Exploring the possibilities of application of the modified multiphase strategic model for key account management in postal services

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Key account management (KAM) is becoming a global phenomenon of modern society. As a specific concept of relationship marketing, KAM contributes to increasing the importance of marketing management. Companies in which the maximum revenue from sales goes to the small number of customers have a tendency to treat these customers not as “average” customers, but to establish strategic, long-term, profitable relationships with them, based on principles of KAM. When it comes to postal services, due to an increasing competitiveness in communications market and substitution of traditional distribution channels, many companies are trying to build and strengthen closer relations with very important customers - key customers. However, many companies still do not understand how to develop a strategy for working with key customers, as well as which tools to use in order to ensure the delivery of complex solutions to key customers and develop and improve long-term profitable partnerships.

Key words: Strategies, postal services, key customers, model, relationship marketing.

INTRODUCTION

In this paper, key account management (KAM) was viewed as a multi-phase strategic management process, while its application is based on the postulates of project management. The primary objective of this study is to develop a modified multi-phase strategic model for key account management in the postal services. The model presented in this paper is called “PostAIM”. This multiphase and multidisciplinary model approaches the problem from analytical, organizational and technological aspects. The model implies that the focusing of strategy and activities is performed before, during and after the process of sale. This approach has not been used yet and, with it, “PostAIM” can be considered as the original model for key account management. The applicability of this model in the postal services has been confirmed during the research that was done from 2007 to 2009 in the Republic of Serbia. This paper presents the results of the application of “PostAIM” model as well as the model of “customer value” to the postal services, dubbed “PostPPA”. Model “PostPPA” was used during the realization of selection process and categorization of customers in postal services. Testing the proposed modified model for key account management was performed in selected postal services company, in a developing country, using data from four main sources: data from the company’s business reports, managers and sales teams, data obtained on the basis of the survey and interviews with managers at all levels and the data collected based on interviews with managers responsible for customer care and sales teams, goals and views of strategically important customers involved in the research which was conducted in the period from 2007 to 2008 in order to create a solid basis for building the proposed model for key account management in postal services. During the research, to identify critical success factors of KAM, the study identified the special importance of the
quality of services, personnel responsible for customer care, support of top management, while in contrast to studies done in Taiwan (Chun et al., 2009), a very small influence of geographic factors was observed.

RESEARCH METHODOLOGY

The primary objective of this research is to improve the current models used for managing key account in postal services. KAM methodology, which was used in the research of McDonald et al. (2000), Capon (2001, 2005), Pardo (1999a, b), Cheverton (2004), Kotler (2002, 2003) and Millman and Wilson (1996), so far did not have an important application in the postal services. Based on the research, analysis and comparison of the results obtained and presented in the works of these authors, a modified model for key account management in terms of management process was proposed (Ožegović, 2010). Such modified model can be applied to the postal services. The outline of proposed modified KAM model is based on the methodology of project management (Project Management) (Ožegović, 2010). In order to verify the implementation of the new model, a case study method was used. We came to most findings in the research using the test methods conducted through structured interviews and surveys, which are often used in research on the behavior and attitudes of customers, markets, customer and seller relationship, as well as all relevant information to cause or result from these relationships (Ožegović, 2010).

KEY ACCOUNT MANAGEMENT IN THE POSTAL SERVICES

Key account management is definitely part of the upgrade of recent discipline, relationship marketing as "... the attraction, development and support to improve the long-term relationship with customers ..." (Berry and Parasuraman, 1991). Morgan and Hunt (1994), by developing the concept of customer relationship management, gave the following definition: "customer relationship management focuses on all market activities that contribute directly to connecting with customers, developing and maintaining relationships with them". Research of relevant literature in this field indicates that the management of customers (Account Management) first defined by Stevenson (1981) is a process of allocating corporate resources to the function of very important customers for which better prices are defined and service is specially arranged. With the purpose of complex study of a modern business concept and strategy for key account management, according to needs and purpose of this study, it is necessary to define two related key terms: key account - KA and key account management - KAM.

Key account (KA) is defined as customers in the industrial market (business-to-business - B2B), identified by the seller company as very important customers serviced by the dealer with dedicated resources (Workman et al., 2003). Key account management (KAM) is also defined as the presentation of additional corporate activities and/or special personal that are of immediate importance to customers. Given that this is a relatively new concept, there still is no single definition for the same (Workman et al., 2003).

Key account management in the postal service using the stated definitions, is a modern business concept based on building and nurturing long-term profitable relationships with strategically important customers, in order to improve the competitive power and increase profitability, both on the side of postal services company, and on the side of company's key customer.

The need to manage key account in postal services

Postal services involve the transmission of items from the sender to recipient through the postal service, which includes admission, transportation, processing and delivery of postal items. Specifics of the postal market stem from the very nature of postal services; postal services are intangible product that is characterized by change of venue; the postal service cannot be in stock; postal service is substantially performed in the presence of users and/or its shipments, process of production and consumption of postal services represent a unique process in time.

Execution of the postal service has a defined temporal and spatial dimension. The time dimension of postal services is reflected in the legally defined time limits for its execution, while the spatial dimension is reflected in the change of position of the postal item. In that sense, the obligations of postal operators are to provide users with the territorial and personal access to postal services in accordance with defined standards. Postal services sector is of general social and economic importance. In order to raise efficiency and effectiveness of all participants in the market of postal service, there is a need for an accelerated process to create a common market for postal services, while providing the expected quality of postal services.

Postal services sector is gradually opening to market competition. As noted, key account management strategy assumes consideration of mutual interest, both of ‘customer company’, and on the part of the ‘seller company’, as well as inter-organizational coordination at all levels. In terms of existence of mutual benefit, both for the seller and the key customer, as well as mutual consideration of benefits and risks, the foundation for long-term cooperation and development of good working relationships is created (Table 1).

In the postal services the following list may be cited as key risks for the seller company:

i. The risk associated with revenue and profits if a key customer starts abusing his status
ii. Risk of increasing demands by key customer
iii. Neglecting other customers due to focus on key customers
iv. Over-dependence on the key customer’s company.
Regarding the postal sector, it can be said that in the environment in which postal operators operate, dominate changes, expressed through the action forces of globalization, liberalization, competition, technological changes, lack of resources, as well as other drivers of change. For this reason, postal operators need to provide rapid and effective responses, in order to reach successful positioning in the market and in customers minds. Present changes are expressed in the structure of supply and demand.

The power on the small number of major market participants is notably increasing. Well known Pareto principle (80/20) can be applied in this case. Approximately 20% of participants achieve about 80% of total turnover in one branch. The situation is similar in the market of postal services, as well as at the level of postal organizations (operators). In this balanced inter-organizational relationship value, key customers should not be identified with “big buyers” who, with planned management activities in accordance with basic principles of KAM, can over time be translated into a group of key customers. Key customers are strategic partners with whom the success is achieved and shared. There cannot be many.

The process of developing and applying models of key account management to the postal services

The results of the research on the management of key account (Gummesson, 2002) suggest that a great number of researchers viewed this problem as a new segment of marketing that can be developed; thanks to information technology. Key account management, as it is often cited in relationship marketing (RM) literature, is an approach to creating value through implementation of specific processes for the target group of very important customers. In the context of the objectives of this research, management of key account will be considered as a multi-stage strategic management process. In order to create the necessary preconditions for building a model for management of key account in the postal services, the following key activities were carried out:

i. Initiating, considering limitations, benefits and risks of key account management.
ii. Ensuring involvement of top management and formalization.
iii. Market segmentation and targeting.

These activities precede the very process of developing a model for managing key account. In the context of the objectives of this study, used methodology involves that the process of managing is a strategic, phased process. In accordance with this methodology, a model is proposed which is a modified multi-stage strategic model for key account management in the postal service. The model is based primarily on the implementation of three key management processes that are composed of many sub processes which are realized in phases:

1. The process of analysis and planning of key account management
   i. The process of identification, selection and categorization of key customers
   ii. Portfolio and analysis of key customers
   iii. Planning and formulating goals and strategies
   iv. The determination of organizational structure
   v. Recruitment, job description and responsibilities, training managers for key customers

2. The implementation of key account management program
   i. The process of developing relationships with key customers
   ii. The process of communication
   iii. Process of operationalization (process of making numerous decisions related to the achievement of goals, implementation plans for key customers, strategies, implementation of organizational structure, places, roles and responsibilities of managers for key customers, and so on).
   iv. The process of building an integrated information...
Figure 1. Framework of modified strategic multiphase management model “PostAIM”.

3. Monitoring and evaluation of results of key account management programs

i. Measurement of key performance success and progress
ii. The process of internal and external reporting
iii. Balanced Scorecard for key customers
iv. Feedback

These processes are performed by the “step by step” system, through phases (Figure 1). Given that the proposed model is primarily intended for use in postal services companies (Post), using the first letters of key process models (analysis, implementation, monitoring), it was named “PostAIM” - a model for managing key account in the postal services. Successful development and continuous improvement of this model may be one of the life-saving opportunities for improving competitiveness and long-term stable business performance of companies in postal services in developing countries. Application of the proposed model for key account management based on previously completed market segmentation according to established marketing criteria, are specific for postal services and levels of profitability. All processes and sub-processes of the proposed strategic management model and process for key account management will only be approximately represented in accordance with the object and purpose of this paper (Figure 2). Ožegović (2010) expatiates on this.

In addition to these three key management processes (analysis and planning, implementation and monitoring) that occur by the “step by step” system, the proposed methodology for key account management, based on a multiphase model of key account management, defines and conditions the progress of the following processes:

i. Adoption and management of ethical issues and norms of relations and possible potential conflicts,
ii. Establishment and analysis of management accountability in the process of key account management, primarily based on developing and maintaining successful, profitable and lasting relationships with key customers, and
iii. Establishment of accountability and the creation of management models for managing the cost and benefits in order to ensure achievement of optimum effects in the of key account management.

The process of identification, selection and categorization of key customers in postal services

Identification and selection of key customers was conducted based on the portfolio of customers and the estimated value of customers for the selected postal services company. The criteria of identification, selection and categorization of key customers were applied on the data obtained during the survey and information about customers of postal services for the period from 2007 to 2009. The results of the research (Table 2) which included all levels of management, without favors, show conclusively the presence of an insufficient focus on customers with high potential, low level of understanding, but a satisfactory level of respect for the modern business concept of key account management. Findings support the confirmation of the claim that in the competitive business environment, it is necessary to define the strategy for key account management using the scientific approach in research, as well as key account
### Table 2. Comparative review of understanding of strategic defining of key customers from all levels of management in postal services company.

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Question</th>
<th>Management levels</th>
<th>Top</th>
<th>Takt.</th>
<th>Oper.</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Do you know who your key customers are and what type of postal services they use?</td>
<td></td>
<td>100.0</td>
<td>100.0</td>
<td>97.2</td>
<td>98.1</td>
</tr>
<tr>
<td>2.</td>
<td>Have you made strategic plans for each key customer?</td>
<td></td>
<td>0.0</td>
<td>19.2</td>
<td>29.6</td>
<td>25.0</td>
</tr>
<tr>
<td>3.</td>
<td>Can you estimate the potential of key customers?</td>
<td></td>
<td>66.7</td>
<td>84.6</td>
<td>77.5</td>
<td>77.9</td>
</tr>
<tr>
<td>4.</td>
<td>Do you think your customers know what their total costs from the execution of postal services are?</td>
<td></td>
<td>83.3</td>
<td>100.0</td>
<td>98.6</td>
<td>98.1</td>
</tr>
<tr>
<td>5.</td>
<td>Do you have a defined place for delivery of postal services to key customers?</td>
<td></td>
<td>50.0</td>
<td>69.2</td>
<td>74.6</td>
<td>72.1</td>
</tr>
<tr>
<td>6.</td>
<td>Have you made and quantified goals for each key customer?</td>
<td></td>
<td>0.0</td>
<td>30.8</td>
<td>29.6</td>
<td>27.9</td>
</tr>
<tr>
<td>7.</td>
<td>Do you know what the goals of your key customers are?</td>
<td></td>
<td>16.7</td>
<td>53.8</td>
<td>63.4</td>
<td>57.7</td>
</tr>
<tr>
<td>8.</td>
<td>Do you know who are the main buyers of the products / services of your key customers?</td>
<td></td>
<td>50.0</td>
<td>88.5</td>
<td>56.3</td>
<td>63.5</td>
</tr>
<tr>
<td>9.</td>
<td>Do you know which of your customers stopped using postal services?</td>
<td></td>
<td>50.0</td>
<td>84.6</td>
<td>84.5</td>
<td>81.7</td>
</tr>
<tr>
<td>10.</td>
<td>Do you think that key customers are important for the profitability of the postal service?</td>
<td></td>
<td>100.0</td>
<td>100.0</td>
<td>94.4</td>
<td>96.2</td>
</tr>
<tr>
<td>11.</td>
<td>Do you know when key customers celebrate the &quot;Company Day&quot;?</td>
<td></td>
<td>16.7</td>
<td>30.8</td>
<td>19.7</td>
<td>22.1</td>
</tr>
<tr>
<td>12.</td>
<td>Do you personally know the decision makers and persons of influence around key customers?</td>
<td></td>
<td>83.3</td>
<td>73.1</td>
<td>28.2</td>
<td>42.3</td>
</tr>
<tr>
<td>13.</td>
<td>Does your current level of authority allow the achievement of targets for key customers?</td>
<td></td>
<td>16.7</td>
<td>38.5</td>
<td>35.2</td>
<td>34.6</td>
</tr>
<tr>
<td>14.</td>
<td>Do you communicate personally with decision makers in the company of key customers?</td>
<td></td>
<td>50.0</td>
<td>26.9</td>
<td>49.3</td>
<td>43.3</td>
</tr>
</tbody>
</table>

The research results are made for each level of management, and management as a whole. For processing of questionnaire, a special software solution developed on the basis of author’s project was used. Analysis of the established results indicate that there are significant differences in the degree of understanding the concept among the examinees that arise and directly relates to the possession of knowledge and information about the nature and characteristics of relationship marketing as the basis of the concept of key account management (Table 2).

![Figure 2. A preliminary customer categorization in selected postal services company.](image)

After reviewing the current situation and management attitudes on the need and understanding of the concept of key account management in the Post Office of Serbia, it is necessary to formalize the process of developing this concept with the understanding of necessary costs and benefits. Formalization of acceptance and development of key account management concept would be provided with the adequate decisions of top management and the governing body.

**Segmentation and preliminary categorization**

Realization of the pilot project for key account management model based on conducted segmentation and categorization of customers by previously determined marketing criteria and levels of profitability.

The research results are made for each level of management, and management as a whole. For processing of questionnaire, a special software solution developed on the basis of author’s project was used. Analysis of the established results indicate that there are significant differences in the degree of understanding the concept among the examinees that arise and directly relates to the possession of knowledge and information about the nature and characteristics of relationship marketing as the basis of the concept of key account management (Table 2).
management in the postal services would begin with preliminary identification, selection and categorization of customers, which preceded the process of market segmentation and business satisfaction survey of users of postal services, which have a dominant influence on the success of Post of Serbia. In order to define the optimal criteria for selection of key customers, as one of the most important processes of KAM, in the chosen postal services company, a survey exploring the satisfaction of business users of postal services has been completed. It is important to emphasize that the results of the research support the confirmation of the claims that the key account management is based on customer satisfaction and profitability.

Of the total number of customers who are covered by the survey, 36% of the customers expressed their satisfaction with cooperation with postal services company with grade 5 (offered on a scale of 1 to 5); 30% of the customers rated the same with grade 4; 30% of the buyers with grade 3; 4% of the customers with grade 2, whereas for collaboration with the selected postal service company, 0% of the customers rated with a grade 1. Among 36% of customers who have demonstrated the highest level of satisfaction are mainly those customers who have long standing business cooperation, thus, they reaffirm their loyalty. In the chosen postal services company, it is very difficult to locate the costs of its source, in determining the level of profitability of customers. The data used were about the structure of services which (potential) key customers use. Based on calculating the cost of these services, the costs of customers were considered and determined. In addition to confirming the claim that the key account management is based on customer satisfaction and profitability, comes the fact that after the preliminary categorization of customers, among potential key customers were found precisely those companies that expressed high levels of satisfaction, loyalty and profitability. These are buyers for whom we have found a high level of their lifetime value (Customer Lifetime Value-CLTV), the key to maximizing future profits. After determining the lifetime values of the customer, the company can focus on more attractive customers.

Of the total number of companies that are covered by the survey, 44% of the companies stated their readiness to recommend the chosen postal services company to their business partners. As seen in the previous case, the companies as potential key customers were also found in this group which advocates the seller company, and confirms their testimony about the present high level of satisfaction, based on the strategy and the proposed model used for managing the key account in the postal service. Identification of key customers is based primarily on quantitative parameters, rather than on subjective opinions. A preliminary classification of customers was carried out through the classification of customers in A, B or C category by applying the Pareto 80/20 rule (Figure 3).

In order to obtain valid information, their participation in income during the period of three previous years (2007 to 2010) was discussed. This process is presented in three steps:

**Step 1**: Grouping customers into three categories (A, B, C) based on the average share of revenues generated by the customer in the total income of Post of Serbia during the three financial years (2006 to 2008), using Pareto 80/20 rule. Criteria for categorizing customers according to the amount of revenue generated for the year were defined as follows: revenue higher than 100 million dinars (A buyers), from 10 million to 100 million (B customers), and less than 10 million (C customers). Factor of

![Figure 3. Pyramid of customers in the selected postal services company in B2B market and the Pareto principle (80:20).](image-url)
significance in the amount of 30% is assigned to the indicator of income generated by the customer, and the same is marked with a ‘pup’. 

Step 2: Engaging the other financial measures that are acceptable to the postal services companies such as generated direct profits, that is, customer profitability. The postal services company in which all marketing management research was performed, customer profitability as well as the product, is not determined yet. For the purposes of building key account management model, a very simple perspective for measuring customer profitability based on monitoring of revenue from customers and revenue from postal services and products was used during the research. With allocation of the cost amount, contribution to the profit from individual customers was determined. This is the profitability of customers at its most basic level, as a difference between revenue and cost per customer. Unfortunately, this process was manually performed during the study with the existence of a large number of constraints related to the precise determination of: the cost of some services, the costs of customers, number of orders, the manner and schedule of delivery (especially express service with short delivery period), each individual delivery causes far greater costs compared to the bulk delivery at certain time intervals, and that cannot be seen based on the data on income and number of services provided, thus, may lead to erroneous conclusions about the profitability of customer. However, by implementing software solutions, such as already existing CRM and SAP systems, we could get adequate responses and appropriate measures of customer profitability.

These findings support the certification hypothesis, that the key account management can be much more effective if they provide software support. It is true that CRM software, which largely supports this concept, has its limitations such as the observed fact that the same does not give detailed information about two customers buying the same product, but behaving in different ways. For example, customer A can order a postal service, especially express and mass reception packages that are executed at the address specified by the customer, in one-month order, but the customer B can order the same two times a week. Assuming that the income of each of these customers is equal, and that the cost of postal services and delivery are the same, the cost of servicing these two customers are different, and hence their profitability. The problem that is also observed when measuring profitability refers to the allocation of costs. Customer retention costs can be viewed as investments in customer assets item, and the same must be arranged through the expected life of the customer, and then opposed to the income generated by these customers. These problems and dilemmas, very common in practice, can easily and efficiently be overcome by providing adequate software support that provides a better and a more timely data, which is the basis of efficient and effective key account management. In opting criteria for identification, selection and categorization of key customers or determining the customer value for the Post of Serbia, the following criteria were used: profitability of key customers, share in revenue from sales, attractiveness. To profitability as the most important criterion of selection of buyers, we have provided a significance of the coefficient at the level of 50% marking it with ‘pk’. Participation in income from sales on part of the key customer marked with ‘pup’ to which is assigned a coefficient of significance in the amount of 30%. In addition to the criteria of participation in the revenue and profitability of each customer, in order to identify key customers, we used the criterion of attractiveness of the customer (pak - which is based on the estimated potential, value of life, satisfaction, relationship level with the customer, etc.), to which we assign a factor of significance in the amount of 20%. Coefficient of customer attractiveness would be evaluated by manager for key customer, and would be expressed in the interval from 0 to 100%.

Step 3: Identification of key customers as customers with the highest value level, that is, the highest impact on performance indicators and competitiveness of Serbian Post.

In formulating the model for segmentation of customers, we started from the fact that the value delivered to key customer is critical for KAM (Pardo and Naude, 2006). The proposed model “PostPPA” a general model for calculating the total value of the customer (Vk) as the basis for segmentation of customers in the postal services companies, can be represented by the following expression:

\[
Vk = \sum_{i=1}^{n} ti \cdot pi
\]  

(1)

where: \( ti \)- weight of i-th element; \( pi \)- coefficient (calculated or estimated value)

\[
Vk = tup \cdot pup + tpfk \cdot ppfk + tpak \cdot ppak
\]  

(2)

where: \( Vk \) – coefficient of customer value; \( pup \)-% share in total income; \( ppfk \)-% of customer profitability; \( ppak \)-% of assessed customer attractiveness; \( tup \)- weight factors of customer participation in the total income; \( tpfk \)- weight coefficient of customer profitability; \( tpak \)- weight coefficient of the estimated customer attractiveness.

\[
t = 0.3; 0.5; 0.2
\]  

(3)

\[
Vk = 0.3 \cdot pup + 0.5 \cdot ppfk + 0.2 \cdot ppak
\]  

(4)

During the implementation of complete process of identifying key customers, as well as on the basis of
Table 3. Application of model “PostPPA” to calculate the total value of customers in the postal service in the formation of final ranking list of key customers.

<table>
<thead>
<tr>
<th>Key customers of postal office of Serbia selected by value in year 2008.</th>
<th>% pup 2008.</th>
<th>% Ppfk</th>
<th>% Ppak</th>
<th>Vk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 P.ZA T.A.D.</td>
<td>33.731</td>
<td>123.894</td>
<td>130</td>
<td>98.066</td>
</tr>
<tr>
<td>2 S.M. DOO</td>
<td>0.295</td>
<td>124.871</td>
<td>130</td>
<td>88.524</td>
</tr>
<tr>
<td>3 A. I.</td>
<td>0.223</td>
<td>120.513</td>
<td>125</td>
<td>85.323</td>
</tr>
<tr>
<td>4 M.K. D.O.O.</td>
<td>0.912</td>
<td>118.336</td>
<td>120</td>
<td>83.442</td>
</tr>
<tr>
<td>5 E. DOO N. S.</td>
<td>3.082</td>
<td>114.725</td>
<td>125</td>
<td>83.287</td>
</tr>
<tr>
<td>6 E.D.B. DOO</td>
<td>1.520</td>
<td>113.483</td>
<td>125</td>
<td>82.956</td>
</tr>
<tr>
<td>7 E.F. R. A. D.</td>
<td>0.256</td>
<td>115.931</td>
<td>115</td>
<td>81.764</td>
</tr>
<tr>
<td>8 M. F.- P. U.</td>
<td>0.223</td>
<td>115.248</td>
<td>120</td>
<td>81.692</td>
</tr>
<tr>
<td>9 U. ZA Z.R.O.</td>
<td>0.318</td>
<td>117.338</td>
<td>120</td>
<td>81.857</td>
</tr>
<tr>
<td>10 G.B. G.U.</td>
<td>0.226</td>
<td>115.114</td>
<td>120</td>
<td>81.643</td>
</tr>
<tr>
<td>11 M. C..C. D.O.O. E</td>
<td>0.287</td>
<td>115.114</td>
<td>120</td>
<td>81.643</td>
</tr>
<tr>
<td>12 B. P. Š.A.D.</td>
<td>25.990</td>
<td>95.002</td>
<td>130</td>
<td>81.297</td>
</tr>
<tr>
<td>13 M.P. REP</td>
<td>1.731</td>
<td>116.785</td>
<td>110</td>
<td>80.912</td>
</tr>
<tr>
<td>14 T.NOR D.O.O.</td>
<td>1.535</td>
<td>112.052</td>
<td>115</td>
<td>79.487</td>
</tr>
<tr>
<td>15 JK.P I.</td>
<td>1.368</td>
<td>113.821</td>
<td>110</td>
<td>79.321</td>
</tr>
<tr>
<td>16 &quot;JUG&quot; D.O.O.</td>
<td>0.265</td>
<td>109.466</td>
<td>115</td>
<td>77.813</td>
</tr>
<tr>
<td>17 KOM A.D.</td>
<td>0.292</td>
<td>115.396</td>
<td>120</td>
<td>77.876</td>
</tr>
<tr>
<td>18 JP &quot;SLG&quot;</td>
<td>0.344</td>
<td>109.693</td>
<td>105</td>
<td>75.950</td>
</tr>
<tr>
<td>19 AG ZA P.R.</td>
<td>0.333</td>
<td>105.787</td>
<td>120</td>
<td>74.993</td>
</tr>
<tr>
<td>20 RA B A A.D.</td>
<td>0.921</td>
<td>101.541</td>
<td>110</td>
<td>73.047</td>
</tr>
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<td>21 B IN A.D.</td>
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<td>99.996</td>
<td>110</td>
<td>72.230</td>
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<tr>
<td>22 SO G B</td>
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<td>110</td>
<td>72.165</td>
</tr>
<tr>
<td>23 VO B AD</td>
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<td>99.746</td>
<td>110</td>
<td>72.018</td>
</tr>
<tr>
<td>24 MI RAD P</td>
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<td>95.114</td>
<td>100</td>
<td>67.942</td>
</tr>
<tr>
<td>25 REP. F Z PE I ZA</td>
<td>0.590</td>
<td>89.859</td>
<td>100</td>
<td>65.178</td>
</tr>
</tbody>
</table>

Vk – coefficient of customer value; pup- % share in total income; ppfk- % of customer profitability; ppak- % of assessed customer attractiveness.

obtained results, it can be concluded that the biggest customers are often not the most profitable customers, because the distribution of customers in the ranking, following the procedure of their selection using the proposed model “PostPPA” has considerably changed. Most profitable customers are usually a little behind the biggest customers because they cause lower costs. Based on received indicators, ranking of preliminary categorized customers has finally been made and identifies 25 potential key customers in selected postal services company. The results of numerous studies suggest the conclusion that the optimal number of key customers is between 20 and 30 (Ryals, 2005; McDonald, 2007; Capon 2001, Pardo, 2008).

In addition to the proposed method for determining the cost of customers, same can also be determined by cost per process/activity specific to customers with an essential condition, namely the existence of systems for accounting costs based on activities (activity based costing – ABC system).

In accordance with the adopted methodology, testing the application possibility of the proposed modified model of the author, “PostPPA” was conducted in the Post of Serbia on identified potential key customers. After application of the model “PostPPA”, positions of key customers in the ranking have changed significantly compared to the previous one, which was the aim and purpose of the same (Table 3).

The complete process of segmentation and selection of buyers should be repeated at least once during the year and more if necessary.

PORTFOLIO AND ANALYSIS OF KEY CUSTOMERS

After identifying key customers, it is necessary to complete the analysis at the level of each customer. It is very important to determine which existing customers are profitable, and whether they will be in the future, with the need to assess their potential for the planning period. For this purpose, to simplify the selection process of customers and the development of appropriate goals and strategies, the portfolio matrix of customer segmentation is made. The strategy of reward and investment should
be applied on existing profitable customers who will in the future continue to be profitable. We should commit to deliver personalized solutions to such customers, because they have a strategic importance for the company's success and development. It is necessary to manage the existing profitable customers, who in the future will not continue to be profitable. Companies have to help such customers as it is in the interest of the seller company and for the buyer company. Existing nonprofit customers, who have the potential to become profitable in the future, should be given maximum support by the seller company by reducing the cost of their service (by generating more profitable processes) or through the projected price system and the future engagement that such a customer will have with another company's management from the standpoint of mutual relations (Krznaric and Popovski, 2001). Finally, when it comes to nonprofit existing customers who are likely to be unprofitable in the future, the best thing a company can do is to stop this kind of relationship, in which case, it must be done very carefully because there is a possibility for negative consequences to emerge for the company. It is recommended that every such situation be avoided. It would be desirable that in such situations, the customer is made to understand that the company wants to continually develop future business relations only with those customers with whom relationship exists, based on creation of shared values, strategic alignment of resources and strategies. On the basis of all facts, it can be concluded that a successful implementation of key account management strategy program would represent a profit strategy to the postal services, which requires adding value to relationships with key customers.

Conclusion

Postal service companies should establish management activities for key customers through the process of planning strategic business relationships that will provide insight into the status of a key customer, collecting and analyzing data, setting measurable goals and accountability. After developing criteria for identifying key customers, we decided to adopt and develop the concept of key account management, based on the proposed model, to ensure that other key elements of the strategy (systems, processes, organization) are aligned. The organizational structure should allow flexibility and creativity of professional managers for key customers in the application of modern business concepts. The role of top management should be directed at understanding the benefits that can provide the application of key account management concept, while at the same time understanding their own opportunities and risks. The implementation of continuous training and training of personnel while implementing the system of incentives would create the essential prerequisites for supporting and improving the key account management. Managers of key customers are expected to be flexible, intelligent, stable, open to customers, skilled in communication and able to avoid conflicts. Primarily, they must have a sincere desire to be "lawyers and advisers" to key customers in the seller company. Strategy for key account management in postal services may be effective only in situations where there has been inter-organizational alignment of requirements and expectations of key customers and the organization of postal services. Case study in this paper presented possible applications of the concept by application of the proposed modified model for key account management in the postal service, "PostAIM", as well as "PostPPA" within the same, as a general model for calculating the total value of the customer to the postal service and activities in the service sector in general. The proposed general model for determining the value of customers for the company is based on customer profitability as the dominant factor of the value of customer, customer's share percentage in the revenue from sales and assessed attractiveness of customers. Application of proposed methodology of key account management in the postal service was performed, primarily through testing the application possibilities of the proposed models "PostAIM" and "PostPPA". We have come to the conclusion that the proposed KAM model is applicable in the postal service and that it provides the following key results:

i. Provides efficiency and effectiveness in the process of segmentation and categorization of customers
ii. Provides identification of key customers based on marketing criteria and profitability
iii. Contributes to lowering of risks as a result of wrong choice of customers in which should be invested
iv. Provides efficient planning of management of key customers at the level of customer
v. Allows definition of objectives and choice of optimal strategies for each key customer, as well as their alignment with corporate strategic objectives and capabilities of the company
vi. Provides efficiency in implementing key account management
vii. Provides monitoring of realization of key account management and deviations from the plans (defines strategic plan for each customer, the action plan, relations plan and communication plan)
viii. Provides necessary feedback as inputs to the planning process
ix. Ensures the establishment of foundations for the development, growth and maintaining profitability in the long-term relationships with key customers
x. Provides a measurable level of objectives achievement
xi. Contributes to improving knowledge about customers
xii. Contributes to linking of plans and strategies at the organizational level and the level of each key customer
xiii. Provides justification for investments in key
xiv. Contributes to increase the company’s effectiveness, efficiency, profitability and competitiveness of the parties in relation

xv. Can provide development of synergetic partnerships

xvi. With the analytic view of key results of application of the proposed KAM model, it can be concluded that the model can contribute to improving the model of key account management.

REFERENCES


Krznaric D, Popovski G (2001). Key Account management in International Context, Graduate Business School, Elanders Novum AB


