

REVIEW OF HIE SUPPORT TO ACCOUNT MANAGED BUSINESS

2010-2013 – EXECUTIVE SUMMARY

Report to Highlands and Islands Enterprise
October 2014



THE CONTEXT

As the Scottish Government's economic development agency for the Highlands and Islands, HIE's pursuit of the Government Economic Strategy¹ recognises the critical importance of support to businesses. HIE provides a considerable range of services that have the overall objective of stimulating business growth and competitiveness. HIE supports business in the Highlands and Islands through investments and products tailored to help businesses develop more quickly and with increased scale and impact. Support for business start ups and skills advice is provided elsewhere by Business Gateway and others.

The range of support to businesses, social enterprises and communities is significant and includes assistance with transformational business projects, the full range of business activities including export R&D, innovation, skill training, business advice, leadership and entrepreneurship, business start-up, graduate placement and the provision of property. It is delivered through a customer account management system that ensures that provision is tailored to need. Delivery is adjusted to reflect the particular local context in which businesses operate and thus the economic fragility of the local economy. Support is focused on businesses in sectors that are in line with HIE's overall strategic objectives².

Account management was adopted by HIE in 2008 with most of the activity in the first year involving establishing client relationships and developing three year growth plans. Accordingly, the first full year of account managed activity was 2009/10. Account management now lies at the heart of HIE's delivery of support to business and also those social enterprises where the approach is relevant. There were 70 HIE staff identified as Business Account Managers spread across the HIE offices as at the end of October 2013.

This Review was commissioned by Highlands and Islands Enterprise and was required to assess the effectiveness, efficiency and the Value for Money (VFM) of HIE support for account managed business, as well as to consider how well it was meeting its equity targets and aligning with other HIE activities. It was also required to assess the appropriateness of the delivery model used by HIE to deliver support to businesses, assess client satisfaction with the support services provided through HIE's account management model and make recommendations to enhance HIE's future delivery of business support.

The Review comprised a number of elements that included:

- In-depth interviews with relevant HIE staff
- An extensive online survey of businesses that had been supported by HIE
- In-depth face to face interviews with companies, key stakeholders, HIE Area Office account management delivery staff and relevant relation managed companies;
- In-depth telephone interviews with companies, key stakeholders and relation managed companies

1. <http://www.scotland.gov.uk/Publications/2011/09/13091128/0>

2. <http://www.hie.co.uk/about-hie/policies-and-publications/operating-plan.html>

OVERALL CONCLUSIONS ON IMPACT

THE RATIONALE FOR INTERVENTION

The underlying rationale for HIE support to business is that there are entrenched market failures that are particularly severe in relatively remote, predominantly, rural areas and which hinder the growth of business. Businesses find it difficult to obtain business advice and support that is sufficiently customised to their needs and which recognises the particularly severe problems that they may experience in obtaining finance, premises and human resource. The concern is that without action by the public sector then businesses will undertake insufficient levels of innovation, investment, recruitment and training. As a consequence they will grow more slowly. Slower growth means less income and jobs which in turn leads to more people, particularly the young, leaving the Highlands and Islands further reducing its economic vitality and its underlying competitiveness as a place to do business.

The Review finds strong evidence to justify this rationale. Businesses highlighted the considerable constraints they experience in securing funds with which to expand their businesses and the crucial role of HIE in assisting them in this respect. This was particularly the case in the more fragile areas. The overall finding of the Review is that HIE support for commercial business delivered by the account management process is regarded by its beneficiaries as making a significant contribution to their performance and hence to that of the various constituent local economies of the Highlands and Islands. This view is strongly endorsed by key stakeholders across the business community. The package of business support offered to social enterprises is also highly regarded and believed to be effective in meeting their business objectives.

THE SCALE OF THE INTERVENTION

HIE account management data at the end of October 2013 showed 306 Account Managed businesses with growth plans agreed since 2009. These businesses had a turnover of over £1.3 billion and project investment plans at that time of £216 million. A further 228 Account Managed businesses had a draft growth plan that had not yet been formally agreed. The number of Account Managed companies across the eight HIE operational areas was 490 at the end of 2013. There were some 34 Social Enterprise businesses included in the research (from a stock of about 120 account managed Social Enterprises across the Highlands and Islands).

ADDITIONALITY

In assessing the contribution HIE account managed business support has made to the economic vitality of the Highlands and Islands the principal challenge is to calculate "additionality": i.e. the net contribution which HIE and other public support has made to business performance beyond that which would have been achieved in its absence. In the following sections we present the evidence from the Review on additionality, how it compares with that obtained by other business support programmes and how the process of account management should be changed if HIE wishes to increase the efficiency and effectiveness of this form of intervention.

To assess the additionality of the intervention it was necessary to assemble a considerable amount of evidence from HIE management information systems and also from the businesses that have been assisted. A complicating feature was that the Review has been concerned to assess the achievements of the intervention at a time when the majority of the businesses assisted have yet to fully complete their first three year growth plan. The methodology adopted recognised this difficulty. It sought to establish the views of businesses and those who are assisting them in the delivery of account management. An econometric assessment based assessment may

be appropriate when sufficient time has elapsed for impacts to be reflected in establishment based data. The methodology adopted is described in the main evaluation report.

The sample of beneficiaries surveyed was designed to be representative of the population of businesses assisted overall. The first stage in the process was to establish from the businesses what they believed to be the impact of the activities supported by HIE and other public organisations on the growth of their sales and employment at the end of the three year growth plan period. Inevitably this required a judgement from the respondents rather than a reference to recorded data since in the majority of cases this was not available. Because of this deficiency respondents were probed on their judgement on the probability that the investments supported by the Account Management process would actually translate into the increased turnover identified in the growth plan. This overall impact was then considered in the light of the additionality response made by the business and thus what level of growth their business would have achieved in the absence of the package of support.

Around 20% of respondents believed that the scale of their activity would have been less. Nearly 30% of businesses indicated that they would not have undertaken their growth plans without HIE support. Over 50% of businesses responding emphasised that the benefits and impact on their performance that arose from the implementation of the HIE business plan would have taken longer to emerge. Deadweight was quite low. These are encouraging results.

The social enterprises were asked what would have happened to the benefits and impacts that had emerged from the implementation of their business plan in the absence of the HIE and other public sector support. There was no deadweight indicated in the social enterprise responses but true additionality was also a little lower than with other businesses. There was a slightly higher response in relation to scale effects and a slightly lower response on timing compared to the businesses but the differences were not large.

There were some significant differences in the additionality responses between business in fragile areas compared to non-fragile areas. A very much higher proportion of the businesses in the fragile areas stated that the benefits and performance improvements from the account management business plan being implemented would not have occurred at all. This indicates that the focus of HIE business support on these areas was well targeted.

The evidence was that gross additionality was of the order of 45.7-48.7% (depending on whether the additionality was assessed based on an employment base or a turnover base). It was highest for the strand A businesses which were those clients we regard as being of national significance to Scotland (47.0-49.3%), followed by the strand B businesses which were those who make a regionally significant contribution to the economy of the Highlands and Islands (43.8-47.7%). The weakest additionality was in the strand C companies which were those identified as important to the local economies of the Highlands and Islands, including social enterprises (37.3-39.3%). In terms of business size additionality was higher in companies that employed 6-50 people. It was lowest in those employing 100-250.

After allowing for displacement, leakage, multiplier and linkage effects³ it is estimated that HIE support to its account managed business has created between £263.3-£350.0 million extra turnover in the Highlands and Islands since 2009. This was equivalent to between £102.4-£136.2 million of extra GVA, or an extra 3594-4780 extra jobs (FTE) created across the Highlands and Islands.

OVERALL CONCLUSIONS ON IMPACT

COMPARISON WITH ELSEWHERE

Whilst recognising the difficulties involved in making comparison across different policy initiatives we note that the gross additionality associated with HIE account management HIE since 2009 is broadly comparable with that attained by business support programmes elsewhere in the United Kingdom. However, there is a relatively high level of displacement, around 30%, and after allowing for some relatively small leakage effects, the net additional contribution is more modest. The overall net additionality ratio of 47.2% (mid-point of employment and turnover estimates) for all the respondents can be compared⁴ with other business support programmes across the United Kingdom in recent years that have used a company survey based methodology to derive estimates of additionality. Based on the evidence from 114 studies across the United Kingdom the average net additionality ratio was 52.8%, somewhat higher than that for the HIE Business Support but the confidence level was 5.6% and the median was 49.5%.

VALUE FOR MONEY

A detailed analysis was undertaken of financial approvals data for 284 businesses where a growth plan had been agreed. The HIE (net Grant In Aid) approved was £51.8 million, other public £12.6 and private £118.7 million. The total public commitment thus helped to lever total growth plan related business investment of £183 million over the period 2009-2013, a ratio of 2.84. HIE provided around 28.35% of the required funding for the investment to take place. A further 1.0% came from EU funds, 5.9% from other public and 64.8% from the companies themselves.

Over the period 2009-2013 a total of 306 growth plans were agreed for businesses across the Highlands and Islands with a combined turnover of £1.3 billion at the date when the growth plan was agreed. The growth plans contain projects representing a total of £215.9 million (of which HIE Grant In Aid is £63.9 million). The total direct public sector support is estimated to be £76 million. A further £4 million was associated with discretionary expenditure that was provided through specific programmes⁵. If this is then compared with the additional jobs created by this initiative this would suggest a cost per job of £15,900 if all of the projected business growth was realised. If only 75% of this was attained the equivalent figure would be £21,100.

These estimates can be compared with recent evidence provided by the National Audit Office on the Regional Growth Fund in England that is another business support programme that is operating in slower growing regions. NAO comment that 'If the Fund delivers in line with expectations, the average cost to the Fund of each net additional job would be £33,000. It is difficult to benchmark this cost against the cost per net additional job of similar previous programmes because evaluations do not contain strictly comparable information. However, based on the information available, a cost of £33,000 per net additional job is similar to the cost per net additional job achieved by programmes with comparable objectives' (NAO, 2012).⁶ Also, the evaluation of Regional Selective Assistance in Scotland for the period 2000-2004 pointed to a cost per job in the range £11,272 and £34,419 which in 2014 prices would be somewhat higher (Scottish Executive Social research, 2008).⁷

THE VIEWS OF BUSINESS

The empirical research confirmed that HIE business support is satisfactorily targeted with higher levels of take-up from businesses with the greatest need. In general businesses believed that HIE support had helped them to improve their confidence, acquire the relevant skills to support their growth objectives, improve clarity of strategic direction and facilitated access to finance. The fact that the delivery of assistance was locally orientated and customised to their needs was considered to be very important.

Businesses highlighted the constraints they experienced in securing funds and the crucial role of HIE in assisting them to grow their businesses. This was particularly the case in the "fragile areas". Businesses in these areas tended to make rather more use of the development investment grant, innovation support, entrepreneurship support, investment in new facilities and funding for workforce development and training than elsewhere. They also made more extensive use of sign-posting to other supports services and monitoring and aftercare.

Social enterprises considered that support from HIE had enabled them to obtain clearer insights into the specific issues facing their organisations and, because of the support they had received they had obtained more in the way of general advice, signposting to other business services, and after care support than they would otherwise have had available to them. They too emphasised the importance of HIE support in acquiring the key skills to support their business growth as well as improving the clarity of their strategic direction. The impact of HIE business support was to be found in retention or expansion of the employment base rather than in the growth of their sales.

The role of the Account Manager in understanding client requirements was particularly highly rated across the board. Nearly four fifths of respondents believed that their Account Manager was good or very effective, just under a tenth thought it was too early to say, just over tenth felt that they were neither good nor poor, and only 3% felt that they were either poor or very poor. Account Managers were considered to be supportive and solution focused and to have adequate knowledge of the particular business needs. The ability of the Account Managers to access specific market intelligence was relatively weaker. Whilst many businesses expressed general satisfaction with the account management process within that generally benign context we consider it important that 46% of beneficiaries reported that the process could be improved. Particular criticisms included the need for more contact with Account Managers and inadequacies of some Account Managers in the way of relevant business expertise.

Social enterprises rated the support that they had received more highly than commercial businesses. In considering the different responses between the social enterprises and business respondents it should of course be recognised that many social enterprises have only been established relatively recently and may have relatively lower levels of capability to address their business needs compared with the business average. They were particularly satisfied with the benefits of advice, development grants, the relevance of the HIE support to their needs and the overall programme management and organisation. They also registered higher satisfaction with monitoring and after care. They also rated the organisation and delivery of business support

⁵ These were expenditure under the Specialist Advice Contract that amounted to £1.78 million over the period 2011-2013, expenditure on Leadership for Growth over the same period that amounted to £0.6 million. Expenditure on the High Level Leadership Programme that amounted to £0.4 million. Expenditure on the MIT Entrepreneurship Programme that amounted to

⁶ National Audit Office. The Regional Growth Fund. Report by the Comptroller and Auditor General. HC 17. Session 2012-13. 11th May 2012.

⁷ Evaluation of Regional Assistance in Scotland. Scottish Government. Scottish Executive Social Research.2008

EXECUTIVE SUMMARY

from HIE more highly than their business counterparts. In relation to the scope for improvement the responses from the social enterprises were quite different to those of businesses with the social enterprises requesting proportionately more contact time, more help with funding and a range of other needs. Interestingly, they were more aware of the opportunities for contact and networking through social media.

Businesses in fragile areas expressed greater satisfaction with all elements of HIE business support than their non-fragile counterparts, particularly with investment in new facilities, the investment grant and general and specialist advice. They also rated HIE organisation and delivery of HIE business support more highly being particularly impressed with the relevance of the support provided and overall programme management and organisation. They identified more help with funding options as being important in future improvements. The ability of the Account Manager to be supportive and solution focused stood out.

RELATIONSHIP MANAGED BUSINESSES

Following a review of the account management process in 2012 HIE identified a need for a more consistent and more transparent approach to the way in which it managed its relationships with 'significant businesses, influencers, strategic partners, local authorities, parliamentarians (termed stakeholders) who may not fit with the account managed process'. These companies vary significantly in size, sector and potential relevance to the work of HIE. As part of the Review a small number of them were interviewed. Those interviewed were, in general, very positive of the contribution that HIE made to the economic development of the Highlands and Islands. They believed that they had good and robust relationships with HIE which was flexible. The overwhelming view was that HIE was an organization that could be approached relatively easily and they knew who they should contact and speak to if they needed to discuss issues relevant to their business with HIE. They also thought that HIE did a good job of identifying who they might need to discuss issues with within Scottish Government and were adept at arranging the relevant interfaces.

RECOMMENDATIONS

HIE support to business delivered through account management is clearly working to attain the first three strategic priorities identified in its Operating Plan. Thus, it is supporting businesses and social enterprises to shape and realise their growth aspirations. It is strengthening communities and fragile areas and developing distinctive regional opportunities in key growth sectors. The portfolio of products and services offered are well targeted and meet the needs of business. Establishing the additionality of the initiative presents considerable problems of concept and measurement but the evidence points to it being broadly in line with other business support programmes elsewhere in the United Kingdom that experience similar problems. However, a key objective should be to increase it.

The introduction of the account management approach has raised business expectations and this has required concomitant culture changes within HIE and in the delivery of business support. We recognise the efforts of Senior Management within HIE to meet this challenge and we share their view that the current "direction of travel" is the right one. However, there is more to be done and that will

have to be achieved by making better use of existing resources. The challenge for HIE is to do more with much the same resource base. In this section we make recommendations for change that we believe are manageable within the envelope of available resources.

We have found plenty of evidence that HIE's Account Managers, sector teams and other central resource are assisting and meeting the needs of businesses but it is more difficult to establish:

- How the quality and quantity of the account management resource is aligned with the needs of those businesses that have the greatest potential to realise growth both within and across strands in the existing Stratification Model (although we are sure that in some cases this obviously does occur);
- How the performance of businesses through time in each of these strands is tracked, monitored and assessed so that as their needs change so does the account management resource. We remain unclear as to how the growth plan is used to assess and update progress in a systematic and organic manner;
- Evidence of a systematic approach across HIE that ensures that there is progression in the skills and abilities of existing staff available to the HIE account management function so that they can be aligned with changing business need;
- Evidence that there is any systematic attempt to ensure that new staff are recruited in a way that builds the account management function or that experience is shared across HIE in this respect;
- There is sufficient knowledge and experience transfer across HIE and particularly local offices and the HIE Centre;
- The status of Relationship Managed Companies at the present time.

RECOMMENDATION 1.

THE SELECTION OF COMPANIES TO BE ACCOUNT MANAGED

When the account management process became active in 2008 the identification of businesses and social enterprises selected to shape and realise their growth aspirations was based on local knowledge. In the vast majority of cases the companies were well known to the HIE Area Offices as having growth prospects. There remains a broad consensus that there was then, and is now, an adequate reach. It follows that there is limited scope for increasing the number of companies to be Account Managed beyond the current yearly average. If that is so, then the greatest contribution to the over-arching objective of contributing to sustainable economic growth by way of the account management process will come from a rigorous reappraisal of the prospects of the companies to be account managed and a root and branch review of the quality of the assistance provided to the identified array. (We would caveat this by pointing out that links between Business Gateway and the Area Offices are not of uniform quality and there is still work to be done here).

At the present time HIE is capable of delivering account management support to around 400-450 commercial businesses and social enterprises (as a rough rule of thumb the number of account management businesses in any local HIE area is about 2% of the stock of businesses). However, we estimate that there can be no more than 80 businesses that can be regarded as truly high growth prospects across the Highlands and Islands at the present time (around 0.5% of the business stock available). Clearly, it is for HIE to determine the weights it places on each of the priorities in its Operating Plan and thus the relative resources that it wishes to commit to those businesses with the potential for high growth relative to other businesses which whilst having less growth potential still make an important contribution to their local economy.

However, we would point out that additionality in Strand A businesses (those clients we regard as being of national significance to Scotland) is some 168% above that of its Strand C businesses (those identified as important to the local economies of the Highlands and Islands, including social enterprises"). Moreover, the Strand C businesses also tend to be associated with much higher levels of displacement within Highlands and Islands market (by a factor of three).

We mention these differences because they highlight that in deploying its account management resources it is essential that HIE has a clearly articulated Stratification Model and aligns its account management resource accordingly. Identification of the "high growth" companies and the allocation to them of Account Managers of the highest calibre has to be an important part of what HIE does.

We recommend a thorough over haul of the Business Stratification Model and the extent to which it is adopted and applied across HIE. We feel that it would be appropriate for HIE to consider a model with around 80 high growth accounts contained in Strand A and a further 150 other 'development' growth accounts in Strand B. Both of these strands would be serviced by 30-40 account managers. Other businesses, which are currently mainly banded in Strand C, could still be provided with the full range of business support services in line with their development proposals, but would be dealt with on a more reactive basis relative to the two other strands. Out with its delivery of account management HIE will of course wish to maintain strategic and tactical relationships with business across the Highlands and Islands.

RECOMMENDATION 2.

TRACKING BUSINESS PERFORMANCE, THE GROWTH PLAN AND MONITORING PERFORMANCE

For those companies assessed at present as suitable for account management the starting point is the production of a growth plan. The statement in the HIE Process Guide for account management which states in its Introduction: "These processes require a consistent approach in terms of the skills and behaviours of colleagues in its application, to achieve organisational objectives and allow the production of robust data that will be used to manage overall performance". However, at the present time the growth plan does not appear to be part of an on-going, organic, process whereby business progression is assessed and the strategy for intervention adjusted accordingly. There are obviously examples of best practice in this respect but more is needed to ensure that a proper management information system is in place that enables Account Managers to up-date and assess progress and deploy resources accordingly. To improve things will require investment in bespoke software more suited to the task but it is also important to encourage Account Managers to do more with the existing HMS.

This is particularly important to ensure that an adequate exit strategy is in place and making future provision for intervention after the end of the first growth plan period. The growth plan should be a document

that is shared and up-dated in partnership between the potential beneficiary and Account Manager. Account management works best when the prospective beneficiary recognises what is involved in a mutually compatible partnership of endeavour. With that in mind, there would be merit in a formal 'signing up' process so that the parties are perfectly clear about what is involved and what is expected to be achieved as a result of HIE's intervention.

We recommend that HIE conduct a review of the manner in which growth plans are prepared, delivered, monitored for progress, modified in the light of changing circumstances, and evaluated to establish their contribution to business success and the contribution to sustainable economic growth within the local economy. On the basis of that review the Process Guide for account management should be revised where deemed appropriate and measures taken where necessary to ensure that application of the revised version replaces the existing customs and practice where these are demonstrably out of step with its requirements. Improved management information systems that are more appropriate for the job-in-hand are required.

RECOMMENDATION 3.

UPGRADING THE SKILLS OF ACCOUNT MANAGERS

The existing base of Account Managers has diverse backgrounds with in some cases quite different skill sets. The Review confirmed that there are many who are meeting and, indeed, exceeding the expectations of their clients. However, there are others who have some way to go in achieving what is expected of them. In some cases the Account Managers are mainly 'contact points' and reactive in their role; others, with the consent of the companies, act almost in the manner of non-executive directors of the companies they work with. In most cases Account Managers multi-task across a wide variety of office functions. **We believe that HIE needs to take steps to build a more coherent and identifiable account management Human Resource Function.** There should be a gradual but persistent move away from a process delivered by staff that extensively multi-task. This must certainly be the case in addressing the needs of high growth business. For these companies it is highly desirable that a dedicated team of Senior Account Managers be put in place. For the process to work effectively the decision takers within the client company must have confidence in the advice given and the form of support offered. Accordingly, the skills which Account Managers can bring to bear in particular situations are critical to the success of the process. The Account Manager and the advice given must be credible in the eyes of the decision takers within the company.

Many of the necessary characteristics of a successful Account Manager can only be achieved by hard won practical experience in the business environment. Moreover, the best Account Managers will be continually developing their skills by way of specific training, sharing of experience, and exposure to best practice. As current staff retire or they move on to other challenges, the opportunity should be taken to refresh the Area Teams by recruiting persons dedicated to the account management process, particularly for relatively potential high growth companies.

We recommend that there should be a review of the Job Description and Person Specification which will attract applications from appropriate persons. In addition to an appropriate Job Description and Person Specification it is important that the salary scale be such as to attract candidates of the appropriate calibre. We are attracted to the notion that the title of Account Manager be replaced with Business Development Officer or similar which more closely describes the post than the current title. There needs to be a clearly defined career and progression structure to the account management role.

RECOMMENDATION 4.

PROGRESSING THE ACCOUNT MANAGER SKILL BASE

We also recommend that there be two points of entry to the post of Account Manager. First, and only in exceptional circumstances, a "fully fledged" Account Manager may be appointed who meets all the requirements of the Job Description and Person Specification and has a confirmed track record which demonstrates practical experience and exceptional achievement in the tasks to be performed. As an indication of the characteristics which might be looked for in the Account Manager we return to the mix of skills and experience which beneficiaries told us were of particular importance when dealing with all SMEs. The current conventional starting salary is unlikely to attract persons of that calibre, unless personal circumstances happen to provide a convenient fit. A second point of entry should be available to less experienced persons, at a lower point of the salary scale, who are unlikely to be able to meet all of the considerable range of skills and abilities that are required of an Account Manager but have some of the necessary qualities and expertise and show promise of being able to grow into the job. The new appointment should have the opportunity to progress to the status of a "fully fledged" Account Manager.

As a starting point to that progression, on entry to the programme, the appointed person should have the advantage of a systematic induction designed to familiarise him/her with what is expected in the post and to establish a development programme such that on its completion the appointed person will have all the characteristics necessary for promotion. Whether a person has the package of social and interpersonal skills which is suited to the job will often only emerge when the person is in post. With that in mind, immediately after the induction is completed the person should be allocated to an experienced Account Manager who will act as a mentor until the development programme has been completed. We suggest that there is a need to introduce systems to appraise, identify and recognise Account Managers who are making substantive contributions. The performance of Account Managers should be subject of an annual

review and an integral part of that process should be client feedback.

There should be better utilisation of the current system so that appropriate steps can be taken to improve within a caring and supportive environment. Related to all that, in order to ensure that the Account Managers retain and improve upon their knowledge and skills, we envisage a systematic programme of continuous professional development to be conducted by periodic attendance at professional and relevant events and also in-house by way of regular seminars/symposia in which Account Managers within all of the of the Areas meet to exchange experience and examples of good practice. However, beyond that we regard it as essential that businesses be directed as early as possible to the pool of specialist skills which will provide the particular expertise required. Particular care must be taken in signposting towards the consultancies appropriate to meeting the particular challenges and opportunities identified by the Account Manager and the client. One potent source of specialist advice is the Business Mentoring scheme which could be extended to achieve the formation of industry specific groups able and willing to share amongst themselves best practice in meeting common problems and the challenge of sector competition out with the Highlands and Islands.

We recommend a move away from the current approach of designating a relatively large number of staff in each of the Area Offices as Account Managers many of whom multi-task. A more efficient and effective use of available resources is to work progressively towards establishing appropriate account management grading and thus appropriate career progression that recognises the existing skill set that an individual has and thus allows them to be more evenly matched with the particular type of business and need that they may have.

RECOMMENDATION 5.

ATTENTION TO THE STATUS OF RELATIONSHIP MANAGED COMPANIES WITHIN THE EXISTING ACCOUNT MANAGEMENT SYSTEM

The Review could not find evidence that the formal Relationship Management (RM) model suggested in the Review of the account management process in 2012 had been implemented and there was no systematic categorization of businesses into the recommended categories of Strategic and Tactical. It was not clear to the Review team that such a formalized system was necessary or worth the considerable resources required to deliver, update and maintain it.

The recommendation is not to implement it.

