



## Global account management: a supply-side managerial view

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Received 1 October 2001; accepted 1 October 2002

### Abstract

The purpose of this paper is to provide a theory-based explanation for the adaptive variations in a supply manager's role within a global account management (GAM) relationship. The variations in a supply-side manager's role are explained using a combined knowledge-based view and relational contracting theoretical perspective. The demands of the global customer, which constrain the supply managers' role adaptation, present a unique set of challenges to organizations supplying in global accounts. The new managerial competencies, required for effective global account supply management under global customer's constraints, are described. In conclusion, specific managerial actions are recommended for effective global account supply management, which are intended to engender the development of trust and social capital in the global customer–supplier relationship.

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*Keywords:* Customer–supplier interdependence; Global account management; Supply manager

### 1. Introduction

The turbulent rate of environmental change has contributed to the growth of the global account management (i.e., GAM) form of organizing a firm's supply chain [1–3]. GAM is a structural alternative of providing worldwide exclusive mutual interdependence between the supplier and customer organizations [4,5]. This high customer–supplier interdependence is intended to create on a global scale a connected set of assets (i.e., value chain) between the organizations, which is difficult to be replicated by competitors [6–8]. The achievement of such an interconnected relationship, while creating considerable competitive advantage, however, also dramatically increases managerial role ambiguity in the organization supplying the global customer [9,10].

The role of a global account supply manager is to build critical linkages for the firm with the globally dispersed customer's units, while simultaneously managing the internal functional and cross-functional relationships within the supplying firm [11–14]. The resulting plurality of goals

in the internal and external global account settings greatly complicates the supplying manager's task [15–18]. There has been a plethora of research on GAM primarily focused on the structural and relational fit between the global customer and its supplying organizations [19–21]. However, the managerial issues in supplying global account customers and maintaining global account processes have curiously been neglected in the past research in both international marketing and management literature.

The purpose of this paper is to provide a theory-based explanation for the emerging role adaptation/variations of managers in organizations supplying global account customers. First, the concept of global account is defined and the multiple changes in the supply manager's role orientation outlined. Second, a combined knowledge-based view and relational contracting theoretical perspective is used to derive the dimensions influential for the manager's role variations. Third, specific global customer's constraints and managerial challenges and competencies associated with the global account supply task are outlined. Fourth, practical recommendations for manager's behavior in supplying a global account are suggested. In conclusion, a number of managerial actions, designed to stimulate the development of trust and social capital in the global customer–supplier relationship, are proposed.

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**2. Theoretical framework for supply manager’s adaptive role variations in GAM relationship**

GAM can be defined as a dependency arrangement between the customer and supplying organizations (or their parts) that are interrelated through both formal and informal ties at multiple levels across national borders [22,23]. This broad definition reflects a holistic and systematic perspective on interorganizational adaptation, which is reflected in the growing practice of forming global account-centered relationships [24]. By conceptualizing a global account beyond a set of functional and relational activities performed by downstream and upstream parties in the value chain, an operational definition of GAM, as the value-adding quasi-integration of globally dispersed facilities, activities, and social relationships, would appear to be appropriate [25,26]. Therefore, the GAM construct can be used to focus not only the formal design elements of the global supply chain concept (such as a centralized worldwide coordination of parallel local network and product development activities), but also to emphasize its informal social infrastructure built and maintained by the managers in the customer and supplying organizations [27–29].

In particular, managers supplying global accounts operate within complex local and global interorganizational structures utilizing a variety of collaborative activities directed at problem identification and finding solutions for their global customers [10,30]. The primary activities of a manager in a supplier organization are (1) selecting appropriate supply activities and resources, (2) influencing the operating context of the global account relationship, and (3) leading within and between organizations across borders under the conditions of persistent ambiguity [31]. When performing the GAM supply task, these managers manage

collaboratively while maintaining their discretion and responsibility within their own organizations. Such a hybrid mode of managing facilitates the supplying firm’s operating flexibility, capacity for innovation, and development of a unique and valuable relational capability for global accounts [32–34].

To sustain the effective supply management in the global account relationships, these managers need to possess both technical and social competencies that are relational yet contingent in nature [35,36]. Because of the culturally diverse context of the diffusion of information across different global account units and their specific domains of knowledge, managers need to encourage a culture of interpersonal and interorganizational trust in which individuals and units involved in the global account relationship can learn to cooperate [37,38]. This type of working relationship requires a knowledge exchange across national and organizational borders and requires the use of a hybrid form of management not historically found in supplier organizations (i.e., which traditionally have a clear distinction of functions). Specifically, new competencies are required for a global account supply manager to be effective in this role. These include effective management of conflict, power, influence, control, leadership, and trust building. Further, these competencies need to be developed both within the firm’s boundary and relative to the worldwide relationships in the global account. The dimensions, influential for the manager’s adaptive role variations in the global account supply relationship, are illustrated in Fig. 1.

The supply manager’s adaptive role variations reflect the heightened demand of the global customer for the expanded scope of managerial actions within a GAM relationship. The interorganizational context of the global account allows independent actions of individual parties, but as the global

		Environmental Conditions of Supplier-Customer Relationship	
		Stable	Unstable
Scope of Supplier-Customer Relationship	Country-specific	<p><b>TRADITIONAL ROLE</b></p> <p>Traditionally, the manager maintains arms length relationships defining specification requirements and closely monitoring if specifications are met in the delivery phase of the final product to the global customer</p>	<p><b>MONITORING ROLE</b></p> <p>The manager maintains arms length relationships but extends monitoring to include manufacturing and logistics processes and assesses if each party can further maintain global account relationship</p>
	Global	<p><b>CO-DEVELOPMENTAL ROLE</b></p> <p>The manager maintains co-developmental relationships stimulating intensive information sharing but controls the working of each relationship in the global account system</p>	<p><b>CO-PARTNERING ROLE</b></p> <p>The manager maintains cooperative relationships joining R&amp; D efforts on a long-term basis in order to build commitment and trust to achieve entrepreneurial but common and mutually acceptable outcomes for both global account parties</p>

Fig. 1. Manager’s role variations in global account supply management.

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