

# SKF implements key accounts strategy

**W**hen it comes to key account management (KAM), size is only one consideration. Businesses can get side-tracked by large accounts which are really only interested in a transactional relationship based entirely on price. SKF, the world leader in bearings technology, set out to develop a major account strategy which would play to its strength in delivering holistic solutions to engineering problems.

Due to celebrate its centenary in 2007, SKF is now a global business with over 100 manufacturing plants in 24 countries. Needless to say, the company has seen the nature of its business change fundamentally during that time.

SKF's bearings are fitted to most kinds of equipment containing moving parts, from cars to aircraft. However, the company is becoming increasingly involved in helping customers to improve the efficiency and effectiveness of their equipment.

## No longer just a bearings supplier

Djaffar Adane, of SKF, explains: "Today, SKF is as much an engineering knowledge company as a bearings supplier. Because of our solid background in delivering innovative, effective products, we've also developed expertise in all the areas which can affect bearing performance: lubrication; the seals that protect bearings; how bearings are mounted and monitored; and, most recently, mechatronics – developing intelligent devices to monitor performance.

"This enables us to offer a total service to our customers, helping them improve the cost of ownership and the operating efficiency of their equipment, thereby boosting profitability."

## Bigger, more complex customers

SKF's market has been significantly affected by the surge in mergers and acquisitions over the past twenty years, leading to the creation of some very large customers – which are also significantly more complex to service. SKF responded to this change by setting up a key accounts group to manage relationships with these important customers.

Djaffar Adane wanted his new team of key account managers to receive training which would maximise their success in their new roles. SKF's long-standing relationship with Huthwaite, developed through the global delivery of SPIN® selling skills and major account strategy projects, meant that Huthwaite was the obvious training partner.

## Key account management training

Huthwaite has worked in the area of major account management and key account development for some time, and has developed a programme (MADKAM) to address the pursuit of a major accounts strategy. Adane's team underwent a tailored version of this programme, validating the work already done and encouraging further thinking.

"Many people involved with global accounts often

see improving the co-ordination and co-operation between countries as their main task," explained Adane. "MADKAM taught us that we needed to build a value proposition, which goes much further than that, to provide customers with tangible benefits. We also needed to take another look at our client accounts, to make sure we were focusing our efforts in the right areas.

"When selecting accounts to focus on, it's essential to examine the relationship. There is more potential to work with clients who value full solutions than with those who only want to buy bearings at the lowest cost. Huthwaite introduced an excellent tool, STRATT Analysis\*, which has proved invaluable in helping us to select the accounts with the most potential.

"There is no doubt that MADKAM challenged our thinking – in some cases, standing our previous ideas on their head. Everyone went away enthused, and determined to put their learning into action."

## The results so far

Huthwaite's tools are now central to SKF's account assessment process. The company has developed a clear value proposition, which has shown rapid payback in the number of deals closed as a result.

"The importance of the value proposition goes further than winning business, as it also helps us to brief people internally, so they know what we are interested in," continued Adane. "With customers, it clearly sets out the kind of relationship we're seeking. We have also realised that, if we're all talking the same



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language, it aids internal communication – so we’re planning further courses this year.’

The project was managed by John Read at Huthwaite: “We’ve been working on key account management for a long time now, but this was our first KAM project with SKF and I’m delighted it has gone so well. The team were very receptive, recognising that there is scope for open debate and new ways of thinking. I’m looking forward to the next programmes later this year.”

\*STRATT Analysis is a tool to help our clients develop their own unique Key Account criteria, apply it to their portfolios and graphically illustrate the relative position of the accounts within it. The name STRATT is taken from the words STREngth and ATTractiveness.

**SKF**

