



6<sup>th</sup> January 2015

Agenda Item: 7

**REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY**

**KEY ACCOUNT MANAGEMENT – ANNUAL REVIEW**

**Purpose of the Report**

1. To update members on the progress made with the Key Account Management (KAM) pilot and to consider recommendations on how the KAM approach may be revised to account for lessons learned to date, current best practice approaches and emerging needs in the market place

**Key Account Management**

2. The Economic Development Committee received a report on pilot key account (KAM) activity at its meeting on the 1<sup>st</sup> April 2014. The pilot targeted 80+ key businesses in the Nottinghamshire economy. These were drawn from all economic sectors and were identified through various means including those demonstrating growth or growth potential, those receiving or being nominated for business awards and those seeking advice or through referrals from other partners or organisations.
3. KAM, in this instance, was described as the development of a two way, mutual relationship between the County Council and the private sector with named officer contacts being assigned to individual Nottinghamshire businesses in order to act as a ‘go to’ point to assist those companies in overcoming issues and barriers to growth. This was in the context of the Council’s strategic objective to support economic growth and to identify ways to be proactive to the needs of the private sector.

**Progress to date**

4. Of the original 86 companies identified as key accounts a further 8 have been added to give a total of 94 companies. The following status has been achieved as at 30<sup>th</sup> Nov 2014
  - a. The 94 companies cover 14 “sectors”. A further 70 reserve KAMS have also been identified.

<b>SECTOR</b>	<b>KEY ACCOUNTS IDENTIFIED</b>
IT/Telecoms	4
Visitor Economy/Events	10
Construction/Engineering	14

Education/Training	3
Power Generation	4
Low Carbon	4
Manufacturing	11
Supplies and Services	19
Transport	3
Mining/Aggregates	5
Food and Drink	10
Pharmaceuticals	1
Automotive	3
Agricultural Products	3
<b>TOTAL</b>	<b>94</b>

- b. 36 of the companies have received a direct visit and an “open and on-going” dialogue has been developed.
5. The pilot has identified that the initial contact approach was of critical importance in terms of communicating the “offer” of the County Council’s services to individual businesses. Demonstrating the potential advantages when set against the time investment of the company in engaging with the Council has proved challenging in some cases. Several potential key accounts decided not to engage from the outset, some after initial enthusiasm did not pursue contacts due to competing business demands or changes in their commercial strategies, others have decided to keep an arms length, reactive relationship with the Council – effectively having received a named contact that can be brought in to assist on a call off basis as required.
6. Of the 36 live key accounts, 4 main areas of support were requested – with usually more than one area of interest per key account:

<b>SME AREAS OF INTEREST</b>	<b>NUMBER OF SME REQUESTS FOR SUPPORT</b>
Funding Advice/Sources of Finance	18 (of which 4 were directly interested in the Economic Development Capital Fund)
Growth (land/premises/capital investments)	9
Legal/Regulatory	2
Other (Skills/Training/Apprenticeships/Recruitment/Strategic Guidance/Procurement)	26

Outcomes achieved to date include:

- Supporting a start-up business that was seeking to diversify. Economic Development was able to broker a placement of a post-graduate student from one of the local universities to undertake a feasibility study and introduce the company to other public sector agencies (i.e. Environment Agency) for specific advice on issues related to the business
- Securing yellow lines on an industrial estate where parking was an issue that was preventing a company from moving escorted wide load lorries

- Brokering a sector based work academy from the Department for Work and Pensions for a high growth company that was having difficulties recruiting suitably qualified drivers
- Referring several companies to the Government's Growth Accelerator programme for intensive support on access to finance

## **KAM Review and future positioning**

7. Whilst the pilot has been the subject of on-going peer and management review, in September 2014 the Council's Customer Development and Improvement Team undertook a review. The review focused on what KAM was, reflections and key themes from the pilot and offered a series of recommendations.
8. The Review noted that at "..... Its most fundamental, KAM supports the needs of individual business to overcome barriers and identify suitable opportunities for growth; and it provides one mechanism through which the County Council can deliver its strategic aims of helping create the best circumstances for business growth – for individual companies and the wider business community"
9. The report goes onto reflect on the advantages of KAM to bolster the overall reputational impact of the Council's strategic objective of supporting economic growth in the county – including opportunities to re-position commercial perception of the council as a regulatory body presenting barriers to businesses towards one of a positive, high quality service as a provider of the facilities and infrastructure integral to economic growth (Highways/Trading Standards etc.).
10. The Local Government Association, through its Economic Growth Advisors Programme, worked with a variety of authorities identifying KAM, through Case Studies, as the optimum approach for authorities to;
  - a. Promote collaboration and support scale and speed of approach
  - b. Gather economic intelligence
  - c. Develop and implement appropriate growth strategies – with universal public/private sector buy in and relevance
  - d. Support engagement and facilitate direct business growth and retention opportunities
  - e. Create an environment with "fast track" capabilities to capitalise on inward investment opportunities
11. Members may be aware of the recent launch of the D2N2 Local Enterprise Partnership's 'Growth Hub'. Growth Hubs are part of the national Government's approach to rationalising and simplifying access to advice and guidance for businesses and are focussed on the 'no wrong door' approach. The D2N2 Growth Hub is now operational in pilot phase, with a website and dedicated phone number. A report on the Growth Hub will be brought to this Committee in February. Economic Development officers have been actively involved in the design and establishment of the Growth Hub and will continue to be involved through the Growth Hub Project Board. Clearly there is some potential for duplication of effort and this will continue to be monitored as the Growth Hub initiative gathers pace.

## Areas of Opportunity for KAMs in Nottinghamshire Going Forward

12. The review of the KAM pilot has highlighted a number of critical factors that are essential in considering where the Council might choose to take the KAM approach next. The most important findings, adapted in the context of what the authority may choose to do, include:

### Resources

- The alignment of the best resources to the most profitable opportunities/greatest value – i.e. **getting the “best bang for our buck” by rationalising the KAM list to include the best business opportunities for cross sectoral growth and pairing these with the best officer skills to assist development**
- **Considering KAM Champions** – applying a further pilot phase of KAM in Nottinghamshire in order to establish the best approach and skills set required to scale up and roll out a wider, tested programme at a later stage
- **Merge Key Stakeholder Relationships (Universities, Districts, LEP etc.) with large businesses** who we already have a close partner/project based role e.g. Boots, Rolls Royce etc. The KAM approach appears not to be appropriate to their complex, specific needs and would be better served by a more formal strategic relationship managed at an appropriate, more senior level.

### The KAM “Service Offer”

- **The offer must be clearly identified and communicated – so that the businesses understand the value of the engagement from the “get go”.** The offer should be aligned, deliverable and responsive to the key accounts’ needs – market driven but within the clear boundaries of what the Council defines as its rationale for undertaking KAM
- One approach may be to have **identified periodic ‘offers’** for both new engagements and for on-going business touch points – for instance relaunch of the Nottinghamshire Economic Development Fund or appropriate milestones in the launch of the D2N2 European funding Programme, Better Broadband for Nottinghamshire etc
- **Promote and communicate KAM and the Council’s widest business offer** through improved web presence and through established events and partnerships such as NBEG
- **All key accounts should be established through referral and/or supported introduction** – cold calling should be avoided as it has proved to be time-consuming and in most cases unproductive as the decision makers and influencers within the companies often fail to be the ones contacted - resulting in the opportunity for participation being lost
- Ensuring that KAM delivers what is promised – individually and collectively to business – **with published minimum service standards.**
- Enabling **flexibility and adaptability for the key account managers is important – recognising that one size does not fit all** – but being clearly identified within the sphere of influence that the Council can credibly deliver. This may include a **cross council SLA** with other services signing up to

support the KAM approach as part of promoting a “**business facing culture**” for the Council

- There are also opportunities to embed the account tool as a wider sales tool for the authority’s services – and to do so creating greater visibility of contact information across all Council departments– exploring the potential use of a **Customer Relationship Management (CRM)** type of system for the authority in managing and optimising its relationships with the private sector
- Furthermore, options to **compliment emerging Growth Hub systems** should be explored with partners including the Districts and the D2N2 LEP – ensuring referral, service, performance and data capture links where possible.

### **Review and Performance**

- There should be **regular review of the individual KAM relationship** to assess if there is proportionate value in terms of the output it is generating both to the account and the authority
- A further pilot phase should be reviewed in 12 months aligning with internal and external needs and opportunities
- Rationalisation of the reporting KPIs which are currently cumbersome and do not adequately reflect performance to focus on live numbers, progress, satisfaction and unused capacity

13. The Economic Development Service’s use of the KAM approach is in its infancy. Some good engagements have been made to date during the initial pilot phase and lessons learned from this and other best practice now need to be considered and applied. In order for the Council to use KAM to best effect and for the optimum benefit for the business community further piloting is required.

### **Other Options Considered**

14. None. The report is for noting.

### **Reason for Recommendation/s**

15. To ensure that Committee Members are aware of the ongoing development of KAM as part of its wider Business Engagement being delivered through the Council’s Economic Development team.

### **Statutory and Policy Implications**

16. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

17. Economic Development Committee has previously approved budget allocation of £10,000 to support business engagement activity, including the hosting of the

Nottinghamshire Business Engagement Group and sponsoring a number of business awards. No allocation other than staff time has been identified for KAM activities.

## **RECOMMENDATION/S**

It is recommended that:

- (a) Members note the content of this report and the recommendations for further work in developing the KAM approach;
- (b) Committee receives a further report on progress with key account relationships in January 2016

### **Report of the Group Manager, Corporate Strategy, Celia Morris**

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### **Constitutional Comments [LM 16.12.2014]**

The Economic Development Committee has delegated authority within the Constitution to approve the recommendations in the report.

### **Financial Comments [SEM 19/12/2014]**

There are no specific financial implications arising directly from this report.

### **Background Papers**

NA

### **Electoral Division(s) and Member(s) Affected**

All