

**FOR PUBLICATION**

**AGENDA ITEM**

**CORPORATE KEY ACCOUNT MANAGEMENT**

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MEETING:	1. 2. EXECUTIVE MEMBER FOR REGENERATION
DATE:	1. 2.
REPORT BY:	HEAD OF REGENERATION
WARD:	ALL
COMMUNITY FORUM:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	N.A.

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FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS: NONE

TITLE: N.A.                      LOCATION  
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**1.0 PURPOSE OF REPORT**

- 1.1 For members to consider the adoption of a system of Key Account Management for key Chesterfield Companies.
- 1.2 For members to consider how the Council defines key companies that such a system should apply to.

## **2.0 RECOMMENDATIONS**

- 2.1 To approve the Council's adoption of a system of key account management.
- 2.2 To approve the proposed methodology for defining the companies that will become key accounts.

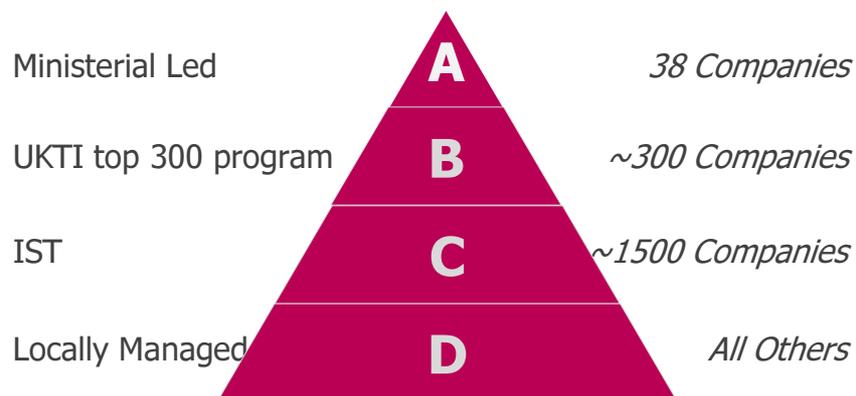
## **3.0 BACKGROUND**

- 3.1 It is important that the Council understands the objectives of its key businesses; known as key account management. Engagement with business should be done in a seamless and consistent way so that Members and officers display a well informed approach when dealing with businesses. Key account management is the vehicle through which the Council can achieve a number of corporate plan objectives to deliver a growing and diverse business community.
- 3.2 The Economic Development Unit (EDU) operates a commercial property service which assists businesses in finding suitable premises. The team also has regular contact with new and indigenous businesses through Destination Chesterfield, Chesterfield Champions, promotion of opportunities such as Regional Growth Fund, the City Skills Deal, the Innovation Support Project and various events updating businesses on strategic developments.
- 3.3 In delivering the property service the EDU uses the Tracktivity database which is licensed by DEP to record all business enquiries that the EDU receives. It also contains all the available properties within Chesterfield Borough and the available properties within the DEP region. Each partner is responsible for updating their own element.
- 3.4 Outside of the above functions, the Council also engages with some businesses through inward investor development but this approach is reactive and on an *ad hoc basis*. In some cases the Council Leader and/or Chief Executive deal directly with companies; on others contact is delegated to the Head of Regeneration , Development and Growth Manager, Economic Development Manager, Town Centre Operations Manager or Cultural and Visitor Services Manager.

- 3.5 Other inward investment activity is carried out on behalf of the Council by the SCR Inward Investment Team, Derbyshire Economic Partnership (DEP), D2N2 LEP and UKTI.
- 3.6 The Council in its regulatory functions also deals day to day with businesses from an enforcement and advisory perspective. The Council is currently considering participating in the establishment of the Better Business for All partnership across the D2N2 LEP area. The aim of this partnership is to improve business relations and encourage growth. This will complement the proposals for Key Account Management and businesses that are seeking advice on regulatory functions can be referred proactively to this partnership.
- 3.7 Models of Key Account Management:  
There is currently no standard Council-wide system for recording business engagement including businesses contact details, records of discussions and agreed actions. This means that there is a danger that discussions with the same business are duplicated or contradictory information given or that actions are not followed up, this can leave the business with inconsistencies in approach and a poor impression of the Council. With Destination Chesterfield about to launch an Inward Investment Campaign it is important that the Council is equipped to manage relationships with businesses and contribute towards the overall Destination Chesterfield 'Red Carpet Treatment'.
- 3.7 There are several successful models of key account management (as defined by UKTI) that are used by other local authorities and LEPs. For example some larger regions/LEPs have adopted sector modelling (e.g. Scottish Development International, Birmingham LEP); whilst some smaller regions/LEPs have taken a large company focus with some sectoral prioritisation (e.g. Tees Valley Unlimited, North East LEP). Key account management in Sheffield is the responsibility of Creative Sheffield.

3.8 The UKTI model for national account management, illustrated below, demonstrates how key account management is carried out at different levels depending on the organisation. For example the top level companies (A) are managed by the Strategic Relationship Management Unit (cross government, based in UKTI) and are led by ministers and senior civil servants. Level B is the UKTI top 300 program - UKTI Business Group owns UKTI's top 300 accounts, which are deemed most strategically important to UKTI and often require HMG support. Level C is the UKTI Investment Services Team (IST) accounts and has around 2,000 accounts (including the IST accounts). The final level (D) is the locally managed accounts.

### Segmentation of National Account List



## 4.0 PROPOSAL

4.1 In light of recent developments at SCR level and nationally, it is recommended that the Council moves to a more pro-active and structured approach to key account management. The UKTI model in 3.7 above can be adapted as a model to structure key account management in Chesterfield with the different management tiers of the Council carrying out key account management depending on the size and turnover of the company.

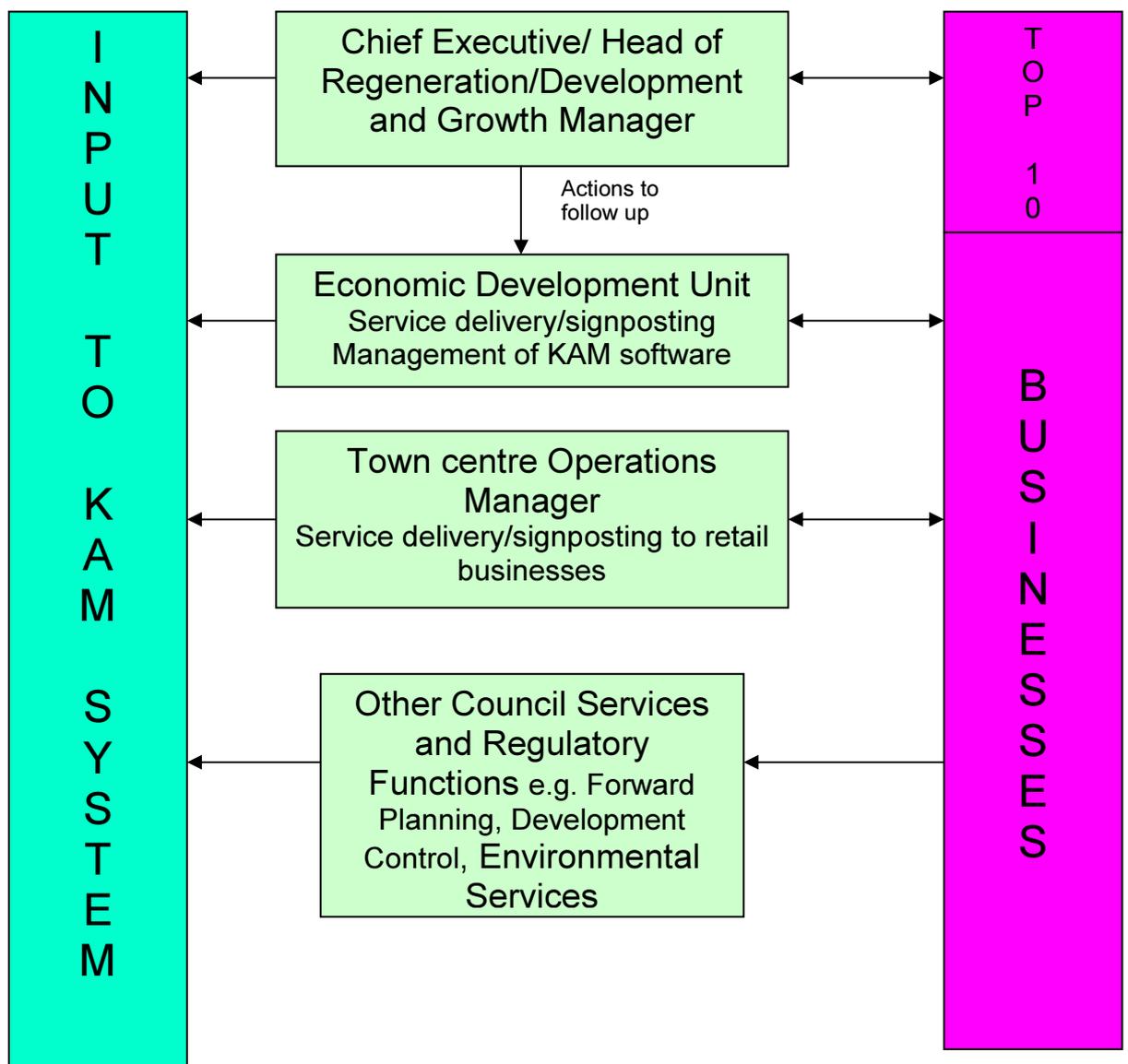
- 4.2 Appendix 1 lists the largest companies in Chesterfield in terms of their turnover and no of employees.<sup>1</sup> The Chesterfield key account management model should focus on companies that represent the greatest opportunity for the economic growth of the borough. However, it is also important that a strategic relationship is achieved with smaller companies with growth potential to help drive positive impacts, e.g. small companies may be more open to exploring methods of financial support and advice that CBC could offer.
- 4.3 The key account management model should offer an holistic, integrated service that includes support for any relocation, other business support, recruitment and workforce/skills development, business rates advice, planning or regulatory advice and also signposting of potential funding streams. The Council's role might be as both a direct deliverer of services and an 'honest broker' with other agencies (e.g. the LEP, training providers, specialist business advisors, Jobcentre Plus, Skills Funding Agency). It is likely that the key account management function of the Council will play an indirect strategic role within the company. For example, the Council could support the business to secure external funding (GPF, RGF) or bring in external expertise (Innovation Support project). It could be that some companies purely require assistance in navigating the complexity of the public sector landscape e.g. Chesterfield's role with the SCR LEP.
- 4.4 The companies listed in the table at appendix 1 are recommended as priorities for key account management in Chesterfield. Where a relationship does not currently exist, it is recommended that first contact with the top 10 companies should be with the Chief Executive, Head of Regeneration or the Development and Growth Manager of the Council. The EDU managers will approach and maintain dialogue with the rest. This demonstrates an interest and commitment, at the highest level, to the business. Follow up meetings or specific issues that are discussed can then be taken forward and co-ordinated by the EDU. It will be important for a regular dialogue to be maintained with the business.

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<sup>1</sup> This list has been compiled using data from the Chamber of Commerce as well as information that was freely available from a database called Mint.

4.5 The model will also need to capture the Council's engagement with other businesses which will continue to be on an ad hoc basis, such as when a business approaches the EDU to ask for assistance with a specific project e.g. finding new premises as well as those companies that come into contact with the Council at networking events such as Destination Chesterfield and the Chesterfield Construction Trades Network.

4.6 KAM operating model



- 4.7 Training may be required for Managers and Officers within the EDU, who carry out key account management, on the interventions which are most likely to lead to GVA impact in companies.
- 4.8 Inward investors will not form part of the key account management strategy, the Destination Chesterfield 'Red Carpet Treatment' is in place and will be carried out. If an inward investor chooses to relocate to Chesterfield engagement will transfer from UKTI/SCR Inward Investment Team to local support through Chesterfield's key account management model.
- 4.9 It is recommended that the process of key account management is formalised and recorded on a system that is used across the council. A corporate, standardised IT based system should be used to record all activity, including dates and summary of discussions and what has been agreed with the company. In developing a system, efforts should be made to ensure links can be made with existing databases within the Council that record information on businesses (for example, Business Rates, Planning etc). Further, links with partners such as the Chamber of Commerce and Chesterfield College could be explored to ensure that the information contained on businesses is as up to date and robust as possible. A draft pro forma to assist with this has been developed and is attached at Appendix 2. This system is then to be used for all contact, regardless of by whom the contact is made and a complete record of all the engagement that the Council has had with that company will be recorded. It is important that continuity is maintained between the key account managers and the companies they support and the system will enable this to happen.
- 4.10 A number of the companies listed in the table in appendix 1 have previously engaged with the Council. It is proposed that the Chief Executive and the Head of Regeneration put forward the names of companies they already deal with and that they continue to do so. The companies that are highlighted are also Champions as part of the Destination Chesterfield project, therefore it will be important for the Destination Chesterfield Manager to have access to update the key account management system. This will then enable

the key account management system to begin to be populated.

## 5.0 CORPORATE ISSUES

5.1 In preparing this report consideration has been given to the following standard corporate issues:

- Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action
Duplication of contact with business	Medium	Low	The system of recording key account management will capture all contact and avoid duplication. Efforts will be made to ensure linkages with the Business for All partnership proposals.
Businesses that are not captured by key account management feeling isolated	Low	Medium	Key account management will continue to operate if businesses contact the EDU – in addition to those businesses that will be targeted

- Financial Implications

Key account management will be carried out by the Chief Executive, Head of Regeneration, Development and Growth Manager and staff within the EDU, using existing resources. The costs of the system to record key account management will be covered by the Innovation Support Project, which is

externally funded through the European Regional Development Fund. Quotes will be sought for the development of the system but it is not expected that the system will cost more than £5,000.

## **6.0 EQUALITIES IMPACT ASESMENT (EIA)**

- 6.1 A preliminary EIA has been carried out and as businesses are the focus of this new policy, all groups will indirectly benefit as a result. A full EIA is not required for this policy.

## **7.0 RECOMMENDATIONS**

- 7.1 To approve the Council's adoption a system of key account management.
- 7.2 To approve the methodology for defining the companies that will become key accounts.

## **8.0 REASONS FOR RECOMMENDATIONS**

- 8.1 To enable the Council to take a more pro-active approach to managing relationships with local key companies for the benefit of the local economy and Chesterfield residents.

You can get more information about this report from Lynda Sharp/Laurie Thomas ext 5256.

*FOR CABINET/LEAD MEMBER REPORTS ONLY:*

Officer recommendation supported/not supported/modified as below or Lead Member's recommendation/comments if no officer recommendation.

Signed

Lead Member

Date

Consultee Lead Member/Support Member comments (if applicable)/declaration of interests

