This article is one in a series on “Achieving KAM excellence in life sciences.” Throughout this article we use the term key account management (KAM) synonymously with strategic account management (SAM).

Key account management (KAM) continues to develop as a critical business strategy for life sciences companies seeking to differentiate themselves and to create stronger customer value in an increasingly competitive marketplace. Fundamentally, KAM is a go-to-market strategy, not just a role within a field sales organization. Many life sciences companies have recognized this significant distinction and are defining the capabilities they need to enable their KAM go-to-market approach.

In a recent ZS roundtable that included 17 industry leaders representing 10 life sciences organizations, nearly all participants identified their primary KAM challenge as being able to work as an organization in a coordinated, collaborative and cross-functional way. In other words, the primary challenge was not limited to the KAM strategy itself, but was also focused on the strategy execution. Companies recognize that effectively bringing together the people and processes to execute KAM across the entire organization plays a key role in unlocking the KAM go-to-market strategy’s value.
Technology enablement and analytics-driven decision-making play key roles in executing an effective KAM strategy; however, in a recent research study titled “State of KAM in Life Sciences” only one-third of participants identified technology and analytics as a top investment priority critical to advancing their KAM strategies.

Technology and analytics can and should be an engine for breaking down cross-functional silos and informing the decision-making required to achieve KAM execution excellence. Yet time and again we see companies choosing to deprioritize investments in KAM technology and analytics or not fully recognizing them as complementary to existing commercial technology priorities. Life sciences companies that can overcome this organizational inertia will find their investments in KAM technology and analytics becoming critical components of their KAM execution engine.

**Why should life sciences organizations prioritize investments in KAM technology and analytics?**

First and foremost, KAM represents a significantly different go-to-market model than the traditional one-to-one promotional selling model that has existed in the life sciences industry for decades. KAM is focused on identifying and addressing the needs and priorities of a much broader and diverse set of key decision influencers in large and complex systems – and seeks to provide advanced solutions that go well beyond the customer needs addressed by core products such as pills, medical devices and medical supplies. “As described in the “Customer Engagement Process: The Secret to Agile Execution” the customer engagement process required to achieve these objectives is substantially more complex than the traditional one-to-one selling model. Figure 1 provides an example of the phases typically associated with a KAM customer engagement process along with each phase's underlying objectives.

**FIGURE 1:**

The KAM customer engagement process

1. **Planning & Management**
   - Map decision makers and influence
   - Discover needs and test hypotheses over a series of customer meetings
   - Develop a customer-centric and cross-functional strategic plan

2. **Needs & Priorities**
   - Agree on potential solutions to co-develop
   - Refine and tailor solutions to meet mutual priorities

3. **Impact Maximization**
   - Assess mutual business case
   - Develop detailed implementation and pull-through plan
   - Gain final sign-offs

4. **Solutions & Tailoring**
   - Track against agreed KPIs
   - Conduct reviews with key stakeholders and identify actions to maximize impact

5. **Implementation**
   - Execute delivery of the solution
   - Make minor adjustments as needed to improve program success

6. **Mutual Commitments**

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1 State of Key Account Management in Life Sciences: Q4 Pharma Full Report; prepared by ZS Associates in partnership with the Strategic Account Management Association (SAMA); ©ZS Associates, February 2021

2 Customer Engagement Process: The Secret to Agile Execution; prepared by ZS Associates in partnership with the Strategic Account Management Association (SAMA); © ZS Associates, February 2021.
Four factors specific to the KAM customer engagement process necessitate advanced technologies beyond those required by one-to-one selling models in life sciences:

1. KAM is a “team sport.” KAM requires a coordinated approach to customer engagement, insights and measurement across many functional roles. For instance, in the life sciences industry this includes marketing, market access, Health Economics & Outcome Research (HEOR), patient support, field sales and the account managers themselves. Traditional sales automation tools used in life sciences often don't support KAM sufficiently because they were built with only field sales roles in mind. They can’t drive coordination, collaboration and pull-through across all these functional groups as they navigate the key account customer engagement process.

2. KAM is focused on identifying and tailoring “advanced solutions” (such as programs, services and systems) that meet the higher-order needs of complex and strategically important organized customers. Promotional materials developed for one-to-one selling fall dramatically short of enabling this capability. KAM requires more sophisticated technology, including account-based market capabilities that provide key account managers with access to configurable solutions, value-in-use calculators and messaging.

3. KAM requires deep insight into customer needs and opportunities. In addition to primary marketing research and account team insight, customer Key Performance Indicators (KPIs) aid diagnosis of customer opportunities. As a result, high-performing KAM organizations complement their internal performance analytics with KPIs and analytics focused on understanding their customer's business performance. This outside-in thinking represents another significant shift from traditional life sciences selling models that drives the need for a new approach to customer analytics.

4. KAM requires a “balanced scorecard” both to evaluate program impact and to manage performance more broadly. KAM dashboards must have the right mix of leading and lagging metrics based on strategic objectives and overall maturity of the KAM program. Tracking these metrics requires new data sources, and new ways of capturing and validating key inputs.

In short, investments in technology and analytics can improve the KAM customer engagement process in several important ways. These include fostering a better understanding of customer needs, tailoring and communicating advanced solutions and associated value propositions, collaborating cross-functionally on business planning and customer engagements and identifying customer opportunities through KPIs and tracking KAM program impact on those KPIs.

What are the most common KAM technology challenges?

In the past few years, we’ve seen several life sciences companies pursue technology and analytics investments to enable their KAM business model, with limited success. These initiatives have been plagued by a pattern of start-stop, myriad of overlapping technologies that aren't fit for purpose and a lack of a clear vision of the full suite of digital technology and analytics capabilities required to enable KAM. The following three technology challenges occur most commonly in KAM.

1. Filling gaps via point solutions instead of building capabilities incrementally and aligned to a holistic vision of the data, technology and analytics capabilities required to enable KAM—Common statements such as ‘we need a new account planning tool’ and ‘we need an account master data management (MDM) solution’ hint at a limited focus on the overall digital capabilities required for KAM. Integrating these point solutions into the existing technology infrastructure frequently proves to be challenging and costly.
Systems and processes often need to be re-wired multiple times when these systems are incrementally and individually deployed. A more holistic and long-term vision of the capabilities required to support KAM can enable better planning and coordination across the enterprise and help minimize technical debt by synchronizing deployment plans across the data, technology and analytics ecosystem.

2. Trying to fit a square peg in a round hole by repurposing tools built to support the traditional one-to-one promotional selling model—The analytics, data and systems used for decades to support the traditional physician promotional selling model has limited applicability to the KAM business model. Attempts to repurpose these capabilities, such as traditional sales automation platforms, often create more burden than benefit for key account managers who are asked to use tools that don’t meet their needs. Furthermore, these solutions often ignore the technology and analytics needs of other internal stakeholders such as marketing and HEOR, who play key roles in enabling the KAM business model. As a result, we consistently see key account managers and other stakeholders reverting to old ways of working, often with offline tools and frameworks built in Excel and PowerPoint that significantly limit the organization’s ability to collaborate on key account plans and initiatives and institutionalize KAM learnings.

3. Limiting KAM-relevant insights and analytics to traditional data sources and not focusing on developing a proprietary data strategy for the organization’s most important customers—Deep customer insights are important to life sciences organizations’ ability to create differentiated value for their customers, yet organizations often try to leverage standard data sets known to the industry at large to develop such customer insights. We see clients struggling to determine key customer insights such as the degree of control exerted in the provider’s local market or even basic insights such as provider organization intent as implied by KPIs related to rep access, net promoter score and key clinical pathways. Leveraging standard data sets to understand how sophisticated customers operate and what they care about can be too tall an order. Life sciences companies need to become more comfortable with exploring and even creating new data via multiple channels such as field intelligence, unstructured data from digital sources, voice-of-the-customer research and other real-world data sets. Shifting focus from internal analytics such as product volume and share to externally focused analytics, which are KPIs that matter to the customer, will become a key differentiator for forward-thinking life sciences companies. Ultimately, a more focused effort on developing organizationally exclusive data with a deeper richness of insights about the organization’s most important customers will lead to the competitive differentiation the KAM business model can foster.

How can life sciences organizations maximize KAM technology and analytics investments?

KAM requires a high degree of cross-functional coordination, collaboration and agility, with technology playing an important role in removing the biggest barrier, siloed ways of working. Life sciences companies therefore need to ensure that they adopt the right technology to support their KAM strategy across the Understand-Communicate-Collaborate-Measure framework, which ideally utilizes fit-for-purpose platforms. Figure 2 below illustrates four key areas of focus.
1. **Understand**: Build strong foundational organized customer data and insight capabilities—Leveraging data and analytics to understand and uncover deep customer insights provides a foundation to any KAM capability and often acts as the first step of a KAM technology roadmap. A variety of emerging, niche and disparate data sources require a deep understanding of these complex multi-layered organizations. Furthermore, KAM fundamentally requires multiple internal functions working together to support the engagement process, making it essential to provide a consistent yet tailored version of account hierarchies, structures and profiles across these functions. Three areas are critical early steps in building out a robust KAM data and insights capability:

- **Organized customer master data management** - While different functions will need multiple views of the same account or the same system of accounts, building a centralized and single master version of the truth will enable downstream analytical consumption methods like KAM dashboards and insights tools.

- **Organized customer 360** - This capability enables a life sciences organization to know its account, its business and local market dynamics. An account 360 provides a comprehensive view of all the touchpoints and interactions, both internal and external, across all customers, and enables analytics across functions covering key decision makers, affiliations, account hierarchies, key influencers and others.

- **KAM analytics modules** - These ensure the technology architecture is future-proof to enable new types of analytics. As the KAM strategy matures, the need for analytics will evolve from basic to sophisticated, such as developing an advanced understanding of an IDN’s intricate care network, its healthcare objectives and priorities, its key decision makers and its presence and influence in local markets. An organization should
develop a variety of analytics capabilities, including KAM scorecards, performance dashboards, next-best action capabilities using artificial intelligence and machine learning, as well as local market insight tools. In doing so, the organization should adopt a mindset that sits at the intersection of analytics and technology, or AnalyTech, to both execute complex analytics to answer key business questions and to leverage technology to ensure that capability can be scaled across the organization.

2. Communicate: Enable account-based marketing as a mission-critical capability—Business-to-business (B2B) sales and marketing leaders recognize that a well-functioning KAM revenue engine drives profitability and growth. They also understand the value of designing parts of that revenue engine around their high-priority accounts. As a result, account-based marketing programs continue to grow, fueled by the delivery of strong results including higher account engagement, improved win rates, larger average deal size and strong ROI. Other B2B industries are already leading the trend by leveraging technologies to prioritize key accounts, creating contacts and mapping to the accounts, creating account-specific content and messaging and managing and orchestrating account engagement across channels.

3. Collaborate: Enable collaboration across the organization and within account teams via fit-for-purpose account planning and execution tools—Best-in-class account planning combines rich customer insight, deep strategic thinking, cross-functional collaboration and disciplined preparation. Plus, it isn’t purely defined by the end document. Today’s best-in-class account planning and management platforms are broad enough to include all relevant organizational functions and can enable a wider set of KAM capabilities. These platforms often include several forward-thinking capabilities that life sciences companies can take advantage of as they continue to build and advance their overall KAM capabilities:

- **Customer value creation playbooks** help teams discover their customers’ needs, align those needs with mutual opportunities and guide teams on how to implement solutions.

- **Advanced solution repositories** allow marketing and KAM teams to articulate the customer benefits that can be achieved via the advanced solution services, programs and systems that key account teams can tailor with their customers.

- **Customer impact quantification tools** compliantly estimate the business impact the life sciences company’s advanced solutions can have on its organized customers.

- **Cross-functional engagement collaboration capabilities** remove silos by ensuring that teams constantly update one another on plan execution progress and work together to adapt the plan as they learn more through their customer engagements.

- **Seamless integration capabilities** across the customer relationship management, reporting and analytics and marketing automation platform ecosystem help to enable KAM at scale.

4. Measure: Develop KAM-centric scorecards to effectively track key measures of success—Enabling a KAM strategy requires a comprehensive performance measurement capable of both continuously communicating the value of the KAM business model and motivating the organization to achieve the desired outcomes. By first establishing a KAM KPI framework focused on leading indicators, lagging indicators, shared outcomes and voice-of-the-customer metrics, life sciences organizations can align on what defines success
for the KAM program, both internally and with key account customers. As one can imagine, aligning on these KPIs can be challenging, but technology ramifications for enabling KAM scorecards often get overlooked. Specifically:

- A wide variety of disparate data sources will need to be analyzed for KAM KPI calculations. Third-party, first-party, field-generated and other internal data sources will likely be required for KAM scorecards.

- The quality of the KAM KPI data sources can vary significantly, requiring a major focus on data quality management frameworks and techniques as part of the scorecard development.

- The KAM organization will continuously evolve, thereby requiring changes to the KAM KPI framework over time. Depending on the KAM program’s maturity, the metrics most critical to focus on at a given point in the KAM journey will be different. Consistent governance on and refinements to the KAM KPI definitions and the KAM scorecard are essential.

- Different stakeholders will need different KAM scorecards and views. Analyzing local market insights for opportunities, KAM program performance, key account performance and pull-through analysis requires focusing on different personas and how the scorecard will be used by each to support their various decisions and actions.

In the early days of KAM, when organizations typically saw KAM as a role, it was easy to anchor on enhancing the skills of the field-based account managers. But as KAM has become increasingly understood as an organization-wide business strategy, life sciences organizations must do far more. They need technology to operationalize and scale the model, as well as manage the complexity that comes with the increasingly cross-functional engagement and collaboration needed to make the model successful. Significant revenue and growth opportunities are awaiting leading-edge life sciences companies willing to commit to the technology and analytics investments required to drive higher value and impact with their most important customers.
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