		○	⊕	○	⊕	
Formal KAM									
Approach Formalization	○	○	○			○	○	⊕	
Selection Formalization	○	○		⊕	⊕	○	○	⊕	
Use of Teams		○		○	○	○	⊕	⊕	
Informal KAM									
Esprit de Corps	○	○	○	○	○			⊕	
Role Conflict			⊕		⊕			⊕	
Organizational Politics	○		⊕	○		○	○	⊕	
Consistency	0.99	1.00	0.99	0.98	0.98	0.97	0.99	0.98	
Raw Coverage	0.32	0.27	0.26	0.25	0.22	0.10	0.19	0.13	
Unique Coverage	0.02	0.02	0.02	0.05	0.01	0.01	0.01	0.03	
Overall Solution Consistency									0.97
Overall Solution Coverage									0.58
Notes: Full/ crossed-out circle: presence/ absence of a condition; Large/ small circles: core condition/ peripheral condition; Blank space: “do not care”-condition;									

Table 8. Configurations for achieving high KAM effectiveness.

4.4.3 Assessing structures/ patterns in the recipes

The existence of a prioritization strategy as a condition for KAM effectiveness is present in all recipes and can thus be regarded as a basic condition for high KAM effectiveness. This is in line with the idea of KAM as a management for the strategically most important customers. This requires a general segmentation of customers. The significant role of a prioritization

strategy becomes particularly clear in recipe 8. Here, high KAM effectiveness is achieved through the prioritization strategy whereas all other conditions are absent.

However, not all prioritization strategies are realized or implemented through formalisms. Heterogeneous recipes of presence and absence of KAM approach formalization, KA selection formalization, and use of dedicated KAM teams all lead to KAM effectiveness, the very idea of equifinality. KAM approach formalization is present in most recipes (1, 2, 3, 6, 7), where it is not present, it is either an ‘indifference’ condition or absent (8). Thus, contrary to previous findings by Homburg, Workman, and Jensen (2002) and rather in line with Herhausen et al. (2022), a positive influence of approach formalization on KAM effectiveness emerges.

The presence or absence of a formalized KA selection process is closely related to KAM approach formalization. In half of the solutions (1, 2, 6, 7), the presence of a formalized selection process contributes positively to achieving high KAM effectiveness. It may be noted that – compared to prioritization strategy and approach formalization of KAM – a formalized selection process is in the great majority of cases a core condition for high KAM effectiveness. In the other half of the recipes, however, the presence of a formalized selection process either plays no role for the outcome (3) or, contrary to theoretical assumptions, its absence actually supports KAM effectiveness (4, 5, 8). Accordingly, there are company types that benefit from a formalized selection process, but also companies that exhibit high KAM effectiveness without a formalized selection process.

When there is no KAM consensus, topmanagement could use formalisms to ensure operations along the strategic objectives of KAM and to prevent possible variations, e.g., due to lack of perception of added value of KAM, which corresponds to recipe 6. On the other hand, it can also be seen that the presence of a prioritization strategy combined with KAM consensus could serve as a basis for the introduction of formalisms. Here, basic attitudes are already clear (some customers are seen as strategically more important than others; the added value of KAM

is accepted). Formal structures and processes find broad acceptance. This is especially the case in configurations 2 and 7 in which a formalized selection process is a core condition and KAM consensus appears as a core condition along with it.

The presence of the KAM consensus has only limited importance in configurations where the formalization aspects also have only peripheral or no importance (1, 3, 4, 5). In these four conditions (1, 3, 4, 5), esprit de corps is a core condition (independently of the use of dedicated teams). Thus, if KAM consensus plays no or only a peripheral role, a strong esprit de corps seems to compensate for this as a core condition by creating an own consensus and understanding within the team. Absent KAM consensus (6), a top-down controlled use of teams seems to be a means to generate KAM effectiveness, so these could be purely functional teams where team spirit also plays no role. Again, recipe 8 represents a special case in that the absence of a KAM consensus, of teams, and of esprit de corps has a positive role in achieving the outcome of interest, albeit subordinate.

The use of dedicated KAM teams is related to esprit de corps as a core condition for high KAM effectiveness (2, 4, 5), which is in line with extant research in that formalized KAM teams create official guidelines for team members resulting in team spirit. Even here, 6 represents a deviation in that teams are used while esprit de corps does not play a role. This is consistent with previous considerations on the use of purely functional teams in this configuration. Here the functional use of teams having defined roles and tasks per se creates sense for team members, but does not result in a deeper value enhancing team spirit. The specific absence of teams as well as esprit de corps, however, can also lead to high KAM effectiveness. Both aspects are absent in the special case of recipe 8, but also in recipe 7 in which pronounced KAM approach formalisms as well as a pronounced KAM consensus do not go hand in hand with an organization in dedicated KAM teams. It would be more conceivable here to have non-permanent teams that come together when required. This reflects the fact that many companies

have already recognized the added value of dedicated KAM teams, but others have not yet appointed/ created dedicated KAM teams due to limited human resources or simply lack of necessity.

Role conflict leads to KAM effectiveness in none of the configurations, but its absence is a core condition for KAM effectiveness in 3, 5 and 8. The effect of the absence of role conflict is not counterbalanced by esprit de corps. The avoidance of role conflict goes hand in hand with the avoidance of organizational politics (3, 8). In situations of role conflict, organizational politics (i.e. power and influence actions) are seen as a lever to avoid negative consequences for KAM effectiveness. However, organizational politics per se does not endanger effectiveness but can even be beneficial (1, 4, 6, 7). Organizational politics lead to effectiveness alongside formalisms, supporting the assumption that formalisms may sometimes be too rigid (a) to cover all cases and (b) thus not always mark the single best approach.

4.4.4 Reassessing single recipes and cases par excellence

To gain a deeper understanding of the configurations leading to high KAM effectiveness, we inspect the cases in these configurations in greater detail. To do so, the companies with the highest fuzzy-set membership scores in the sets of the respective configurations were selected. They “represent” the configurations empirically and can therefore be considered as examples “par excellence” for the respective configurations. Table 9 summarizes key information on formalization levels and its representative cases.

	Level of formalization			
	Higher	Medium	Lower	None
Configuration(s)	2, 6, 7	1	3	4, 5, 8
Industry	Chemical and consumer goods FMCG, IT, OEM (automotive industry)	Automotive, IT	FMCG (food industry)	Engineering/ machine construction
Company size	Large	Large	Large	Medium
Level of competition	Medium, but strict industry regulations	High, high innovation pressure	Rather low, big players on a saturated market	Rather low, highly individualized services

Table 9. Levels of KAM formalization and cases par excellence.

High level of formalization (configurations 2, 6, and 7)

These configurations use a prioritization strategy, KAM approach formalization, and formalized KA selection as core conditions for high KAM effectiveness. 6 and 7 encompass mainly large companies. In 6, there is no KAM consensus, whereas in 7 it is a core condition. This is reflected in the organizational positioning of KAM, as in 6 it tends to be at lower to middle management levels whereas in 7 it is clearly middle to upper management. Companies in 7 also are more likely to have their own KAM department than in 6. Topmanagement in 7 is more involved in managing KAs than in 6, thus promoting a stronger position for KAM in the company. In configuration 6, teams are deployed, whereas in 7 they are absent. In 7, no dedicated KAM teams are necessary, since the establishment of KAM is high, so that the KA manager can easily put together teams that fully support the project, and the manager also has a stronger decision-making function and support from topmanagement due to hierarchical anchoring. In 6, it is necessary to dedicate top-down teams for KAM, because the establishment of KAM is lower and the influence of managers is lower. Topmanagement also gives less support. Team spirit and role conflicts do not play a role in either configuration, as these are either self-evident but functional teams that are convened on a project basis, or they are top-

down dedicated teams which are also purely functional in nature. 7 is represented by companies in the chemical and FMCG industries which are rather stable industries that follow strong regulations, and the markets are saturated by big players. 6 comprises numerous companies from the IT industry which also tend to follow stronger industry regulations. Companies in both configurations successfully apply political behavior and may thus be able to overcome or supplement formalisms that are too strong, or steer inadequacies of purely functional teams in an efficient direction.

In contrast to 6 and 7, KAM consensus and the use of teams and their esprit de corps are core conditions in 2. Organizational politics, on the other hand, play no role here. Configuration 2 comprises mainly medium-sized companies. It includes companies from the automotive supply industry which often mirror the formalized processes and structures of large or exclusive customers in their organizational structure. The hierarchical anchoring of KAM which can be found at all hierarchical levels is more heterogeneous, but it is rather close to upper management. Topmanagement, or KAM itself in upper management, is involved to a greater extent in the decisions and support of KA customers than in 7. This promotes KAM consensus since KAM has the highest level of hierarchical support. Medium-sized companies are predominant in this configuration. Few companies have an independent KAM department. Dedicated KAM teams that exhibit esprit de corps are a core condition for high KAM effectiveness. Companies in 7 see their KAs as powerful. Team spirit is thus likely to be the result of a strong KAM consensus and may have grown historically based on high-level customer demands. Organizational politics do not play a role due to established formalisms that are perceived to work.

Medium level of formalization (configuration 1)

This configuration contains large companies from the automotive or IT sector. Here, the role of a formalized selection process is peripheral. KAM consensus plays no role for KAM

effectiveness. This could be related to the customer structure in these industries where KAM is a “must have”. Accordingly, revising the customer portfolio is not a priority. Keeping extant KA customers is at the focus of activities rather than questioning their status. At the same time, intensity of competition for the few existing large customers is high and markets are highly dynamic. KA is positioned at middle management level. Hence, the decision-making level for KAM is lower than in the highly formalized configurations 2, 6 and 7. Topmanagement is not directly involved in the KA activities. Team spirit as a core condition for high KAM effectiveness in combination with the use of organizational politics seems to compensate for limited formalisms and less involvement of topmanagement.

Low level of formalization (configuration 3)

A low degree of formalization is characterized by the fact that a prioritization strategy, a formalized KAM and a KAM consensus play a peripheral role, while a formalized selection process plays no role. Companies in this configuration are located in the FMCG sector. Formalized selection processes may not play a role here because FMCG is a rather stable industry in which technological innovations are less frequent. Intensity of competition and market dynamics are significantly lower than in configuration 1. Industry stability limits the role of a formalized selection process in KAM. As in 1, a strong team spirit seems to compensate for more peripheral formalisms. However, in this condition both the absence of role conflict and organizational politics are core conditions. Role conflict in combination with organizational politics appears to have an effect such that KAM effectiveness can be compromised. A lower degree of formalization and less involvement of topmanagement in KAM would seem to provide scope for this.

No formalization (configurations 4, 5 and 8)

In 4 and 5, KAM formalization plays no role for KAM effectiveness. Formalized KA selection is absent. Companies come either from the automotive or the food industry. KAM consensus is present in 5, but not in 4. If consensus is absent and formalisms are low, power and influence appear to lead to KAM effectiveness (4). When there is consensus, organizational politics plays no role despite low formalism (5). In both conditions, the use of dedicated KAM teams with high team spirit seems to compensate for the absence of formalism. In 4, organizational politics is the means of a team that does not diminish team spirit. In 5, role conflicts are to be avoided as a core condition, otherwise team collaboration as well as KAM consensus might be jeopardized, which are successful in achieving high KAM effectiveness as compensation for low formalisms in form. Role conflicts need to be avoided in 5, as the majority of companies do not have a dedicated KAM department that would define roles and responsibilities more clearly.

In configuration 8, all companies are medium-sized, many of them in engineering or machine building. Here, the presence of a prioritization strategy alone leads to KAM effectiveness. There are no dedicated KAM departments. KA managers are rather defined as sales employees who perform special KAM tasks in addition to their regular sales duties. The medium-sized companies in 8 do not require a high degree of formalization to achieve KAM effectiveness. The focus is on the KA manager's social and professional skills. Similarly, the flatter hierarchical structures of medium-sized companies are likely to produce sensemaking not necessarily based on formalisms, but on the basis of close personal exchange among employees.

4.5 Conclusion

Formalization has long been a concept of interest in scholarly thinking around KAM and

it has also been included as a variable in a number of empirical studies on KAM. However, the results of extant research have been somewhat diverging, offering no clear guidance for managers if and how formalization affects KAM effectiveness, one of the most important objectives for KAM programs (Herhausen et al., 2022; Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003). This purpose of this study is to provide a detailed analysis of how elements of KAM formalization as well as more informal design elements of KAM programs may foster KAM effectiveness. The results of this research have implications both for the academic KAM literature and for the managerial practice of KAM. It also opens avenues for future research.

4.5.1 Contributions to research on KAM

As discussed above (see section 4.2), companies that introduce and operate KAM programs need to take important design decisions. Among those decisions, the question whether KAM activities should follow structured patterns that emerge from formalization occupies an important place.

Nätti and Ulkuniemi (2022) argue that KAM profits from managers building up “structural capital” in the form of the formalization of certain KAM design elements. They see this as “crucial for facilitating a relational selling strategy and enhancing relationship maintenance at an organizational level” (Nätti & Ulkuniemi, 2022, p. 87), thus enhancing KAM effectiveness. However, there are several possible combinations of more or less formalized or informal KAM design elements. Hence, gaining a better understanding of configurations of design elements that lead to KAM effectiveness is crucial for a more holistic conceptual picture of KAM as an object of academic research.

This study makes several contributions to KAM research: Firstly, it uses a fuzzy-set QCA approach to explore equifinal configurations of formal and informal elements of KAM implementations in organizations that lead to high KAM effectiveness. Secondly, it contributes

to a better understanding of the role of several different forms of KAM formalization for KAM effectiveness. Thirdly, it enriches the prevailing focus on formal elements of organizations' KAM design by introducing a perspective that simultaneously considers formal as well as informal elements of KAM regarding their combined effects for KAM effectiveness. Finally, this study suggests that taking a strategic decision to prioritize certain customers over others is a prerequisite for KAM effectiveness.

The configurational perspective

The first contribution this study makes to extant KAM formalization research is to broaden extant empirical knowledge on formalization in KAM by using a different methodological perspective. Existing research in the field of KAM formalization has mainly focused on causal linear relationships between variables, thereby assuming that relations among variables are additive, and that one single model fits best with the data analyzed. This perspective does provide valuable insights, for example regarding the magnitude of effects of formalization in KAM in general, and enables the identification of critical facilitators (and inhibitors) of KAM effectiveness. At the same time, it neglects the nonlinear relationships inherent in organizational design decisions.

By using fsQCA, this study establishes the link between different KAM formalization design decisions and KAM effectiveness, as well as between formal and informal KAM design elements and KAM effectiveness. To the best of our knowledge, it is the first to do so. This fsQCA-based research approach provides insights into equifinal configurations of KAM design that achieve high KAM effectiveness. The results suggest that equifinality, that is, the fact that a system can achieve the same final state even if it has different initial conditions and on a variety of different paths (Fiss, 2011), applies to KAM formalization. This is particularly relevant since prior research on KAM formalization (as discussed above) has produced somewhat contradictory empirical results for the impact of KAM formalization on KAM

effectiveness. Our study suggests that the causal link cannot be generalized. At the same time, it can be stated that a prioritization strategy for segmenting customers is an important basis for an effective KAM design. It is a necessary condition in every configuration identified by this research. Accordingly, companies need to define differentiation principles that define, in line with the KAM strategy, which customers should be prioritized and how this prioritized treatment should differ from regular customer management.

A differentiated view on KAM formalization

This study also provides additional insights as compared to extant research because it takes a more differentiated perspective on KAM formalization than prior studies. Specifically, it shows that companies may well formalize one aspect of KAM (e.g., KA selection processes) while not formalizing others and still preserve KAM effectiveness. The importance of the three elements of formalized KAM studies in this research is well observable. In seven out of eight configurations they are required for KAM effectiveness. At the same time, none of the three elements is systematically required in all seven recipes. Only two of the configurations (or recipes) require the presence of all three KAM formalization design elements. These findings demonstrate that formalization is a more adaptable management tool than some extant KAM research may suggest. Rather, it allows managers who are in charge of designing KAM systems to “fine-tune” an approach. Such an approach may then be deployed across all KA relationships of the company, or it may be differentiated depending on customer characteristics, relationship characteristics, and possibly even the characteristics of the KA manager.

With our results, we contribute to a better understanding of the impact of formalism types in KAM on effectiveness and offer explanations for existing negative effects (Workman, Homburg, & Jensen, 2003) as well as positive effects (Herhausen et al., 2022) of KAM formalization on KAM effectiveness.

The interplay between formalized and informal KAM design elements

In this context, formalized KA selection as well as team spirit increasingly emerge as core conditions for high KAM effectiveness, manifesting their importance in KAM. The data analyzed in this study corroborate both the conceptual propositions and the empirical insights into KA selection (Feste, Ivens, & Pardo, 2020; Sun, Marcos, & Prior, 2022). Team spirit as a core condition for KAM effectiveness underpins previous empirical studies that identify team spirit as contributing positively to KAM effectiveness in contrast to the simple formal introduction of dedicated KAM teams (Homburg, Workman, & Jensen, 2002; Salojärvi, Saarenketo, Puumalainen, 2013). Consequently, this study provides valuable operative and strategic design implications for decision makers.

When formalization is not prominent in a company's KAM, the use of interdisciplinary KAM teams combined with a strong team spirit can effectively compensate for the partial lack of formalisms. Effective KAM in these cases is based on more vulnerable aspects such as team spirit and also corporate affiliation on the part of individual employees. Including informal KAM elements, such as role conflicts of KA managers or the team spirit of dedicated KAM teams, the conditional direction of effect on formalisms becomes clear. Organizational politics is beneficial for effective KAM in some configuration types, but should be avoided at all costs in others, as negative effects would be expected. In configurations with greater KAM formalization, the use of organizational politics is shown to be a legitimate means to create more flexibility in customer management and thus to remain effective. In configurations with lower KAM formalization, organizational politics can effectively compensate for absent guidelines by decision bases formed in the team or by the KA manager. Organizational politics have a negative effect if they are accompanied by role conflicts on the part of the KA manager, since political behavior is then used to demonstrate power and influence in that the associated goals might rather serve the KA manager's self-interest rather than the KAM strategy.

Implications for managerial challenges in KAM

Our results have several implications for managers involved in KAM design decisions, such as vice presidents responsible for sales, or directors of KAM organizations. Firstly, our results suggest that designing a KAM organization is a complex task that requires careful analysis and the right combination of design elements. Establishing and managing KAs effectively involves more than “just” giving priority to certain customers. Our study shows that implementing a prioritization strategy is only the starting point. But KAM implementation is a longer process. It involves identifying the different elements of formalization in KAM. And it involves completing them with informal elements. Such an implementation process concerns different hierarchical levels and different functional or geographical units within the company. It is evident that this requires an implementation plan that identifies the different steps that are necessary, that includes communicating and explaining the design decisions both internally and towards the KAs, and that does not rush the implementation. Hence, topmanagement should be closely involved in the decisions and the process and provide orientation to all units within the company where needed.

Secondly, our results also show that both “human factors” (e.g. esprit de corps) and “non-human factors” (e.g., selection formalization) drive KAM effectiveness. For managers, the data imply that – even though many companies undergo a digital transformation of their business activities – KAM remains a field in which human phenomena (such as consensus) and tools used to regulate human behavior still play an important role. Contrary to other sales approaches, KAM maintains a human-focused orientation. KA managers may drive the digitalization of some of the business processes between their company and their customer. However, their work still depends on their personal work and the way how it is governed, for example by their superiors.

Finally, the fact that the presence of a strategic management decision to prioritize some

customers over others is a prerequisite for KAM effectiveness in all configurations is important for managers too. From prior research (Herhausen et al., 2022; Homburg, Workman, & Jensen, 2002) we know that not every company implements KAM in a very systematic manner. In some cases, it has somehow developed historically without a clear strategic process leading to its implementation. And some companies have never openly communicated the decision to implement KAM, neither internally nor towards customers. Both studies cited above also provide evidence that such KAM systems do not perform as well as those that are implemented and communicated as constituting a conscious, long-term decision by topmanagement. In line with this prior research, our results show that whatever the type of company, the industry, or the characteristics of the market, to become effective KAM systems need to be the result of a strategic decision-making process that openly communicates customer prioritization as a strategic principle of the company.

4.5.2 Limitations and avenues for further research

As any empirical study, this research has its limitations. Among the noteworthy limitations, the empirical field in which our data has been collected has a specific geographical focus. Data were collected from companies that are located in Germany. While the sample encompasses different sizes of companies that reflect the distribution of firm size in the German economy, it is not representative. This is true for firm size as well as for the industries in which participating companies are active. They reflect some of the most important economic areas of the German economy, but do not cover all important industries. Furthermore, extant research shows, that KAM is a concept that is not unrelated to culture, both in the form of national culture (Al-Husan & Brennan, 2009; Badawi, Battor, & Badghish, 2022) in general and of corporate cultures that reflect national characteristics.

Consequently, future research may broaden the focus and, for example, collect data from a variety of companies operating in different cultural contexts. It may also study different

additional variables that have not been included in this research. For example, the literature has pointed to the emergence of a specific KAM capability that some firms develop (Herhausen et al., 2022; Ivens et al., 2018) as well as to the KAM- or customer portfolio-related resources. The available data that allow analyzing individual customers as well as the data mind-set within the company, for example, may be important additional variables.

Finally, this research has focused on the link between variables of KAM formalization as well as variables of informal KAM design and their link with KAM effectiveness. It has not asked the question which variables actually determine the levels of formalization for the different KAM design elements of formalization. For example, several intra-organizational elements and inter-organizational elements, such as characteristics of buyers and the market environment (e.g., demand concentration, purchasing complexity) are discussed in the literature as potential determinants of the degree of KAM formalization (Homburg, Workman, & Jensen, 2002; Wengler, Ehret, & Saab, 2006). Consequently, future studies should shine a stronger light on the antecedents of KAM formalization to paint an even more comprehensive picture of formalization.

4.6 References

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5 Study 3

Formalizing KAM: The missing link between structure, customer knowledge, and KAM effectiveness

Abstract

Formalization is a key design element in KAM systems, yet its relationship with KAM effectiveness has remained equivocal in past research. This study addresses these inconsistencies by shifting attention from the formalization of KAM approaches broadly to a more granular, operational capability—formalized KA selection. Building on RBV and grounded in survey data from 207 KA managers in Germany, this research examines how a formalized KA selection process, when enriched with KA managers' tacit customer knowledge, mediates the positive impact of formalized KAM on KAM effectiveness. A serial mediation model reveals that KAM approach formalization enhances KA selection formalization, which in turn increases the integration of customer knowledge and the willingness of KA managers to share such knowledge—ultimately improving KAM effectiveness. Moreover, we show that the organizational integration of KAM moderates the relationship between KAM approach formalization and formalized KA selection, with the strongest effects observed in firms that perform KAM in dedicated units. These findings clarify the role of formalization in KAM, emphasizing that its benefits materialize only when selection processes are strategically aligned and enriched by customer knowledge.

Keywords

Key account management; formalization; KAM effectiveness; customer knowledge integration; KA selection;

5.1 Introduction

KAM as a special form of relationship management inherently combines both tangible and intangible resources and operational and dynamic capabilities (Homburg, Workman, & Jensen, 2002; Ivens et al., 2018). Besides others, tangible organizational resources for KAM encompass KA managers or organizational structures and processes, whereas customer knowledge is classified as an intangible resource. Concerning capabilities, this study highlights identifying and developing such relationships and creating value regarding knowledge management and continuous improvement of KAM implementation on an operational or dynamic level. This duality of resources and capabilities in KAM underscores the strategic complexity and essential nature of KAM in fostering strong, long-term partnerships with key customers and achieving strategic organizational goals (Guesalaga et al., 2018). Furthermore, integrating these elements facilitates value creation for the firm and its KAs, enhancing the competitive advantage and driving sustainable growth (Storbacka, 2012; Davies & Ryals, 2013).

However, in contrast to informal KAM elements, research on formal elements of KAM systems, as well as their interplay with informal elements remains limited (Feste, Ivens, Pardo, 2022; Leischnig et al., 2018; Wilson & Woodburn, 2013). The first attempts at applying a configurational approach to KAM revealed a negative effect of KAM formalization on its effectiveness, in contrast to hypothetical assumptions (Homburg, Workman, & Jensen, 2002). Nevertheless, in a more recent quasi-replication and extension of this study, Herhausen et al. (2022) discovered a positive relationship between KAM formalization and its effectiveness that becomes neutral and insignificant when investigating a more advanced model. Another study that identified configurations leading to high KAM effectiveness revealed that KAM approach formalization primarily occurs in combination with a formalized selection process and that approach formalization only occurs as a peripheral condition (i.e., a condition with a less

relevant role in the configuration). In contrast, a formalized selection of KAs was identified as a core condition. Thus, formalized selection represents a critical factor or attribute consistently present across configurations or combinations of conditions, leading to a particular outcome and significantly contributing to KAM effectiveness (Feste, Ivens, & Pardo, 2022; Schneider & Wagemann, 2012).

Following the call for further research on determinants of KAM outcomes (Herhausen et al., 2022) and relying on the results by Feste, Ivens, and Pardo (2022), this study investigates the operational capability of formalized KA selection as an underconsidered but crucial factor for KAM effectiveness. In this context, we posit that the inflexibility in managing KAs due to a formalized KAM approach does not undermine KAM effectiveness; rather, misallocating capabilities and resources to customers who are not strategic does undermine the effectiveness. Accordingly, we assume that a formalized KA selection process that systematically integrates the customer knowledge of KA managers conveys the benefits of a formalized KAM approach concerning its effectiveness. As a context variable, this study examines the organizational integration of KAM because it could serve as a proxy for the organizational commitment to KAM and determine the development of formalized company structures.

5.2 Theoretical foundation and state of research

5.2.1 The role of formalization in effective KAM

As a central construct of OT, formalization has been extensively studied concerning internal KAM organization, and its influence on KAM effectiveness has been discussed (Scott, 1992). Following the work by Workman, Homburg, and Jensen (2003), this study defines KAM effectiveness “as the extent to which an organization achieves better relationship outcomes for key accounts in comparison with average accounts” (Homburg, Workman, & Jensen, 2003, p. 7).

The degree of formalization in KAM is often correlated with the strategic importance attributed to KAs in the company because formalizing KAM helps increase the efficiency and effectiveness of customer relationships by creating clear structures and procedures, enabling consistent and high-quality interactions (Georges & Eggert, 2003; Pardo, Salle, & Spencer, 1995). In contrast, the lack of formalization can lead to misconceptions of KAM if no clear differentiation exists between traditional KA selling and value-added KAM or when companies without KAM handle their most important customers as KAs using the standard marketing and sales departments (called “hidden KAM”; Sengupta, Krapfel, & Pusateri, 1997; Wengler, Ehret, & Saab, 2006).

More recently, following a configurational approach, studies on KAM formalization have revealed that formalization per se cannot be determined as beneficial or detrimental to KAM effectiveness. In contrast, the findings have revealed that the influence of formalization on the effectiveness of KAM depends on contextual factors (Feste, Ivens, & Pardo, 2022; Herhausen et al., 2022; Homburg, Workman, & Jensen, 2002).

The influential paper by Homburg, Workman, and Jensen (2002) developed an integrative conceptualization of KAM, defining critical constructs in activities, actors, resources, and approach formalization. Regarding formalization, the study investigated formalized programs and structures for managing KAs, including clearly defined roles and responsibilities, and examined standardized processes and procedures to ensure consistent and efficient KAM. Furthermore, the research included systems for measuring the performance and effectiveness of KAM initiatives, such as metrics and key performance indicators to evaluate success.

However, a negative relationship exists between KAM formalization and effectiveness because more complex customer needs may require more customized approaches. Moreover, rapidly changing market conditions can demand more flexible KAM structures to adapt quickly, which could be hindered by high levels of KAM formalization (Homburg, Workman, & Jensen,

2022). An equivalent argument was proposed by Workman, Homburg, and Jensen (2003), offering insight into the best practices, organizational structures, and processes contributing to successful KAM. This argument emphasizes the importance of tailored approaches to KAM that align with the specific needs and contexts of organizations and their KAs, as a high degree of formalization in KAM processes was identified to affect KAM effectiveness negatively.

Reflecting the professionalization of the KAM domain, in 2022, Herhausen et al. performed a quasi-replication of the fundamental studies by Homburg, Workman, and Jensen (2002) and Workman, Homburg, and Jensen (2003). For a simpler model that mirrors the analyses by Workman, Homburg, and Jensen (2003), the study found a positive relation of KAM formalization and KAM effectiveness. However, in a more advanced model, including KAM capabilities and communication, the formalization effect on KAM effectiveness becomes neutral and insignificant (Herhausen et al., 2022).

These findings add to the conclusions of the fuzzy-set qualitative comparative analysis (fsQCA) by Feste, Ivens, and Pardo (2022), revealing complex interactions between different formal and informal KAM elements and their effect on KAM effectiveness. For most identified configurations (five out of eight) associated with high levels of KAM effectiveness, KAM approach formalization is a peripheral condition (i.e., it has a less relevant role in the configuration). The results indicate that another facet of KAM formalization is more central than this concerning effectiveness: the formalization of the KA selection. Its presence or absence in configurations is closely related to the presence or absence of a formal KAM approach. Thus, in most cases, a formalized selection process is a core condition for high KAM effectiveness (Feste, Ivens, & Pardo, 2022).

Following the call for research by Herhausen et al. (2022), we argue that the factor of a formalized KA selection is a central variable that is missed, as it might have a fundamental influence on KAM effectiveness (e.g., Feste, Ivens, & Pardo, 2020 & 2022; Storbacka, 2012;

Zupancic, 2008). Formalized KA selection can be considered an intra-organizational alignment that harmonizes the portfolio of KAs with the strategic goals to be achieved with the company's most strategically crucial customers. The alignment of KAM with the overall business strategy is discussed as a fundamental requirement for successfully integrating KAM into the organization (Pardo, Salle, & Spencer, 1995) and for adding value from the relationship for the supplier and not just the customer (Ivens & Pardo, 2007). Nonetheless, an explorative qualitative interview study revealed that the degree of formalization of the selection processes has primarily been based on evaluating the turnover generated. Only a few larger companies have investigated their portfolio of KAs using a formalized approach by applying criteria, such as strategic fit (Feste, Ivens, Pardo, 2020).

From a RBV, a formal selection process is a KAM capability that enables handling resources (i.e., KA relationships) in a mutually effective and goal-achieving manner (Guesalaga et al., 2018; Marcos et al., 2018; Woodburn & McDonald, 2011). Consequently, strong, long-term, and strategically valuable partnerships with critical customers become valuable, rare, inimitable, and non-substitutable, serving as corporate assets that are a sustainable competitive advantage (Barney, 1991; Barney, 2001; Kozlenkova, Samaha, & Palmatier, 2014).

Creating standardized procedures and processes ensures that KA selection consistently aligns with corporate strategy and goals. This approach allows for regular re-evaluations of the customer portfolio, considering dynamic changes that may require removing existing KAs and nominating others (Homburg, Steiner, & Totzek, 2009; Johnson & Selnes, 2004; Terho & Halinen, 2007). Aligning KA selection with corporate strategic goals can be achieved by determining criteria that clearly distinguish regular accounts from KAs. In this respect, implementing selection criteria accounting for long-term potential and immediate circumstances integrating a mix of tangible, intangible, quantitative, and qualitative factors is crucial (Cheverton, 2008; Ivens & Pardo, 2007). Therefore, an effective KAM should include

well-defined entry criteria for selecting KAs and offer differentiated service levels for those accounts. This approach should be supported operationally by dynamic KA plans and regular customer review processes (Marcos-Cuevas et al., 2014).

Concerning the organizational fit of KAs, selected customers must be aligned with organizational resources, such as technological capabilities, financial resources, and human capital, to ensure that limited resources are only invested in potential long-term partnerships that contribute to sustainable value creation. The opportunity costs of selecting the wrong accounts are significant. Not only would the organizational KAM be ineffective and squander resources on an unsuitable account, but selecting the wrong accounts may also miss the potential benefits of strengthening cooperation with truly valuable accounts (Al-Husan & Brennan, 2009; Storbacka, 2012; Zeithaml, Rust, & Lemon, 2001). Consequently, an effective KAM requires mutual value creation in terms of collaboration and cooperation; thus, both parties actively engage in the relationship and contribute resources and capabilities to achieve the defined goals (Henneberg et al., 2009).

5.2.2 Formalized KA selection and customer knowledge processing

Research on the role of customer knowledge is plentiful, and its importance for the success of organizational KAM has been widely discussed (e.g., Guesalaga & Johnston, 2010; Guesalaga et al., 2018; Ivens & Pardo, 2007; Salojärvi, Sainio, & Tarkiainen, 2010; Wengler, Ehret & Saab, 2006). Further, KA managers take a central role in the success of organizational KAM because they primarily follow the one-face-to-the-customer approach and have extensive explicit and tacit knowledge of their managed KAs (Abratt & Kelly, 2002; Feste, Ivens, & Pardo, 2020; Nätti, Halinen, & Hanttu, 2006). Tacit knowledge (i.e., expertise and customer-specific knowledge) is the most influential knowledge in developing KAM capabilities (Day, 1994).

Nevertheless, the organizational processing of such customer knowledge remains

understudied in KAM research (Salojärvi, Sainio, & Tarkiainen, 2010; Töytäri, Rajala, & Alejandro, 2015). This lack of research is especially crucial because the communication of KA managers in the supplier organization is a stronger predictor of customer performance than the communication with the customer (Arnold, Birkinshaw, & Toulan, 2000; Salojärvi & Saarenketo, 2013). Thus, establishing mechanisms for institutionalizing customer knowledge is necessary to transfer the knowledge of individual KA managers to the organizational level, creating a learning organization (Bell, Whitwell, & Lukas, 2002; Nätti, Halinen, & Hanttu, 2006).

Systematically managed customer knowledge serves as a decisive competitive advantage concerning the quality and effectiveness of relationship management contributed to the buyer organization but can be a factor of success for the supplier firm, especially when operating globally (Gibbert, Leibold, & Probst, 2002; Guenzi, Pardo, & Georges, 2007; Harvey et al., 2003; Ryals & Davies, 2013). Formalizing structured processes and standardized procedures for organizational KAM facilitates systematically collecting, sharing, and applying customer knowledge (Salojärvi, Saarenketo, & Puumalainen, 2013). As discussed, a formalized KA selection process is essential for KAM success because it allows selecting and managing only customers critical to the respective organization.

One facet of formalizing KA selection is defining and manifesting selection criteria that express the organizational reflection of the strategic importance of the customer (Homburg, Droll, & Totzek, 2008). In this context, topmanagement is involved in designing the process top-down, determining market- and strategy-aligned selection criteria and their operation (Jaworski & Kohli, 1993; Toulan, Birkinshaw, & Arnold, 2006; Tzempelikos & Gounaris, 2015). However, topmanagement should not be the sole decision-making authority in selecting KAs due to the limited involvement and interaction with specific customers, preventing extensive, balanced, or up-to-date customer knowledge (Woodburn & McDonald, 2011). In

contrast, actively and systematically integrating KA managers as “boundary spanners” provides a pool of explicit and implicit, short- and long-term customer information, which is vital for ensuring the positive effects of a formalized selection process (Guenzi & Storbacka, 2015; Pardo, Ivens, & Niersbach, 2020). For example, implicit information regarding the realignment of the strategic objectives of a KA can be systematically considered, and supplier management can be adjusted according to the strategic fit. However, the intangible resource of the customer knowledge of the KA manager remains personally bound if the supplier does not ensure information sharing via formalized processes and procedures (Gruber et al., 2010; Guesalaga et al., 2018). Thus, a formalized KA selection process supports converting customer-specific information into explicit knowledge, becoming an organizational possession (Nätti, Halinen, & Hanttu, 2006; Woodburn & McDonald, 2011).

5.2.3 Research model

Based on prior theoretical discussions and somewhat controversial empirical findings, we argue that a formalized KAM approach enhances effectiveness by providing a structured framework for managing KAs, ensuring consistent and strategic engagement with high-value clients. This systematic approach fosters more robust relationships, tailored solutions, and better alignment of resources to meet the specific needs of KAs, increasing customer satisfaction and loyalty (e.g., Herhausen et al., 2022; Feste, Ivens, & Pardo 2020 & 2022, Workman, Homburg, & Jensen, 2003). To add to empirical knowledge, we investigated the formalization of the KAM approach as an independent model variable. However, the formalization of the KAM approach can only transfer its positive influence on KAM effectiveness (dependent variable) if a formalized KA selection (Moderator 1) that integrates KA managers’ customer knowledge (Moderator 2) and empowers their willingness to share customer knowledge (Moderator 3) is present in companies. Therefore, we investigated the following serial mediation model (Figure 2).

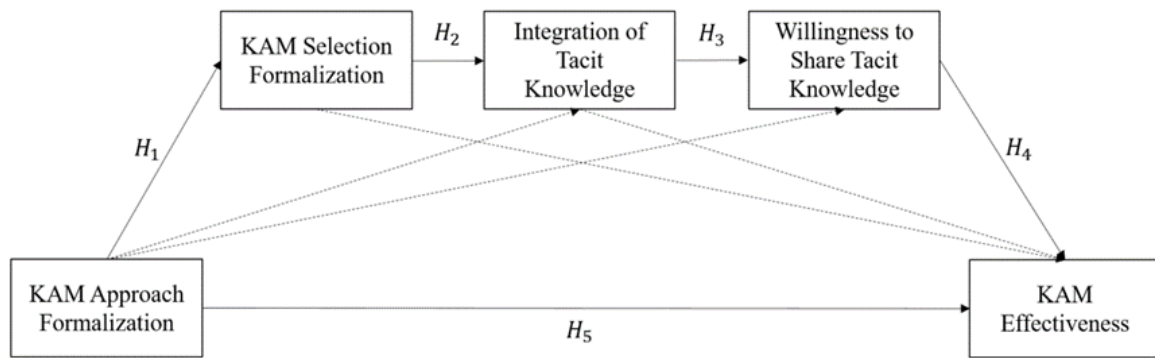


Figure 2. Research model.

Regarding KAM professionalization, the formalization of the KAM approach represents a foundational, general level of KAM formalization because it establishes a basic structured framework that guides all KAM activities and processes (Georges & Eggert, 2003; Pardo, Salle, & Spencer, 1995). However, in line with the RBV, a formalized KAM approach requires a structured and consistent process for identifying and selecting KAs, ensuring that resources are focused on customers with the highest strategic value (Guesalaga et al., 2018; Marcos et al., 2018). This formalized selection process uses predefined criteria and metrics to evaluate and prioritize accounts objectively, reducing bias and improving alignment with business goals. Thus, companies can allocate their efforts and investments more effectively, maximizing the effectiveness and return on their KA initiatives (Al-Husan & Brennan, 2009).

H1 | *Higher levels of KAM approach formalization lead to more structured KA selection processes.*

A formalized KA selection process increases the integration of explicit and tacit customer knowledge of KA managers by establishing a structured process for capturing and evaluating comprehensive customer data (Woodburn & McDonald, 2011). This approach ensures that detailed, explicit information, such as sales figures and market trends, as well as tacit insight (e.g., customer preferences and relationship dynamics) are systematically documented and

considered. Consequently, the holistic evaluation of these KAs is enriched, leading to more informed and strategic decision-making in managing these crucial relationships (Storbacka, 2012; Feste, Ivens, & Pardo, 2020).

H2 | *Formalizing KA selection positively influences integrating tacit knowledge into this selection process.*

Furthermore, a higher level of knowledge integration into the formalized KA selection process enhances the willingness of KA managers to share customer knowledge by creating clear organizational structures and processes, facilitating systematic information exchange and promoting a culture of collaboration and trust (Töytäri, Rajala, & Alejandro, 2015). Formalized processes establish standardized channels and protocols for knowledge sharing, ensuring that valuable customer insight is systematically captured and disseminated across the organization, motivating managers to contribute their knowledge to the collective pool (Guenzi & Storbacka, 2015). Additionally, the structured integration of knowledge in KAM aligns organizational goals and strategies, reinforcing managers' perceptions that their shared insight is integral to achieving broader business objectives and encouraging more active participation in knowledge sharing (Ivens et al., 2018).

H3 | *A higher level of knowledge integration into the KA selection process positively affects the willingness of KA managers to share customer knowledge.*

Last, the higher willingness of KA managers to share customer knowledge increases KAM effectiveness by ensuring that valuable insight is disseminated across the organization, facilitating more informed and strategic decision-making that directly benefits the mutual relationship (Workman, Homburg, & Jensen, 2003). This collaborative sharing of knowledge enhances the alignment of the company resources and capabilities with the specific needs of the KAs, improving customer satisfaction and promoting more robust and resilient relationships (Guenzi, Pardo, & Georges, 2007; Ryals & Davies, 2013).

H4 | *KA managers higher willingness to share customer knowledge increases KAM effectiveness.*

In summary, we argue that the effectiveness of KAM can be significantly enhanced by formalizing its approach. This hypothesis suggests that formalizing KAM practices improves outcomes by streamlining the KA selection process, integrating customer knowledge from KA managers, and increasing their willingness to share this crucial information.

H5 | *Higher levels of KAM approach formalization increase KAM effectiveness via formalizing the selection process, integrating customer knowledge of KA managers, and increasing their willingness to share such knowledge.*

5.3 Methodology

This study aims to investigate the mediating role that KAM selection formalization, integration of tacit knowledge to KA selection, and KA managers' willingness to share tacit knowledge play in translating a formalized KAM approach into KAM effectiveness. Furthermore, this study emphasizes the moderating effect of the organizational integration of KAM on the relationship between the formalized KAM approach and formalized KA selection.

5.3.1 Data collection and sample characteristics

An online survey was employed to address KA managers in Germany. The job title "KA manager," alternative job titles (e.g., regional, global, and national account managers), and individually comparable job titles were canvassed. Individuals with job titles that do not relate to KAM were excluded from the dataset via sample cleaning. Furthermore, the maximum number of managed KAs was set at ten, which is realistic when dealing with KAs. Survey participants of small companies with less than 50 employees were excluded from further analyses, as KAM is defined as a phenomenon of medium-to-large companies (e.g., Biesel,

2013). Consequently, the cleaned dataset comprises 207 valid participants.

Most respondents (75.8%) were regular KA managers, and about 11% were global account managers. All other respondents were evenly distributed over the remaining job titles (Figure 3). At 77.8%, male managers are considerably more common than female managers (22.2%). On average, respondents managed about 6.6 (standard deviation (sd) is 5.3) KAs and worked in KAM for 7.6 (sd = 6.2) years. The affiliation with the current company is an average of 8.3 years (sd = 7.7), with a maximum of 26 years. Thus, the assessed KA managers were experienced in KAM and with their current companies. Considering the company size, more than three-quarters of companies (79.2) were large (with more than 250 employees), representing KAM as a phenomenon of large companies (e.g., Biesel, 2013).

Manufacturing and production companies were dominant in the five most common company sectors, with a share of 47.8%, followed by companies in the information and communications (18.8%); professional, scientific, and technical services (10.1%); trade and maintenance or repair of vehicles, and energy supply (4.8%) sectors. Figures 4 and 5 depict the assessments of these managers regarding the company environment in terms of competitive intensity and market dynamics. Concerning the intensity of competition, a medium-to-high level was found, whereas market dynamics were only assessed at a moderate level.

In order to gain a better understanding of the role of the KAM in the respective company, its positioning in the organization was surveyed using a categorical variable. For most companies (47.8%), KAM is separated from regular sales and is managed as an independent unit that reports directly to company management (a line organization). For 43.5% of companies, KAM is integrated into regular sales, where supporting KAs is considered an additional task alongside regular sales (a matrix organization). Few companies (8.7%) have KAM positioned at the corporate management level; therefore, KAM is a support unit for topmanagement (a staff organization).

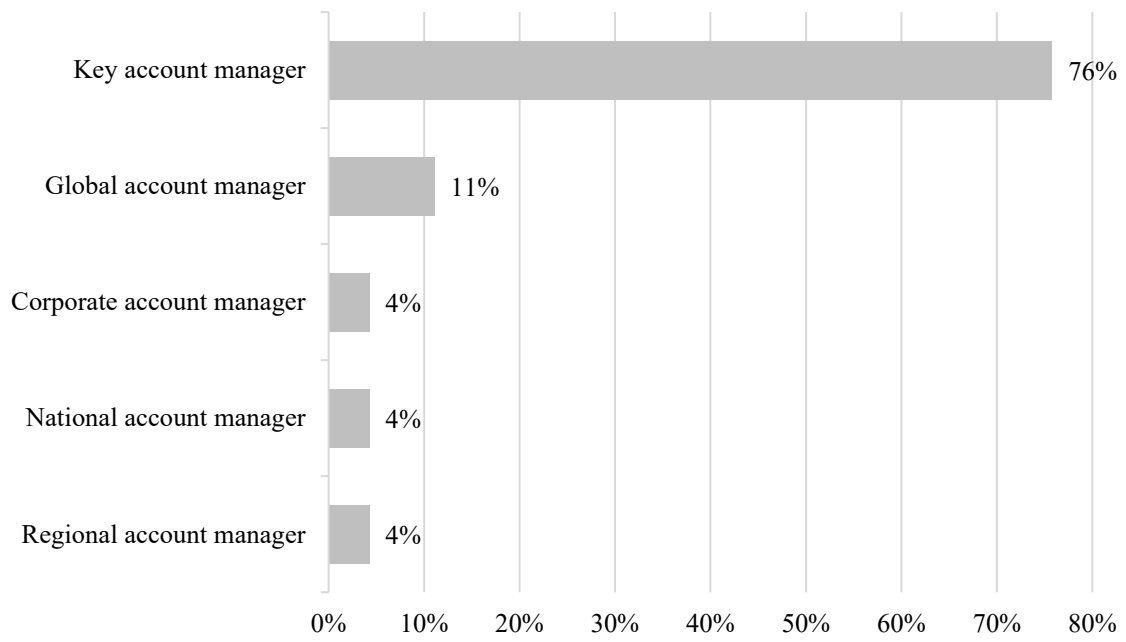


Figure 3. Job titles of survey participants.

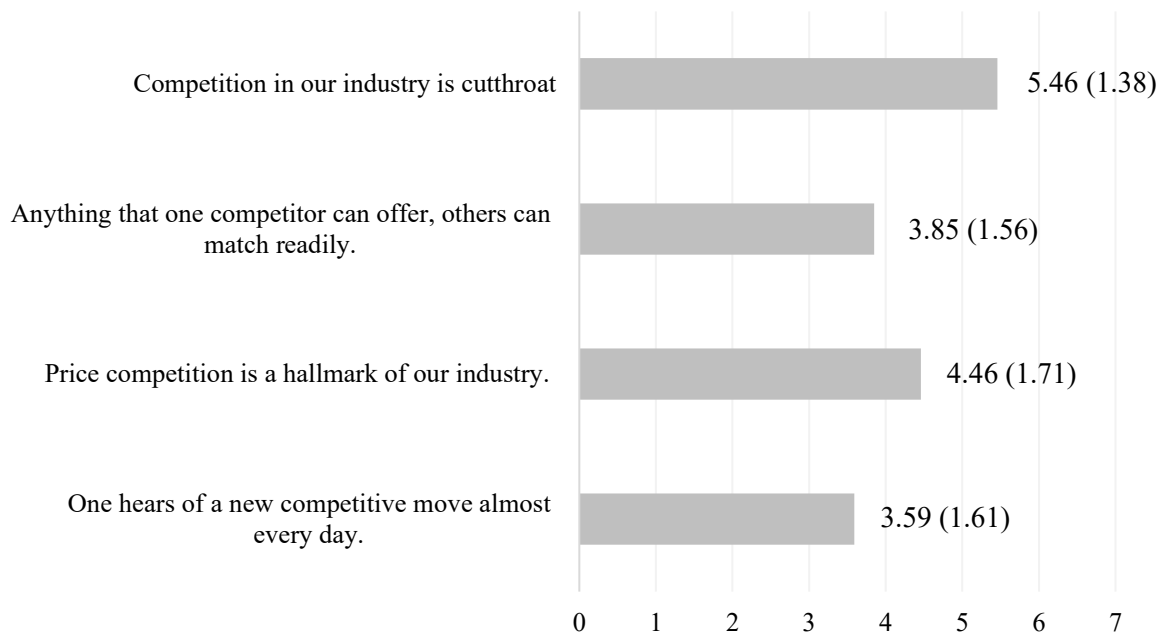


Figure 4. Competitive intensity of companies.

(following *Homburg, Workman, & Jensen, 2002*)

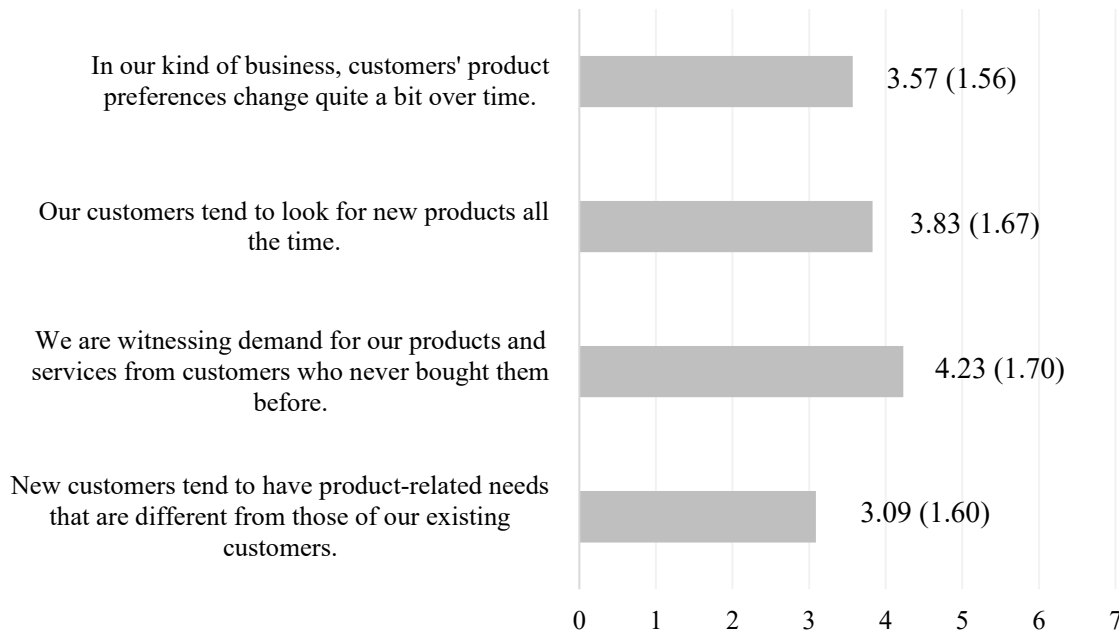


Figure 5. Market dynamism of companies.

(following *Homburg, Workman, & Jensen, 2002*)

5.3.2 Measurement of constructs

A standardized questionnaire was employed as a data collection instrument to survey the latent constructs. Scales with multiple items were used as measuring instruments. Thus, this study investigates the constructs of the KAM approach formalization, KAM selection formalization, integration of tacit knowledge into KA selection, willingness to share tacit knowledge, and KAM effectiveness.

The established construct measures from previous research were applied to capture the constructs of interest. The KAM approach formalization was measured using a seven-point Likert-type agreement scale ranging from 1 “strongly disagree” to 7 “strongly agree” following the work by Homburg, Workman, and Jensen (2002). However, the original item, “We have established criteria for selecting key accounts,” was replaced by a more general one, “Our company has its own formal structures for key account management.” This replacement is due to the focused investigation of the extent of formalization of KA selection in the distinct

construct measurement “KAM selection formalization”.

In line with this approach, the extent of a formalized KA selection was determined based on a construct operationalization developed and applied by Feste, Ivens, and Pardo (2022). The resulting six-item seven-point Likert-type agreement scale (ranging from 1 “strongly disagree” to 7 “strongly agree”) is a derivative of items from previous research on the topic (Homburg, Workman, & Jensen, 2002; Schäffer & Willauer, 2003; Menon et al., 1999; Möller, 2006).

Company integration of tacit knowledge about customers into KA selection was evaluated using a measurement instrument developed based on a qualitative interview study with KA managers (Feste, Ivens, & Pardo, 2020) and a discussion with experts in KAM research. The resulting measurement instrument provides very favorable results for validity and reliability. Adjusted to the KAM context, the willingness of KA managers to share tacit knowledge was measured using an established construct measurement, following the work by Suppiah and Sandhu (2011).

The outcome of interest, KAM effectiveness, was operationalized as a latent construct by applying a scale measurement established by Homburg, Workman, and Jensen (2002). Effectiveness is “the extent to which an organization achieves better relationship outcome for its key accounts than for its average accounts” (Homburg, Workman, & Jensen, 2002, p. 46). An example includes the achievement of trust or long-term relationships. Table 10 presents an overview of the construct measures used for this model and offers further information on local fit parameters: Cronbach’s alpha (α), composite reliability (CR), average variance extracted (AVE), and factor loadings of indicators.

KAM Approach Formalization ($\alpha = 0.82$; CR = 0.82; AVE = 0.53)
(Homburg, Workman, & Jensen, 2002)

To what extent do you agree with the following statements about your company's key account management?

7-point Likert-type agreement scale ranging from 1 "Do not agree at all" to 7 "Fully agree".

1)	Within our organization, formal internal communication channels are followed when working on key accounts.	0.67
2)	To coordinate the parts of our organization working with key accounts, standard operating procedures have been established.	0.65
3)	We have put a lot of thought into developing guidelines for working with our key accounts.	0.83
4)	Our company has its own formal structures for key account management.	0.74

KAM Selection Formalization ($\alpha = 0.95$; CR = 0.95; AVE = 0.75)

(Homburg, Workman, & Jensen, 2002; Schäffer & Willauer, 2003; Menon et al. 1999; Möller 2006)

To what extent do you agree with the following statements about the selection of key account customers in your company?

7-point Likert-type agreement scale ranging from 1 "Do not agree at all" to 7 "Fully agree".

1)	We have established criteria for the selection of key account customers.	0.82
2)	There is a standard process for almost all key account customer selection decisions.	0.90
3)	There are rules and processes for selecting key account customers.	0.84
4)	The procedure for selecting key account customers is standardized.	0.90
5)	The process of selecting key account customers is comprehensively documented in writing (e.g. in manuals).	0.82
6)	The process flow for selecting key account customers is consistently followed.	0.91

Integration of Tacit Knowledge to Key Account Selection ($\alpha = 0.84$; CR = 0.85; AVE = 0.50)

(*)

To what extent your personal knowledge or experience with key account customers is integrated in the selection of key account customers?

7-point Likert-type agreement scale ranging from 1 "Do not agree at all" to 7 "Fully agree".

1)	Key account managers contribute experienced knowledge about customers to the selection of key accounts.	0.82
2)	Key account managers are an important source of information in our company when it comes to assessing a customer's potential.	0.64
3)	The topmanagement of our company asks key account managers whether customers should be nominated as key customers.	0.67

Study 3

4)	Customer knowledge of key account managers is an essential part of the selection process of key accounts.	0.83
5)	Key Account Managers regularly share their knowledge of dealing with specific customers to topmanagement.	0.57
6)	If a key account manager perceives a regular customer as a potential key customer, the customer is assigned the status.	0.66

Willingness to Share Tacit Knowledge ($\alpha = 0.81$; CR = 0.81; AVE = 0.52)
(Suppiah & Sandhu, 2011)

To what extent do you agree with the statements regarding the internal transfer of knowledge about and experience with key accounts?

7-point Likert-type agreement scale ranging from 1 "Do not agree at all" to 7 "Fully agree".

1)	I share my knowledge about and experience with key accounts during work.	0.77
2)	I do not hoard knowledge and experience with key account customers, but I am ready to share this knowledge/experience freely.	0.73
3)	I share my knowledge/experience with key account customers without being asked.	0.75
4)	I admit mistakes I have made in the management of key accounts openly so that others can learn from them and not repeat them.	0.62

KAM Effectiveness ($\alpha = 0.89$; CR = 0.90; AVE = 0.56)
(Homburg, Workman, & Jensen, 2002)

Compared to your average accounts, how does your organization perform with key accounts with respect to...

7-point Likert-type agreement scale ranging from 1 "Very poor" to 7 "Excellent". 4 represents "About the same".

1)	...achieving mutual trust?	0.85
2)	...achieving information sharing?	0.74
3)	...achieving a reputation of fairness?	0.79
4)	...achieving investments into the relationship?	0.74
5)	...maintaining long-term relationships?	0.79
6)	...reducing conflicts?	0.69
7)	...meeting sales targets and objectives?	0.59

Notes:

α = Cronbach's Alpha; FR = Factor Reliability; AVE = Average Variance Extracted;

(*) Own scale/item development

Table 10. Information on local fit parameters of construct measures.

A confirmatory factor analysis (CFA) was performed for the measurement model of the multiple-item constructs to examine whether sufficient congruence (model fit) exists between the empirical data and theoretical model or whether the model must be rejected. In contrast to exploratory factor analysis, confirmatory factor analysis involves explicit hypotheses regarding the number of factors underlying the variables, the relationship between the variables and factors, and the relationships between the factors. The model quality is evaluated using local and global fit measures regarding reliability and validity at the indicator, construct, and model levels (Homburg, Klarmann, & Pflesser, 2008).

First, global goodness-of-fit indices and criteria were employed to review the internal structure of the model. Chi-square (χ^2) is not reported because it has little information value for evaluating the overall model. The reasons for this are that it strongly depends on the degrees of freedom, and the χ^2 test tends to reject models with larger samples, regardless of the actual correctness of the model (Bagozzi & Yi, 1988).

Thus, for the overall model-fit evaluation, the comparative fit index (CFI), Tucker–Lewis index (TLI), and root mean squared error of approximation (RMSEA) were applied instead. CFI was 0.94 (≥ 0.9), TLI was 0.93 (≥ 0.9), and RMSEA was 0.05 (≤ 0.5). Thus, the results confirm a good overall model fit (Homburg, Klarmann, & Pflesser, 2008). Besides investigating global fit indices and criteria, validity and reliability were evaluated on a local construct and indicator level.

On item level, all items of KAM approach formalization, KAM selection formalization, integration of tacit knowledge to KA selection, willingness to share tacit knowledge, and KAM effectiveness exceeded factor loadings of at least 0.5, thus correlating sufficiently with the corresponding factor. Consequently, indicator reliability values were all above the 0.4 threshold. Likewise, all values for the corrected item-total correlation exceeded the minimum of 0.5, as required. Therefore, no scale refinement excluding inappropriate items was required

(Churchill, 1979; Netemeyer, Bearden, & Sharma, 2003). As measures for internal consistency evaluating the share of the common variance in the total variance of the relevant items of a scale, Cronbach’s alpha and composite reliability were investigated (Bagozzi & Yi, 1988; Nunnally, 1978). The results revealed that Cronbach’s alpha ranges between 0.81 and 0.95, exceeding the commonly accepted threshold of 0.7 (Nunnally, 1978), achieving an internal consistency of scale measurements of good to excellent. Convergent validity was examined using the average variance extracted (AVE) for each construct measurement. The AVE values ranged between 0.5 and 0.75, demonstrating an acceptable level of convergent validity because the latent construct explains at least 50% of the indicator variance (Fornell & Larcker, 1981; Homburg, Klarmann, & Pflesser, 2008).

Fornell–Larcker criteria assesses discriminant validity. The intention is to determine whether the measurements of the reflexive constructs in the model sufficiently differ from one another. Thus, discriminant validity is present if the AVE of each construct is greater than any squared correlation of the respective construct with another model construct. Consequently, Table 11 confirms discriminant validity. Finally, based on the construct measurements using multiple items, the mean indices were calculated so that one value per construct is input for further analysis.

Fornell-Larcker Criteria (Discriminant Validity)					
	1	2	3	4	5
KAM Formalization	0.53				
KAM Selection Formalization	0.37	0.75			
Integration of Tacit Knowledge	0.07	0.16	0.50		
Willingness to share Tacit Knowledge	0.04	0.01	0.19	0.52	
KAM Effectiveness	0.05	0.16	0.20	0.11	0.56

Note: AVE on the diagonal and squared correlations between constructs below.

Table 11. Assessment of discriminant validity.

5.3.3 Analytical approach

A serial mediation analysis was conducted to test the proposed hypotheses. Therefore, this study applied the PROCESS macro written by Andres Hayes was used (Hayes, 2013). As represented in Model 6, which was used in this study, KAM approach formalization is the independent variable, KAM selection formalization (first stage), integration of tacit knowledge to KA selection (second stage), and willingness to share tacit knowledge (third stage) are the three mediators, and KAM effectiveness is the dependent variable. The control variables are company size and industry. In contrast to simple mediation, serial multiple mediator models assume causal associations between the mediator variables (Hayes, 2013). Therefore, we investigated the direct and indirect effects of KAM approach formalization on KAM effectiveness, modeling a process in which KAM approach formalization causes KAM selection formalization (M1), causing the integration of tacit knowledge into KA selection (M2), resulting in the willingness to share tacit knowledge (M3), and concluding with KAM effectiveness as the final consequence.

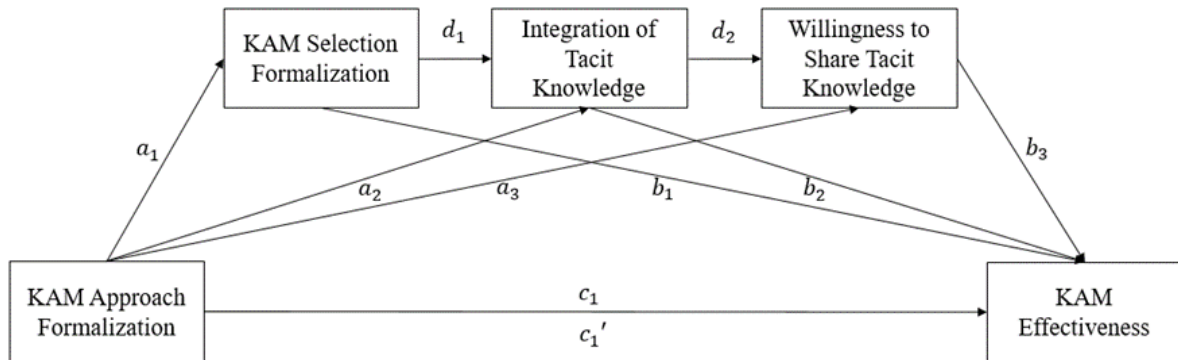
Mediation analysis was based on ordinary least squares regression, and standardized path coefficients for total, direct, and indirect effects were requested using the syntax command. To compute the confidence intervals (CIs) and inferential statistics, we performed bootstrapping with 5,000 samples and heteroscedasticity-consistent standard errors (Davidson & MacKinnon, 1993).

5.4 Findings

5.4.1 Results of the mediation analysis

The hypotheses, which were derived based on theoretical assumptions, were tested regarding their empirical validity using a mediation model. Figure 6 summarizes the analysis results of the mediation model.

First, the mediation analysis revealed a significant total effect of KAM approach formalization as independent variable on KAM effectiveness as dependent variable ($\beta = 0.32$, $p < 0.001$; Baron & Kenny, 1986). This result indicates a significant effect of KAM approach formalization on KAM effectiveness when mediators are not considered.



Total effect:
 $c_1 = 0.32^{***}$

Direct effect:
 $c_1' = 0.14$

Direct effects:
 $a_1 = 0.50^{***}$
 $a_2 = 0.05$
 $a_3 = 0.13$
 $b_1 = 0.19^*$
 $b_2 = 0.25^{**}$
 $b_3 = 0.16^*$
 $d_1 = 0.42^{***}$
 $d_2 = 0.34^{***}$

Total indirect effect:
 $f = 0.19 [0.10; 0.29]$

Specific indirect effects:
 $a_1 \times b_1 = 0.10 [0.02; 0.19]$
 $a_2 \times b_2 = 0.01 [-0.03; 0.07]$
 $a_3 \times b_3 = 0.02 [-0.00; 0.06]$
 $a_1 \times d_1 \times b_2 = 0.05 [0.02; 0.10]$
 $a_2 \times d_2 \times b_3 = 0.00 [-0.01; 0.02]$
 $a_1 \times d_1 \times d_2 \times b_3 = 0.01 [0.00; 0.02]$

Notes: *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$;

Figure 6. Results of mediation analysis.

In addition to this direct effect, the second component of the total effect of the independent variable on the dependent variable is the indirect effect. The indirect effect is operationalized by forming the product of a and b paths for the independent variable (Hayes, 2013). A positive indirect effect is expected if both paths are positive or negative. The result of a negative indirect effect is assumed if either the a or b path had a negative sign but not both simultaneously. After

entering the mediator of KAM selection formalization in the model, KAM approach formalization highly significantly predicted the mediator ($\beta = 0.50, p < 0.001$), providing empirical support for H1, supporting a positive relationship between KAM approach formalization and KAM selection formalization.

In addition, H2 predicted a positive effect of KAM selection formalization on integrating tacit knowledge into KA selection. The results revealed a highly significant positive effect of KAM selection formalization on integrating tacit knowledge ($\beta = 0.42, p < 0.001$), supporting this hypothesis.

Higher knowledge integration into processes was assumed to positively affect the willingness of managers to share knowledge. Specifically, H3 anticipated a positive effect of tacit knowledge integration into KA selection on the willingness of managers to share tacit knowledge. The findings confirm this effect ($\beta = 0.34, p < 0.001$).

Additionally, H4 proposed a positive effect of the willingness of managers to share tacit knowledge on KAM effectiveness. The results empirically support H4, indicating a significant effect ($\beta = 0.16, p < 0.05$).

After including the mediators in the model, it is necessary to examine whether the relationship between IV and DV is still significant (i.e., the direct effect, c_1'). The relationship between KAM approach formalization and KAM effectiveness is fully mediated because the effect results are no longer significant ($\beta = 0.14, p > 0.05$).

Finally, H5 proposed a serial mediation effect of KAM approach formalization on KAM selection formalization, affecting the integration of tacit knowledge, positively affecting the willingness to share tacit knowledge, and positively influencing KAM effectiveness. Regarding shortcut mediations, each involving only one mediator, only the mediation of KAM approach formalization via formalized KAM selection on KAM effectiveness is significant ($\beta = 0.10$

[0.02; 0.19]), whereas the remaining two other mediations (M2 and M3) are not significant. However, a serial mediation can be claimed because of the significant total indirect effect ($\beta = 0.19$; 95% CI[0.10; 0.29]). Consequently, the results of a non-significant direct effect and non-significant indirect shortcut mediations indicate indirect-only mediation (Zhao, Lynch, & Chen, 2010).

Overall, this study found a significant long-way mediation and, hence, a serial mediation of KAM approach formalization through KAM selection formalization (first stage), tacit knowledge integration (second stage), and the willingness to share it (third stage) on KAM effectiveness. The control variables of company size and industry did not affect KAM effectiveness in the model.

In addition, the formalized KAM approach affects KAM effectiveness via formalized KAM selection (M1), without tacit knowledge integration (M2) and the willingness to share tacit knowledge (M3). Therefore, M2 and M3 act not as independent mediators but as part of the longer causal chain involving formalized KAM selection (M1). Consequently, the positive effects of tacit knowledge integration and the willingness to share tacit knowledge on KAM effectiveness can only be conveyed by including the mediator of formalized KAM selection, revealing the critical role of this construct in explaining KAM effectiveness. Thus, this raises the question under which boundary conditions the formalized KAM approach results in equally formalized KAM selection. A qualitative study on the formalization of KAM revealed that formalizing KA selection primarily aligns with company management goals because it represents their higher-order strategic goals. Thus, the formalized KAM selection process appears more likely with top-down guidance for KAM (Feste, Ivens, & Pardo, 2020; Homburg, Workman, & Jensen, 2002).

As an additional analysis, we therefore investigated the role of the organizational integration of KAM as a moderating factor in the relationship between a formal KAM approach

and formalized KAM selection process. The organizational integration of KAM was operationalized based on a categorical variable distinguishing three integration types. First, KAM can be integrated as part of standard sales, where the support of KA customers is considered an additional task alongside regular sales, representing a matrix organization. Second, KAM in a line organization is separated from standard sales and is managed as an independent unit that reports directly to company management. Third, KAM can be positioned at the management level as a staff organization. Figure 7 illustrates the investigated moderation model.

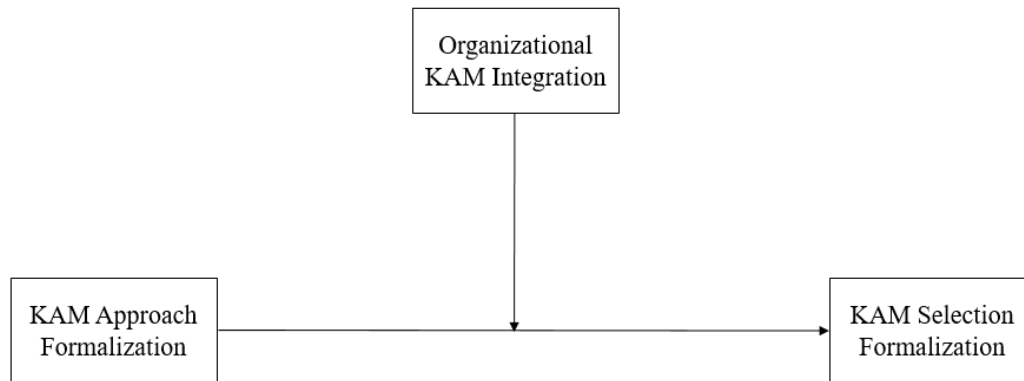


Figure 7. Simple moderation model.

5.4.2 Results of the moderation analysis

A simple moderation model was investigated applying PROCESS macro Model 1 (Hayes, 2013). Coefficients and standard errors of all crucial model parameters are robustly calculated using a bootstrapping approach with 5,000 samples.

Concerning the overall model, the model was significant, $F(5, 201) = 24.58$, $p < 0.001$, predicting 29.01% of the variance. A moderation analysis determines whether the interaction between KAM approach formalization and organizational integration of KAM significantly

predicts formalized KAM selection. The results indicate that the organizational integration of KAM significantly moderates the effect between KAM approach formalization and KAM selection formalization ($\Delta R^2 = 2.1\%$, $F(1, 201) = 5.00$, $p = .03$, 95% CI[-0.512, -0.045]). For a more precise interpretation of the moderation effects, a visualization based on a scatterplot (Figure 8) was performed.

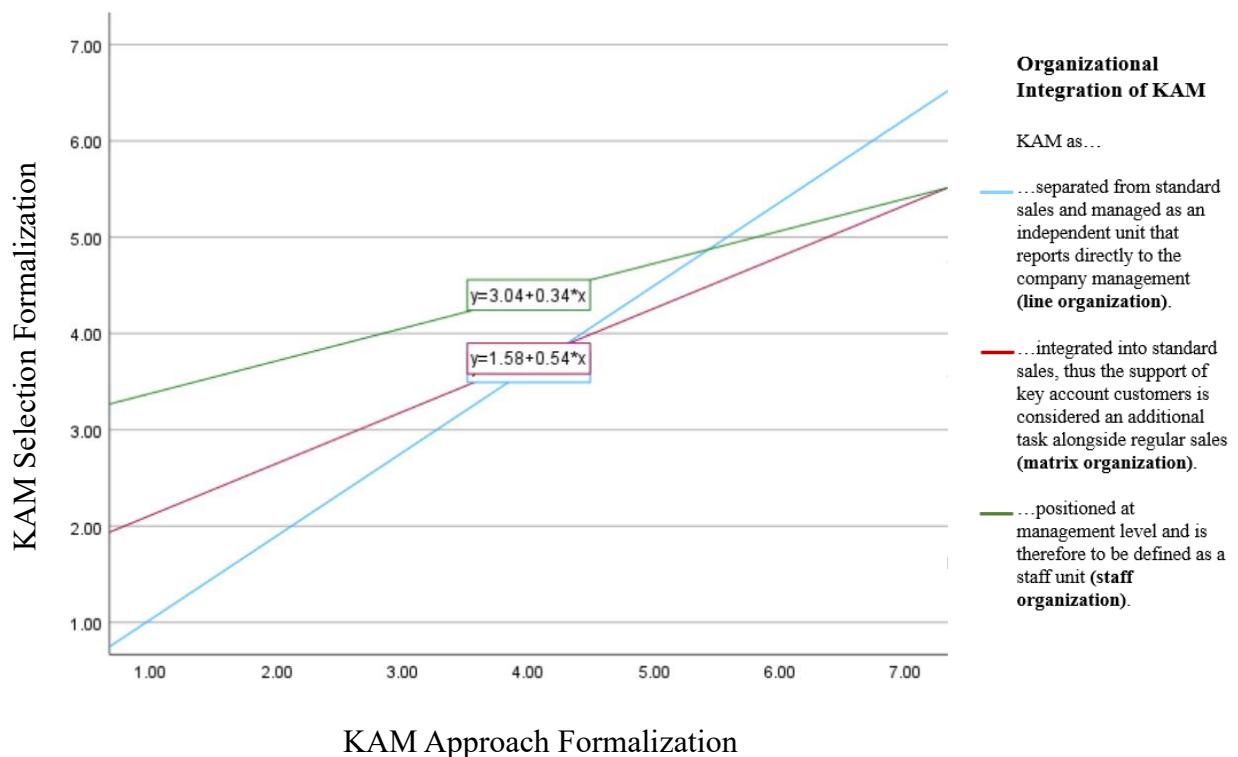


Figure 8. Scatter plot with regression lines.

The positive relationship between KAM approach formalization and KAM selection formalization is evident for all forms of organizational integration of KAM; thus, a stronger KAM approach formalization is also accompanied by a stronger formalization of KA selection. However, differences in this relationship exist, depending on the organizational integration type and degree of formalization of the KAM approach.

Concerning the steepness of the lines, the line for a separate KAM unit (i.e., line organization) is the steepest, whereas the line for the staff organization is the flattest. Therefore,

the probability that an increasing KAM approach formalization will be accompanied by an increasingly formalized KAM section is highest for companies with their own KAM unit. In contrast, for companies where KAM is at the management level, formal KAM is less influential for an equally formalized selection. One reason the effect of KAM approach formalization on the selection process is lowest in staff organizations is likely the direct proximity to company management. In these cases, KAs are assumed to be selected top-down and aligned with the strategic organizational objectives, compensating for a formalized process. The steepest line for companies with their own KAM unit could be explained by the fact that there must already be a solid commitment to KAM in the organization, as this has already resulted in forming a separate department.

Accordingly, there is already an agreement regarding the added value of KAM, legitimizing the additional effort of implementing a formalized selection process. For organizations with a KAM that is a secondary task of regular sales (i.e., matrix organization), the trade-off between regular sales tasks and KAM tasks could be a reason for the average gradient of the line. Accordingly, if the management of KA customers is formalized to a greater extent, resources are likely already being deducted from regular sales tasks. Therefore, further formalization of KAM in formalized customer selection is less likely due to the trade-off, and the straight line is flatter than for a separate unit with commitment and allocated resources.

The different slopes of the lines, depending on the specification of the moderator, result in two intersections. First, the line intersection for the matrix and line organizations reveals a medium formalization level of the KAM approach. Further intersection results in a higher level of KAM formalization concerning staff and line organizations.

As depicted in Figure 8 for a low to medium level of KAM approach formalization, the level of selection formalization is higher for standard sales than for a separate KAM department. However, this effect is reversed for a medium-to-high KAM formalization.

Additional variables describing KAM or the corporate environment were evaluated to understand the respective companies better. For both forms of organizational integration (i.e., line and matrix organizations), it has been found that approach formalization and selection formalization increase with the intensity of competition and market dynamics, as well as the proportion of large to medium-sized companies. However, a comparison of the companies to the left and right of the intersection shows a difference in the two organizational forms: with increasing approach formalization, KA managers in regular sales departments on average manage fewer KA customers than KA managers in separate KAM units. This finding could be an explanatory factor for the less steeply rising line of regular sales, expressing that the formalization of selection in regular sales is less strongly accompanied by approach formalization than in a KAM department. The fewer additional KA customers a KA manager must manage in regular sales, the greater the formality in dealing with them due to the reduced resource trade-off between the management of regular and KA customers.

In contrast, the number of managed KAs increases with the degree of formalization of the approach for a line organization. With fewer managed KA customers in a more formalized manner in regular sales, the formalization of selection is less frequent than with a separate department. Accordingly, fewer customers are responsible for achieving the strategic organizational goals in the matrix organization; therefore, retaining them as customers via comprehensive formalized management without losing them to the competition is crucial. Hence, formalized selection is less critical than with a separate KAM department. With a separate unit that reports directly to company management, it is more important that the larger number of KA customers contributes to the strategic organizational goals because a separate KAM department and greater formalization also involve more resources, entailing a more formalized selection of customers.

At a high level of KAM approach formalization, a second intersection between the lines

of line and staff organizations occurs. As discussed for the first intersection, increasing competitive intensity and market dynamics are accompanied by a greater formalization of KAM and selection for the lines of the line and staff organizations. To the right of the intersection (i.e., at a high level of KAM approach formalization), the formalization of selection is also high but more formalized for the line organization than the staff organization. Hence, direct proximity to company management may reduce the need for formalized selection because the selection of KA customers already occurs at the company management level, reflecting the strategic organizational objectives. Table 12 provides additional information regarding the average number of managed KAs, competitive intensity, market dynamism, and proportion of large to medium-sized companies concerning these intersections.

1) Line & matrix organization	Left of intersection		Right of intersection	
	matrix (N=28)	line (N=24)	matrix (N=33)	line (N=51)
Number of KAs managed by respondent	M=7.11; SD=5.06	M=5.96; SD=5.10	M=6.36; SD=5.68	M=6.71; SD=5.34
Competitive intensity	M=3.96; SD=0.94	M=4.29; SD=1.15	M=4.43; SD=1.20	M=4.69; SD=0.98
Market dynamism	M=3.33; SD=1.04	M=3.69; SD=1.05	M=3.61; SD=1.11	M=3.93; SD=0.95
Proportion of large to medium sized companies	18 (l) : 10 (m)	17 (l) : 7 (m)	29 (l) : 4 (m)	43 (l) : 8 (m)
2) Line & staff organization	Left of intersection		Right of intersection	
	line (N=50)	staff (N=7)	line (N=25)	staff (N=4)
Number of KAs managed by respondent	M=7.16; SD=5.79	M=5.57; SD=4.24	M=6.56; SD=5.66	M=7.25; SD=5.8
Competitive intensity	M=4.49; SD=1.07	M=4.5; SD=1.13	M=4.55; SD=1.01	M=5.06; SD=0.83
Market dynamism	M=3.81; SD=1.10	M=3.39; SD=0.78	M=3.95; SD=1.07	M=3.88; SD=0.83
Proportion of large to medium sized companies	37 (l) : 13 (m)	4 (l) : 3 (m)	21 (l) : 4 (m)	43 (l)

Table 12. Additional information on types of organizational KAM integration.

5.5 Conclusions

5.5.1 *Theoretical and managerial contributions*

This research significantly advances the theoretical understanding of KAM by elucidating the pivotal role that formalizing KA selection plays in enhancing KAM effectiveness. Thus, this study clarifies the past inconclusive results regarding the effect of a formalized KAM approach on KAM effectiveness (Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003; Herhausen et al., 2022).

In this study, the positive effects of a formalized KAM approach on KAM effectiveness emerge primarily due to integrating the formalized selection process, serving as a crucial mediator in translating the benefits of KAM approach formalization into enhanced KAM effectiveness. Theoretically, this study bridges a critical gap in the literature by demonstrating that structured selection processes are essential for aligning organizational resources and strategic objectives with the needs of KAs. This research provides robust evidence that integrating explicit and tacit customer knowledge from KA managers into formalized selection processes optimizes resource allocation and strengthens the strategic fit and effectiveness of KAM initiatives. This integration fosters sustainable and high-value relationships with KAs, fundamental for long-term organizational success.

From a managerial perspective, the findings offer actionable insight into enhancing KAM practices. Managers are encouraged to implement formalized KA selection processes that methodically incorporate the comprehensive knowledge of KA managers. This structured approach ensures that KAs are chosen and equally managed based on strategically aligned criteria, leading to improved resource allocation and more productive relationships with KA customers. By formalizing the selection process, organizations can ensure that they focus their formalized KAM approach on the most strategic customers, maximizing the return on

investment in KAM.

Moreover, this research highlights the critical role of knowledge sharing in the KAM framework. By fostering a culture of knowledge sharing, organizations can significantly enhance the overall effectiveness of KAM. Encouraging KA managers to share their insight and experience ensures that valuable customer knowledge is disseminated throughout the organization, leading to more informed decision-making and better customer relationships. This approach improves customer satisfaction and loyalty and aligns with long-term strategic organizational goals, driving a sustainable competitive advantage.

The study also underscores the importance of organizationally integrating KAM in dedicated KAM units and matrix and staff organizations. The moderation analysis revealed that the interaction between KAM approach formalization and organizational integration of KAM significantly predicts formalized KAM selection, with the effect moderated by the organizational integration type. The positive relationship between KAM approach formalization and KAM selection formalization is primarily in organizations with a dedicated KAM unit, whereas the effect is weaker in organizations where KAM is a secondary task or integrated at the management level.

5.5.2 Limitations and avenues for further research

Despite its valuable contributions, this study has several limitations, suggesting directions for future research. One major limitation is the reliance on cross-sectional data, capturing the state of KAM practices at a single time point. Longitudinal studies are necessary to understand how the formalization of the KA selection processes affects KAM effectiveness over time and how these processes change in response to dynamic markets and organizational strategies. Such studies could offer insight into the long-term benefits of formalized KAM practices and how they adapt to external and internal changes.

Another limitation is the geographic focus on KA managers in Germany, which could limit the generalizability of the findings to other cultural and economic contexts. Future research should consider a more diverse sample (e.g., KA managers from diverse industries and countries) to validate the findings and explore potential cross-cultural differences in KAM practices and their effectiveness. Comparative studies across regions could highlight unique challenges and opportunities in implementing formalized KAM processes globally.

Furthermore, this study primarily examined the formalization of KA selection without deeply exploring other aspects of KAM formalization, such as the influence of technological tools and systems. Future research could investigate how digital transformation and advanced analytics influence the formalization and effectiveness of KAM processes. Exploring the role of technology in integrating customer knowledge and enhancing the efficiency of KA selection could render valuable insight. For example, customer relationship management systems and data analytics could be examined to understand their effects on KAM formalization and outcomes.

Although this study highlights the importance of knowledge sharing between KA managers, it does not extensively explore the organizational factors that facilitate or hinder this sharing. Future research could investigate the role of organizational culture, leadership styles, and incentive structures in promoting a knowledge-sharing environment in KAM. Understanding these factors could aid organizations in designing more effective KAM systems that employ the full potential of the knowledge and expertise of their KA managers. For instance, studies could assess how different leadership approaches or cultural dimensions influence the willingness of KA managers to share knowledge.

A promising methodological approach for future research is using case-oriented set-theoretic methods, such as fsQCA. This approach allows for identifying multiple pathways to achieving high KAM effectiveness, recognizing that various combinations of factors may lead

to successful outcomes. In addition, FsQCA can identify equivalent solutions in KAM selection design and implementation, providing valuable strategic and operational insight for decision-makers. This method acknowledges the complexity and variability of real-world KAM practices, offering a better understanding of how elements interact to produce effective KAM outcomes.

Last, exploring the dynamic nature of customer relationships and how formalized KAM processes adapt over time can offer deeper insight. Longitudinal studies could track the evolution of KAM practices and their influence on customer satisfaction and business performance. Examining the influence of external factors, such as market volatility and competitive pressures, on the effectiveness of formalized KAM processes could offer valuable insight for practitioners aiming to navigate complex business environments.

In summary, although this study significantly contributes to understanding KAM formalization and effectiveness, several areas for future research remain that could further enrich the field. Future studies can provide more profound and comprehensive insight into factors driving successful KAM practices by addressing these limitations and exploring new avenues for research.

5.6 References

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6 Conclusion

6.1 Contributions

6.1.1 *Theoretical contributions*

This thesis systematically addresses identified research gaps and investigates areas previously highlighted for further academic exploration (see Section 2.1). By engaging with contemporary academic discourse, it provides substantive contributions to advancing knowledge in these domains. Building on prior studies and the insights generated, this research deepens the theoretical understanding of KAM, specifically emphasizing the formalization of KAM, KA selection processes, and their influence on KAM effectiveness. In this regard, this study offers new insights into KAM by examining its formalization and the KA selection process through the lenses of OT, RBV, and TCT, thereby enhancing the understanding of their role in KAM effectiveness.

This dissertation enriches the theoretical understanding of KAM by thoroughly examining the formalization of organizational KAM systems and KA selection processes, along with their impact on KAM effectiveness. A key contribution lies in demonstrating how formalized selection criteria and processes align customer portfolios with an organization's strategic objectives, thereby optimizing resource allocation and relationship outcomes. By adopting a configurational perspective, this research highlights equifinal configurations in which formal and informal KAM elements interact to drive high KAM effectiveness. This underscores the adaptability of organizational KAM systems across intra-organizational, inter-organizational, and environmental contexts.

Additionally, this dissertation examines how formalized KA selection facilitates the integration of both tacit and explicit knowledge from KA managers, enabling firms to institutionalize customer insights and enhance adaptability in dynamic business environments.

Furthermore, this research reveals the strategic and political dimensions of KA selection processes, demonstrating how intra-organizational and inter-organizational power dynamics and broader strategic goals shape these processes.

Through this comprehensive examination, the dissertation highlights the critical role of formalization and its interaction with informal organizational elements in fostering alignment, facilitating knowledge sharing, and ensuring long-term KAM success. These findings present a holistic framework that integrates formalization, knowledge integration, and strategic adaptability, offering a deeper understanding of how organizations can optimize their KAM to drive sustainable performance.

Advancing knowledge on KAM formalization

Both the high strategic importance of KAs in achieving corporate goals and the associated need to manage these customers effectively to maintain long-term partnerships have made formalization a central construct in KAM research. It is assumed that KAM formalization provides a structured framework for managing key customers consistently across customer groups while ensuring alignment with strategic corporate goals (e.g., Homburg, Workman, & Jensen, 2002; Gounaris & Tzempelikos, 2013). However, previous research presents conflicting findings regarding the effect of KAM formalization on KAM effectiveness. On the one hand, formalized structures enhance consistency and provide operational clarity through defined roles and standardized processes, thereby improving strategic alignment and efficiency (Herhausen et al., 2022; Homburg, Workman, & Jensen, 2002; Gounaris & Tzempelikos, 2013). On the other hand, higher levels of formalization have been discussed as limiting flexibility, which is critical for addressing complex and dynamic customer needs. This rigidity can negatively impact KAM effectiveness (Ivens, 2005; Millman & Wilson, 1999; Workman, Homburg, & Jensen, 2003). This dissertation contributes to this discourse by exploring the multifaceted role of KAM formalization within organizational KAM.

Study 1 adds value through its exploratory focus on the political and organizational dynamics that influence formalized KAM approaches, a perspective previously discussed only superficially in terms of the flexibility required to achieve customer satisfaction or trust (Ivens, 2005; Workman, Homburg, & Jensen, 2003). Unlike studies that focus solely on the structural and operational benefits or drawbacks of formalization (e.g., reducing ambiguity or fostering rigidity), this study qualitatively examines how formalization interacts with intra- and inter-organizational power structures and decision-making processes to mitigate excessive rigidity. It highlights that the effectiveness of KAM formalization is not merely a function of its design but is shaped by organizational contexts, competing priorities, and alignment efforts across stakeholders. This perspective deepens the understanding of formalization as a dynamic, context-dependent process, bridging the gap between political and operational perspectives in KAM research.

Study 2 extends this perspective by identifying equifinal configurations of formal and informal elements, demonstrating that KAM effectiveness is contingent upon context-specific formalization. These findings support the idea that the interplay between formalization and flexibility contributes to relationship outcomes (Storbacka, 2012).

Consequently, Study 3 redefines the relationship between formalization and flexibility in KAM approaches, demonstrating that formalized processes can integrate structured flexibility while leveraging KA managers' customer knowledge to adapt to customer-specific needs and maintain strategic alignment within an organization's KA portfolio. It highlights how formalized systems enhance KAM effectiveness by embedding adaptability and incorporating both tacit and explicit knowledge into organizational practices. This perspective bridges a key gap in the literature, positioning formalization as both a source of consistency and a driver of responsiveness.

In conclusion, the studies collectively provide a deeper understanding of KAM

formalization as a dynamic and adaptable construct. Study 1 sheds light on the influence of organizational dynamics in shaping formalized systems, while Study 2 highlights the importance of balancing formal and informal elements to achieve the strategic goals of an organization's KAM approach. Study 3 further demonstrates that formalized processes, when designed to integrate structured flexibility and KA managers' knowledge, enhance both strategic alignment and responsiveness. Together, these contributions underscore the critical role of formalization in fostering both consistency and adaptability, positioning it as a cornerstone of effective KA management.

From a theoretical perspective, the findings align with fundamental theories in KAM research. Although classic OT (Weber, 1922) emphasizes efficiency and consistency, research findings indicate that rigid structures may impede responsiveness to complex customer needs. Contingency theory (Burns & Stalker, 1961) supports this notion by proposing that formalization must adapt to external conditions. The extant studies demonstrate that structured flexibility enables firms to maintain strategic alignment while remaining responsive to KAs. Systems theory (Katz & Kahn, 1966) posits that KAM formalization must engage in continuous feedback loops with internal stakeholders to ensure its continued effectiveness. Resource dependence theory (Pfeffer & Salancik, 1978) further supports the finding that formalization is shaped by both internal strategic goals and external customer demands. Similarly, the findings align with dynamic capabilities theory (Teece, Pisano, & Shuen, 1997), which suggests that when formalization is flexible, it enables firms to sense, seize, and transform opportunities by leveraging KA managers' tacit knowledge. This positions formalized KAM as a driver of responsiveness rather than rigidity. From a TCT perspective (Williamson, 1985), formalization reduces coordination costs, but excessive rigidity increases adaptation costs. This research highlights that effective KAM systems must strike a balance between efficiency and contextual flexibility to support long-term success in KAM. In summary, the findings integrate multiple theoretical perspectives, redefining KAM formalization as a dynamic framework that enhances

both consistency and adaptability in managing strategic customer relationships.

KA selection as a fundamental KAM capability

Regarding organizations' KA selection processes, the studies undertaken provide substantial theoretical contributions to understanding KA selection as a critical component of KAM effectiveness. Study 1 (Feste, Ivens, & Pardo, 2020) advances a conceptual framework for viewing KA selection as both a politically charged and strategic process. This perspective extends beyond conventional rational decision-making frameworks, which largely dominate KA selection research (e.g., Homburg, Workman, & Jensen, 2002; Millman & Wilson, 1999). As the qualitative findings highlight, intra-and inter-organizational power dynamics and stakeholder alignment play a crucial role in determining which accounts are classified as strategic. Therefore, this study offers a nuanced perspective on KA selection as a contested and negotiated process, reflecting the theoretical fundamentals of organizational politics (Pfeffer & Salancik, 1974). Consequently, this contribution challenges traditional economic models that primarily assess KA selection through quantitative metrics such as sales volume or profitability (e.g., Wengler, Ehret, & Saab, 2006; Zolkiewski & Turnbull, 2000). In contrast, the findings reinforce the idea that KA selection is not merely a procedural step but an ongoing, strategic, and politically influenced process that requires alignment among internal actors, company strategy, and market positioning (Storbacka, 2012; Davies & Ryals, 2014).

Building on the qualitative insights of Study 1, Study 2 identifies KA selection as a core condition for achieving KAM effectiveness within configurational frameworks. By employing fsQCA, the study highlights formalized KA selection as a critical driver of KAM effectiveness across multiple configurations. This finding underscores the importance of a formalized selection process that incorporates both tangible and intangible factors, ensuring customer portfolios align with strategic organizational goals (Storbacka, 2012). Accordingly, formalized selection enhances consistency across organizational practices, reduces resource misallocation,

and improves operational alignment (Guesalaga et al., 2018; Homburg, Workman, & Jensen, 2002).

Study 3 further enriches the discourse by exploring the intersection of the KA selection process and the integration of customer knowledge provided by KA managers. It reveals that a formalized KA selection process facilitates the systematic incorporation of KA managers' tacit and explicit knowledge into organizational decision-making, particularly in customer portfolio prioritization. Thus, structured flexibility in KA selection establishes a critical foundation for systematic knowledge and experience sharing among KA managers regarding their managed KA relationships. This integration not only enhances the accuracy of KA selection decisions but also contributes to the institutionalization of customer-specific insights, fostering a more dynamic and responsive KAM system (Salojärvi, Saarenketo, & Puumalainen, 2013). The systematic processing of customer knowledge provides a decisive competitive advantage by strengthening relationship quality, aligning strategic goals, and ensuring the efficient use of organizational resources (Nätti, Halinen, & Hanttu, 2006).

Taken together, the studies advance the theoretical understanding of KA selection by positioning it as a strategic, political, and knowledge-intensive process. Collectively, they highlight the need for organizations to adopt formalized, context-sensitive selection frameworks that align with strategic objectives while leveraging the expertise of their KA managers.

Emphasizing the role of knowledge integration in KA selection

The theoretical contributions of the three studies on knowledge integration in KA selection underscore the critical role of formalized selection processes in systematically incorporating customer knowledge and aligning KAM with strategic objectives. Study 1 establishes that KA selection is not only a rational process but also a politically charged decision-making activity within organizations. It highlights the influence of intra-

organizational power structures in shaping KA selection, emphasizing that customer knowledge sharing and integration are often driven by political considerations rather than systematically incorporated into selection criteria (Wilson & Weilbaker, 2004). This finding challenges the assumption that KA selection is solely based on objective metrics and suggests that internal knowledge-sharing mechanisms must be structured to ensure that KA managers' insights contribute effectively to decision-making (Storbacka, 2012; Jones et al., 2005).

The theoretical contribution of Study 2 regarding the importance of customer knowledge integration in KA selection lies in its configurational perspective. By employing fsQCA, the study reveals that KA selection formalization alone does not guarantee KAM effectiveness; rather, it must be complemented by mechanisms that facilitate the systematic incorporation of KA managers' customer knowledge into decision-making. In particular, the presence of cross-functional KAM teams is highlighted as a key mechanism. Such teams have been argued to provide an operational network for KA managers (Davies & Ryals, 2009), fostering tighter inter-unit connections and establishing channels for customer-specific knowledge, which can then be effectively transmitted to decision-makers in sales, marketing, or strategic planning departments (Kempeners & Van der Hart, 1999; Nätti, Halinen, & Hanttu, 2006; Salojärvi, Sainio, & Tarkiainen, 2010). This contribution advances the discourse on KA selection by shifting the focus from isolated selection criteria to the interplay between formalized selection processes and knowledge-driven decision-making frameworks, reinforcing the necessity of organizational adaptability in KAM.

Study 3 extends previous findings by linking KA selection formalization to knowledge management capabilities, demonstrating that formalized selection processes serve as a platform for integrating customer knowledge into organizational decision-making. The study empirically supports the idea that KA selection formalization enables the structured incorporation of both explicit and tacit customer knowledge, preventing critical insights from remaining individually

bound to KA managers (Nätti, Halinen, & Hanttu, 2006; Woodburn & McDonald, 2011). The research model identifies knowledge-sharing mechanisms as a mediating factor between formalized KA selection and KAM effectiveness (Guesalaga et al., 2018). By embedding structured flexibility, KA selection formalization allows KA managers to systematically contribute customer-specific insights while maintaining strategic consistency. This reduces resource misallocation, ensures that selected KAs align with corporate objectives, and fully considers their long-term potential in selection decisions (Storbacka, 2012).

Furthermore, the study demonstrates that KA selection formalization enhances KA managers' willingness to share their knowledge by providing clear structures that validate their input and integrate their insights into customer portfolio prioritization (Guenzi & Storbacka, 2015). This mechanism institutionalizes customer knowledge, making KAM more dynamic and responsive to evolving business needs while reinforcing organizational learning (Salojärvi, Sainio, & Tarkiainen, 2010). By positioning KA selection formalization as a critical enabler of knowledge integration, the study advances the understanding of how formal structures in KAM can enhance decision-making quality without compromising adaptability. In conclusion, the three studies provide a comprehensive theoretical foundation for understanding KA selection as a strategic, political and knowledge-driven process. Reinforcing the idea that formalized selection frameworks enable organizations to balance structured decision-making with dynamic knowledge integration, ultimately enhancing KAM effectiveness and long-term strategic alignment.

Exploring the political nature of KAM processes

A distinctive theoretical contribution lies in the exploration of KAM as a political element within organizations. Study 1 highlights the inherent political dynamics of KA selection, demonstrating that decisions are deeply influenced by intra-organizational power structures and competing stakeholder interests (Pfeffer, 1992; Scott, 1992). This perspective broadens the

traditional rationalist approach by integrating concepts from organizational politics and political economy (Arndt, 1983).

The role of organizational politics becomes particularly evident in the allocation of resources and prioritization of accounts. Study 1 underscores how political considerations can lead to suboptimal KA selection when short-term gains are prioritized over strategic alignment. This finding aligns with broader decision-making literature, which suggests that power imbalances and competing interests often shape outcomes (Buchanan & Badham, 2008). Study 2 builds on this by demonstrating how political considerations influence the interplay between formal and informal KAM elements, creating both opportunities and barriers to implementation (Georges & Eggert, 2003; Homburg, Workman, & Jensen, 2002). Study 3 further complements these insights by examining how flexible formalization increases KA managers' willingness to share critical customer knowledge. This, in turn, can reduce the political use of personal customer knowledge and reinforce the need for strategic consensus in decision-making processes (Jaworski & Kohli, 1993).

An additional layer of insight emerges when considering the role of boundary spanners in navigating these political complexities. KA managers often act as intermediaries between their organizations and KAs, balancing divergent expectations and interests. While this boundary-spanning role is essential for relationship management, it can also exacerbate role conflicts, particularly in highly politicized environments (Millman & Wilson, 1995; Storbacka, 2012). The studies collectively suggest that addressing these role conflicts through clear communication and formalized processes can mitigate the potential adverse effects of political dynamics.

Methodological advancements

The methodological contributions of the studies are noteworthy. Study 1 uses an exploratory, qualitative inductive approach to structure rich interview data and to open new

paths for researching KAM not just as a strategic management function, but also as an arena of intra- and inter-organizational politics and dynamic power negotiations. Study 2 employs fuzzy-set qualitative comparative analysis (fsQCA) to uncover equifinal pathways to KAM effectiveness, offering a nuanced understanding of how different configurations of formal and informal elements contribute to success (Ragin, 2008; Schneider & Wagemann, 2012). As fsQCA integrates elements of both qualitative and quantitative research, this dissertation responds to calls for more mixed methods approaches in KAM research (Sandesh, Sreejesh, & Paul, 2023). Study 3 introduces mediation and moderation modeling to examine the relationships between KAM formalization, knowledge integration and sharing, and KAM effectiveness, providing a robust framework for exploring complex causal mechanisms (Preacher & Hayes, 2008).

These methodological advancements not only enrich the empirical foundations of KAM research but also align with broader calls for methodological diversity in KAM studies (Guesalaga et al., 2018; Kumar, Sharma, & Salo, 2019; Sandesh, Sreejesh, & Paul, 2023). By employing advanced techniques, the studies address the complexity and multidimensionality of KAM, providing tools that future research can apply to explore similar phenomena.

6.1.2 Managerial implications

KAM plays a vital role in fostering strategically important customer relationships, ensuring long-term competitive advantages, and aligning internal resources and capabilities with business goals (Homburg, Workman, & Jensen, 2002). The studies examine KAM formalization and its implications for organizational KAM effectiveness, particularly in KA selection, knowledge integration, and the balance between formalization and flexibility. These findings provide valuable insights for managers seeking to enhance the effectiveness of KAM programs by institutionalizing structured KAM processes while maintaining the adaptability needed to respond to evolving customer needs and changing organizational realities.

Establishment of formalized KA selection processes

Study 1 takes an exploratory approach to qualitatively examine how KA selection occurs within organizations, shedding light on the decision-making processes, criteria, and influencing factors that shape KA designation. The study reveals that many firms lack a formalized selection process, instead relying on ad hoc decisions, revenue-based criteria, and internal organizational dynamics to determine which customers receive KA status. From a managerial perspective, the absence of a formalized selection process presents several risks.

First, without a structured selection approach, companies may struggle to align their KA portfolio with strategic fit, long-term potential, and qualitative relationship factors that contribute to sustainable business growth. This misalignment can lead to inefficiencies in resource allocation and customer engagement. To mitigate these risks, firms should implement clear, multi-criteria selection frameworks that incorporate both quantitative (e.g., revenue, profitability) and qualitative (e.g., strategic alignment, growth potential) indicators (Cheverton, 2008; Woodburn & McDonald, 2011; Storbacka, 2012). This approach ensures that selected KAs contribute to long-term value creation rather than being chosen solely based on short-term financial performance.

Second, an over-reliance on revenue-based selection criteria may lead companies to overlook emerging high-potential accounts that do not yet meet predefined revenue thresholds but hold significant strategic value. Organizations should adopt a more holistic approach to KA selection by incorporating industry trends, customer innovation potential, and partnership synergies into the decision-making framework (Homburg, Droll, & Totzek, 2008). Establishing structured flexibility – where KA managers' knowledge and insights into customer potential inform selection – can improve the accuracy of KA selection decisions and ensure that the most valuable accounts receive appropriate strategic and managerial focus (Guesalaga & Johnston, 2010; Nätti, Halinen, & Hanttu, 2006).

Furthermore, the absence of a formalized selection process limits internal transparency and accountability, making it difficult for organizations to assess whether their KAM strategies are effectively aligned with corporate objectives. Without a structured approach, different departments may have conflicting views on which accounts should be prioritized, leading to inconsistencies in resource allocation and customer engagement. Implementing a formalized, periodically reviewed selection process – supported by CRM systems and data analytics – can improve decision-making accuracy, enable continuous reassessment of KAs, and strengthen organizational learning (Gibbert, Leipold, & Probst, 2002; Salojärvi, Sainio, & Tarkiainen, 2010). Additionally, such a structured approach fosters greater KAM consensus across the organization, ensuring that all stakeholders – from sales and marketing to senior management – are aligned in their understanding of KA priorities and strategic goals.

Equivalent to initial KA selection in organizations, the processes of KA deselection and reselection remain underexplored in empirical research. As Study 1 reveals, most organizations lack a structured selection process, often relying on revenue as the primary criterion rather than evaluating long-term strategic fit. Adding to this, there is a lack of reassessment meaning that once an account attains KA status, it is rarely subject to systematic review, increasing the risk of misaligned resource allocation over time. These findings highlight the necessity of institutionalizing a structured reselection or deselection process to ensure that KA portfolios remain strategically aligned with business objectives. Rather than viewing KA selection as a one-time decision, firms should establish regular review cycles that reassess KAs based on a multidimensional set of criteria, including growth potential, strategic fit, and relationship quality (Gounaris & Tzempelikos, 2013; Woodburn & McDonald, 2011). This approach prevents the persistence of KAs that no longer contribute to the company's long-term goals while enabling the identification of emerging accounts with high future potential. The absence of such deselection mechanisms may result in resource inefficiencies, as KAM efforts remain concentrated on longstanding KAs regardless of their evolving strategic importance. To address

this, organizations should integrate KA lifecycle management frameworks that distinguish between temporary and permanent KAs, enabling greater portfolio flexibility (Johnson & Selnes, 2004; Zeithaml, Rust, & Lemon, 2001). Implementing such a framework would allow firms to dynamically reallocate resources, ensuring that KA status is contingent on continued strategic alignment rather than legacy-based designations.

Furthermore, KA portfolios should be actively managed rather than treated as static entities, requiring firms to establish clear deselection protocols that define the conditions under which an account loses its key status. These conditions could be linked to declining strategic relevance, diminishing profitability, or deteriorating relationship quality (Gounaris & Tzempelikos, 2013). At the same time, firms should maintain a path for re-engagement, allowing previously deselected accounts to regain KA status if circumstances change. This structured flexibility ensures that KA programs remain adaptive to shifting market conditions and evolving customer needs. Integrating data-driven decision-making through advanced CRM systems and analytics can further enhance KA portfolio optimization (Guesalaga et al., 2018; Kumar & Reinartz, 2012). AI-powered customer intelligence tools can provide predictive insights into account potential, helping firms proactively manage their KA portfolios. By leveraging these technologies, organizations can develop objective, data-driven selection, deselection, and reselection models, reducing the risks of subjective decision-making or political biases that often influence KA selection processes.

Hence, another key implication is that KA selection should not be viewed merely as a rational, criteria-driven process but also as an inherently political and strategic decision. Study 1 reveals that intra- and inter-organizational power structures and stakeholder dynamics influence KA selection, often resulting in subjective and politically charged decisions rather than objective, data-driven ones (Pettigrew, 1973; Pfeffer & Salancik, 1974). This suggests that organizations must implement transparent selection processes that mitigate political biases

while ensuring that KA selection aligns with long-term corporate objectives. To address these challenges, companies should establish cross-functional selection committees to evaluate and approve KA nominations, ensuring broader organizational buy-in and reducing the risk of political favoritism (Jones et al., 2005).

Consideration of organizational politics in KAM

Findings from Studies 1 and 2 indicate that organizational politics in KAM is not inherently detrimental to KAM effectiveness; rather, it can serve as a compensatory mechanism in certain configurations (Pardo, Salle, & Spencer, 1995). Study 2, in particular, reveals that while the absence of role conflict and political maneuvering is a core condition for high KAM effectiveness in some cases, organizational politics can enhance effectiveness when formalized structures are overly rigid or when functional teams lack cohesion (Guenzi, Pardo, & Georges, 2007).

From a managerial perspective, this suggests that rather than attempting to eliminate political behavior within the organization, firms should develop mechanisms to channel it constructively. One key implication is the importance of aligning political actions with formalized KAM structures. Since formalized processes alone may sometimes be too rigid to accommodate dynamic customer relationships, allowing a degree of internal negotiation and influence can help overcome bureaucratic obstacles and facilitate more agile decision-making in KA selection and management (Jaworski & Kohli, 1993).

Beyond its role in compensating for rigid formalization or facilitating internal alignment, organizational politics also influences how KAM strategies evolve and adapt to changing external conditions. Study 2 suggests that in configurations where KAM effectiveness remains high despite high levels of organizational politics, this is partly due to internal political processes enabling strategic agility. Therefore, in dynamic industries where customer needs and market structures evolve rapidly, a politically active organizational environment can accelerate

decision-making and adaptation by allowing key decision-makers to challenge, negotiate, and reshape KAM priorities in response to external pressures (Hutt, Johnston, & Ronchetto, 1985). From a managerial perspective, this implies that rather than rigidly enforcing static KAM frameworks, firms should recognize the role of internal political processes in enabling adaptive strategy shifts. Organizations can leverage this dynamic by establishing structured escalation mechanisms that allow KA managers and senior executives to openly engage in constructive political discussions about necessary adjustments to KA priorities, ensuring that strategic adaptations occur proactively rather than reactively. By integrating structured flexibility within political processes, companies can avoid the pitfalls of rigidity while maintaining strategic direction in a rapidly evolving business landscape.

Furthermore, Study 2 suggests that companies with strong formal structures but lacking consensus on KAM strategies can benefit from political influence at higher hierarchical levels. The study identifies that in configurations where KAM consensus is absent, top-down formalization can serve as a stabilizing force, ensuring that operations remain aligned with strategic objectives (Shapiro & Moriarty, 1984). This underscores the need for senior management to actively engage in KAM decision-making, ensuring that political actions align with strategic priorities rather than personal interests. To achieve this, managers should establish clear governance mechanisms that facilitate strategic debates on KA selection while maintaining accountability and transparency.

Moreover, the study highlights the role of cross-functional collaboration as a buffer against excessive political behavior. It finds that in configurations where formalization does not drive KAM effectiveness, team spirit and KAM consensus help mitigate the potential negative consequences of organizational politics. Therefore, organizations should cultivate a strong culture of collaboration and a shared strategic vision, ensuring that political actions contribute to collective decision-making rather than creating conflicts that undermine KAM success

(Guenzi & Storbacka, 2015).

KA managers' knowledge about customers

Beyond the establishment of formalized selection processes, the integration of customer knowledge into organizational decision-making is a key determinant of KAM effectiveness. KA managers hold critical customer knowledge –both explicit, such as documented customer requirements, and tacit, including relational insights – which are essential for refining KA selection and shaping account management strategies (Nätti, Halinen, & Hanttu, 2006). Study 3 reveals that formalized KA selection enables the structured incorporation of KA managers' customer insights into decision-making, preventing valuable knowledge from being siloed within individuals. This ensures that customer knowledge is not lost when KA managers change roles or leave the company (Salojärvi, Sainio, & Tarkiainen, 2010). To achieve this, organizations should implement formalized knowledge-sharing mechanisms such as CRM systems and shared databases (Guesalaga et al., 2018), conduct regular cross-functional knowledge-sharing meetings, and establish structured feedback loops where KA managers systematically document KA interactions. These mechanisms allow customer knowledge to be systematically transferred within the organization, facilitating more strategic customer portfolio decision-making and ensuring a more efficient – and thus more effective – allocation of resources and capabilities to KAM.

The integration of knowledge into KA selection requires strong cross-functional collaboration across sales, marketing, and strategic planning teams (Workman, Homburg, & Jensen, 2003). Studies 1 and 3 highlight that KA managers serve as boundary spanners, facilitating information flow between internal teams and external customers. Effective KAM teams ensure that customer insights from various departments are incorporated into selection and management decisions while fostering cross-departmental cooperation to deliver tailored solutions for KAs. Technology plays a crucial role in enabling efficient cross-functional

collaboration and ensuring that KA selection decisions are based on real-time, data-driven insights (Salojärvi, Saarenketo, & Puumalainen, 2013). Organizations should implement integrated CRM systems that centralize customer data, allowing different departments to access and contribute relevant insights. AI-driven analytics tools can further support predictive account selection models, helping firms maintain a strategic and data-informed approach to KAM. A data-driven approach enables managers to integrate real-time market intelligence, competitor analysis, and customer engagement metrics into their decision-making processes, thereby enhancing the precision of KA selection, ensuring long-term strategic alignment, and strengthening KAM effectiveness in building valuable partnerships with KAs.

Role conflict of KA managers

Study 2 emphasizes that KA managers often experience role conflicts due to their intermediary position between customers and their own organization. Clearly defining their role within the organizational KAM structure and providing support through dedicated KAM teams can enhance their effectiveness. This includes establishing formalized guidelines for KA manager responsibilities and providing executive sponsorship to reinforce their internal influence. Furthermore, to maximize KAM effectiveness, KA managers' performance evaluations should align with strategic goals. Instead of focusing solely on short-term sales performance, organizations should incorporate long-term relationship metrics, such as customer lifetime value contribution, depth of strategic engagement with KAs, and knowledge-sharing effectiveness within the organization (Ryals & Davies, 2013). By aligning performance metrics with strategic goals, organizations can ensure that KA managers are incentivized to foster sustainable customer relationships rather than prioritizing short-term gains. Organizations should also invest in continuous training and professional development programs for KA managers, equipping them with the necessary skills to navigate complex customer relationships and internal decision-making structures effectively.

In summary, formalizing KA selection processes is essential to ensuring strategic alignment and efficient resource allocation. Organizations should move beyond revenue-based, ad hoc decision-making by implementing structured selection frameworks and conducting periodic reassessments to maintain an adaptive KA portfolio. Additionally, fostering cross-functional collaboration and leveraging data-driven decision-making can enhance transparency, minimize internal conflicts, and strengthen long-term KAM effectiveness.

6.2 Limitations and avenues for further research

While this dissertation offers important insights into KAM formalization and its impact on KAM effectiveness, it also has limitations that must be considered. Methodological and content-related constraints highlight the need for further research. This chapter discusses these limitations and identifies key areas where future studies can deepen the understanding of KAM formalization and its impact on organizational success.

Regarding methodological constraints, one of the primary limitations is the reliance on cross-sectional data, which restricts the ability to draw causal conclusions about the impact of KAM formalization on effectiveness. Since cross-sectional studies only reveal correlations and tendencies for causal relationships, they do not establish causality (i.e., whether formalization actually leads to improved KAM outcomes or if firms with effective KAM practices are simply more likely to formalize their processes) (Rindfleisch et al., 2008). Because these studies provide a point-in-time analysis of the relationship between formalization and KAM effectiveness, they do not account for how internal or external changes influence this relationship over time, thus offering only a static perspective.

Given that KAM is inherently a long-term strategic process (e.g., Homburg, Workman, & Jensen, 2002), longitudinal research is needed to understand how formalization causally affects KA relationships over extended periods and under varying conditions, such as market

competitiveness and industry dynamics. A longitudinal research design would enable researchers to track how KAM formalization strengthens or weakens KAM relationships over time and to identify critical turning points in the process (Herhausen et al., 2022). As market conditions, competitive intensity, and customer expectations fluctuate, influencing the effectiveness of KAM formalization, a longitudinal approach would allow researchers to analyze how formalized KAM adapts to changing environments and whether it remains beneficial across different market conditions (Storbacka, 2012). For example, formalization may be effective in stable markets but problematic in highly dynamic industries where flexibility is required. Additionally, while formalization may initially yield positive effects – such as improving efficiency and standardization – it could lead to rigidity over time, negatively impacting responsiveness to KAs. Conversely, the benefits of formalization, such as improved coordination and strategic alignment, may take longer to materialize. A longitudinal study would allow researchers to distinguish between immediate, delayed, and sustained effects of formalization (Guesalaga et al., 2018).

Another significant methodological constraint is the reliance on self-reported data from interviews and surveys with German-speaking KA managers. While these insights are valuable, they introduce a risk of response bias, as managers may overestimate the success of organizational strategies or provide socially desirable responses (Podsakoff et al., 2003). To mitigate common method bias, the research employed careful survey design and question framing, ensuring clear differentiation of constructs and using neutral wording to minimize social desirability bias. Additionally, fsQCA was applied to reduce the risk of inflated correlations by emphasizing configurations rather than direct linear relationships (Ragin, 2009). However, common method bias may still affect the validity of the findings. Therefore, the assessment of KAM effectiveness should ideally incorporate perspectives from multiple stakeholders, including customers, senior management, and other departments involved in the account management process (Davies & Ryals, 2014). Furthermore, integrating objective

performance indicators – such as financial metrics and customer retention rates – would provide a more comprehensive and accurate evaluation of KAM effectiveness (Ryals & Humphries, 2007).

Regarding the application of fsQCA method in Study 2, valuable insights into multiple configurations leading to KAM effectiveness are provided. However, its reliance on set-theoretic relationships rather than traditional regression-based causality limits its explanatory power. While the results indicate combinations of conditions that lead to effectiveness, they do not establish direct causal relationships (Schneider & Wagemann, 2012). To address the limitations in explanatory power – particularly regarding causality, temporal dynamics, and statistical generalizability – future research should adopt mixed-method approaches or combine fsQCA with other quantitative and qualitative methods (Woodside & Baxter, 2013). Although the fsQCA analysis in Study 2 was complemented by a qualitative examination of different configurations, which allowed for a deeper understanding of underlying patterns and contextual factors influencing the relationship between KAM formalization and effectiveness, a mixed-method approach – combining fsQCA with qualitative case studies – would yield deeper insights. For example, subsequent in-depth qualitative interviews or focus groups with KA managers from high-KAM-effectiveness configurations could provide a more detailed understanding of the organizational logic behind these configurations. Given the complexity of organizational KAM, additional methodological triangulation – combining qualitative insights with advanced statistical modeling – may be necessary.

Beyond methodological limitations, content-related constraints also exist. First, while this dissertation effectively integrates formal and informal KAM elements, a more nuanced understanding of their optimal interplay remains an open avenue for further research. The findings demonstrate that multiple configurations of formalization and informal mechanisms can foster KAM effectiveness, yet it remains unclear under which specific conditions firms

should emphasize one over the other. Factors such as organizational structure, industry complexity, customer relationship maturity, and competitive dynamics likely influence this balance. However, the specific moderators and boundary conditions governing these interactions remain underexplored (Leischnig et al., 2018). Additionally, while formalization provides consistency and strategic alignment, informal mechanisms – such as trust, tacit knowledge sharing, and flexibility in decision-making – play a crucial role in fostering adaptive and customer-centric relationships (Ivens & Pardo, 2007). Future research should investigate how firms dynamically calibrate the degree of formalization and informality based on external pressures and internal capabilities, and whether certain hybrid approaches yield superior long-term effectiveness. Furthermore, exploring how firms can institutionalize flexibility within formalized structures – such as by designing adaptive governance mechanisms or embedding relational safeguards – would provide actionable insights for optimizing KAM strategies in diverse business contexts.

Second, the narrow emphasis on internal organizational structures and strategic alignment in assessing KAM formalization limits the exploration of broader external forces that shape its necessity and effectiveness. While this dissertation provides valuable insights into how companies design and implement formalized KAM processes, it does not fully account for how market volatility, disruptive technological advancements, shifting customer expectations, geopolitical risks, or evolving regulatory frameworks influence the sustainability and adaptability of these formal structures (Pardo, Salle, & Spencer, 1995). Given that businesses increasingly operate in complex, fast-changing environments, rigid formalization may, in some cases, reduce agility and hinder firms' ability to respond to emerging challenges (Workman, Homburg, & Jensen, 2003). This raises important questions about when and how firms should recalibrate their formalized KAM structures to remain competitive and resilient in dynamic markets.

Therefore, future research should explore the optimal degree of formalization needed to balance stability and adaptability in KA relationships and assess whether different industries require more flexible or rigid formalized approaches based on their exposure to external uncertainties. Additionally, research should examine how firms proactively integrate external intelligence into their KAM decision-making – for example, through early warning systems, scenario planning, or AI-driven predictive analytics – to ensure that KAM formalization evolves in synchronization with external developments rather than becoming a bureaucratic constraint. Furthermore, investigating the role of industry-specific disruptors – such as sustainability regulations, digital transformation, and geopolitical shifts – in shaping formal KAM governance and KA selection criteria would provide critical insights into how firms can future-proof their formalized KAM strategies against external shocks.

Third, the relationship between KAM formalization and financial performance remains underexplored in existing studies. While Sandesh, Sreejesh, and Paul (2023) emphasize the importance of aligning KAM strategies with measurable business outcomes – particularly sales performance and revenue growth – this dissertation does not establish a direct quantitative link between KAM formalization, formal KA selection, and key financial performance metrics. Although KAM effectiveness is discussed, there is no analysis of how different levels of formalization impact revenue contribution, profitability, customer retention, or contract renewals.

Given that firms implement formalized KAM structures to improve business outcomes, it is essential to determine whether higher degrees of formalization yield measurable financial benefits or introduce inefficiencies that hinder decision-making and reduce responsiveness to KAs. Future research should investigate whether greater formalization correlates with increased revenue performance and how formalized KAM strategies impact long-term customer profitability and retention. Additionally, exploring the potential trade-offs between structural

consistency and flexibility in relation to financial success would provide deeper insights into how firms can optimize their formalized KAM approaches to achieve both operational efficiency and sustainable financial growth.

Fourth, this dissertation acknowledges that KA selection is not purely a rational or data-driven process but is shaped by internal politics, managerial interests, and power dynamics. Study 1 explicitly highlights how decision-making in KA selection is often influenced by intra-organizational negotiations and strategic positioning within the firm rather than being solely based on objective selection criteria. Similarly, Study 2 examines the formalization of KA selection but does not systematically quantify the impact of political behavior on formalized KAM processes or its effect on KAM effectiveness, leaving the extent and consequences of such influences underexplored.

Thus, while the studies provide valuable insights into the realities of KA selection, they leave room for further exploration of how organizations can mitigate the effects of internal politics on KA selection decisions. Future research could examine whether specific governance structures or decision-making frameworks help reduce bias and subjectivity, ensuring that KA selection remains strategically sound rather than politically driven (Woodburn & Wilson, 2014). Additionally, further investigation could assess whether firms with centralized or decentralized selection processes experience different levels of political influence and how transparent, data-driven approaches – such as structured decision committees or AI-assisted evaluation systems – can contribute to more objective and effective KA selection.

Fifth, the effectiveness of KAM formalization is not universally applicable but is instead culturally and regionally contingent, as highlighted by Guesalaga et al. (2018). Business-to-business (B2B) relationship management varies significantly across geographies, shaped by local business norms, regulatory environments, and relationship expectations (Homburg, Workman, & Jensen, 2002). However, this dissertation focuses solely on German-speaking KA

managers, limiting the generalizability of the findings to broader international contexts. Given that KAM effectiveness may depend on cultural preferences for hierarchy, trust-based interactions, and decision-making processes, the rigidity of formalized KAM structures may yield different outcomes depending on the region investigated (Guesalaga & Johnston, 2010). While some business cultures prioritize formalized, standardized processes, others rely more on flexible, relationship-driven approaches, suggesting that a one-size-fits-all formalization strategy may be ineffective in a global context.

Consequently, further research should examine how formalization interacts with regional and cultural factors, assessing whether highly structured KAM approaches are equally effective across different business environments or if they require contextual adaptation (Leischnig et al., 2018). Studies could explore whether companies operating in multinational markets adjust their degree of KAM formalization based on regional customer expectations, negotiation styles, and governance frameworks. Additionally, investigating the extent to which formalization influences relationship-building in high-context versus low-context cultures (Hall, 1976) could provide deeper insights into how firms can strategically balance standardized KAM processes with the relational flexibility required in certain markets. A structured comparative analysis across different cultural and economic environments would enhance understanding of whether formalization universally improves KAM success or if it must be tailored to fit regional business ecosystems. Furthermore, research could examine whether multinational firms adopt hybrid KAM models, in which certain elements of formalization remain globally standardized while others are locally adapted to maintain relational closeness with KAs. Addressing these gaps would provide practitioners with a more refined framework for implementing KAM strategies that align with cultural and geographic diversity.

Finally, with sustainability becoming an increasingly critical factor in business relationships, its role in KA selection is expected to grow significantly in the coming years. As

many companies and industries place greater emphasis on environmental, social, and governance (ESG) criteria, partnerships are increasingly contingent on the sustainability performance of both suppliers and buyers. This shift necessitates the integration of sustainability metrics into formal KA selection processes to ensure alignment with evolving regulatory frameworks and stakeholder expectations (Gosselin & Bauwen, 2006). While the existing studies explore formalized KA selection in terms of qualitative (e.g., relationship quality, strategic fit) and quantitative selection criteria (e.g., financial KPIs), they do not yet provide a detailed analysis of how sustainability considerations influence the composition of KAM portfolios. Thus, future research should examine the extent to which sustainability influences KA selection and whether firms that prioritize sustainability in their customer portfolios achieve better long-term relationship outcomes and competitive advantages (Ryals & Davies, 2013).

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