A conceptual framework of global account management capabilities and firm performance

Linda Hui Shi\textsuperscript{a}, Shaoming Zou\textsuperscript{b}, S. Tamer Cavusgil\textsuperscript{c,*}

\textsuperscript{a} Michigan State University, N370 North Business Complex, East Lansing, MI 48824-1121, USA
\textsuperscript{b} University of Missouri—Columbia, Columbia, MO, USA
\textsuperscript{c} Department of Marketing and Supply Chain Management, Michigan State University, N370 North Business Complex, East Lansing, MI 48824-1121, USA

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Abstract

Global account management (GAM), a collaborative process between a multinational customer and a multinational supplier by which the worldwide buying–selling activities are centrally coordinated between the two organizations, has become a critical task for many multinational corporations. A framework for determining GAM dyadic strategic performance and joint profits is introduced. In this framework, three GAM-related capabilities determine GAM performance. These capabilities are \textit{Collaborative Orientation}, \textit{GAM Strategic Fit}, and \textit{GAM Configuration}. In an attempt to establish a research agenda on GAM issues, we develop propositions for each construct. This conceptual framework should help improve understanding of GAM as a dyadic phenomenon and provide a platform on which future empirical study can be conducted. At a practical level, this framework serves as the basis for formulating GAM strategies.

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1. Introduction

There is a growing recognition that globalization has driven customer–supplier activities to expand across national markets in order to create dyadic competitive
advantage and superior financial performance. Multinational corporations (MNCs) have now developed global account management (GAM) relationships that are highly complex, coordination-intensive, and especially powerful strategies to achieve above-normal profits (Toulan, Birkinshaw, & Arnold, 2002). GAM relationship is defined here as a collaborative process between a multinational customer and its multinational supplier where the worldwide buying–selling activities are coordinated centrally by specialized managers within these two organizations (Montgomery & Yip, 2000). GAM is especially powerful in that the two partners involved in GAM are often influential organizations with a prevailing impact on their own industries (Wilson, Speare, & Reese, 2002). The success of a GAM relationship is contingent on a myriad of idiosyncratic investments from two organizations, worldwide coordination efforts by specialized people within these firms, and the enormous efficiency therefore generated.

The emerging significance of GAM in business practice accentuates the need for deeper knowledge about how to formulate effective GAM relationships. Yet, research in this field has been scarce and GAM knowledge remains limited. In particular, the theoretical work that can help explain the success of GAM is scant, which undermines the development of GAM practices. Thus, there is an urgent need for research that would spur significant theoretical development and practical applications. The current research is intended to address the theoretical shortcomings of the literature, and is motivated primarily by the real-world phenomenon that some GAM relationships perform better than others.

There are successful GAM relationships and many failed ones in the marketplace. As an example, a one-year close collaboration between Xerox and BMW created a personalized “print-on-demand” owner’s manual solution. The new user manual is 80% thinner than the traditional one, with which BMW was able to eliminate storage and shipping cost and increase its customer satisfaction rate (Jeannet & Hennessey, 2003). There are also examples of unsuccessful GAM relationships, as such relationships may bear significant risks of failure. In fact, few dyads have mastered the necessary capabilities that can enable GAM collaboration to produce increased profits for each party (Arnold, Birkinshaw, & Toulan, 2001; Day, 1994). For example, Computer Corporations, a US-based manufacturer, saw its global agreement with a major global account in the financial services sector fall apart, because other subsidiaries of this customer learned that the German subsidiary had obtained a price below the minimum specified in the global agreement with Computer Corporations. To make matters worse, the German subsidiary eventually purchased much less from Computer Corporations than promised. Meanwhile, a number of the purchased units were suspected to be exported to Eastern Europe by a gray marketing channel (Arnold et al., 2001). These examples raise an important question of why some organizations are much better than others at managing a GAM relationship. More importantly, what GAM-related capabilities lead to its success?

The conceptual foundation for the current research is derived from the resource-based view (RBV) that claims the competitive advantage of an organization is obtained from its heterogeneous resources that are valuable, inimitable, non-
transferable, and durable (Amit & Schoemaker, 1993; Barney, 1991). Dyer and Singh (1998) suggested a relational view of RBV by further arguing that a firm’s critical resources can extend across its boundaries and be embedded in inter-firm routines; therefore a pair within a network becomes an important unit of analysis. Adopting their relational view, we focus on the dyad as the unit of analysis. Specifically, we argue that the sources of GAM competitive advantage are inter-organizational capabilities, which are defined as the complex bundles of knowledge and skill deeply embedded in inter-organizational routines and processes and deployed through the joint idiosyncratic contributions of the specific GAM partners (Day, 1994; Dyer & Singh, 1998). Our synthesis of the literature and in-depth interviews with managers help us delineate three distinctive capabilities in the context of GAM. These are collaborative orientation, strategic fit, and the GAM configuration.

**Collaborative Orientation** refers to a set of beliefs and mindsets cultivated in the interactions of two organizations and deeply embedded in their inter-organizational processes, which puts the mutual benefits first, while not excluding the interests of two organizations, in order to develop a long-term profitable relationship (Day & Van den Bulte, 2002; Deshpande, Farley, & Webster, 1993).

**GAM Strategic Fit** refers to a high level of agreement or consistency of global strategies applied by two organizations (Toulan et al., 2002; Van de Ven & Drazin, 1985).

**GAM Configuration** refers to the supporting organization structure, incentives, human resources, and information system from two parties—all of which provide an infrastructure for the GAM relationship. (Day & Van den Bulte, 2002).

In contrast to the traditional relationship marketing literature where the focus is on asymmetric relationship (Subramani & Venkatraman, 2003), such as how the dominant focal manufacturers safeguard their relationship-specific investments against the opportunistic behavior of their suppliers (e.g., Buvik & John, 2000; Heide & John, 1990; Jap, 1999; Selnes & Sallis, 2003) or their distributors/retailers (e.g., Jap & Ganesan, 2000; Murry & Heide, 1998), the current research explores management interactions between large MNCs. While useful in understanding inter-firm relationships, the constructs commonly used in the relationship marketing literature are not specific to the GAM context. As a result, new constructs, such as GAM-related capabilities, have to be employed to better delineate the determinants of GAM performance.

The current research is based primarily on in-depth interviews with leading suppliers who are influential manufacturers in their industries and have active GAM programs in place. The three focal constructs, i.e., collaborative orientation, GAM strategic fit, and GAM configuration are derived from the relevant literature, such as customer orientation (Day, 1994; Deshpande et al., 1993), global strategy (Birkinshaw, Toulan, & Arnold, 2001; Zou & Cavusgil, 1996, 2002), and traditional account management research (Homburg, Workman, & Jensen, 2002). We synthesize the interview findings with a broad literature review in order to provide a conceptual framework for GAM practices and lay out a theoretical foundation for future empirical studies. However, the purpose of this article is not only
to delineate actionable propositions, but also to explore new issues in this field and call for future research on the GAM relationship.\(^1\)

The remainder of this article is organized as follows. First, we briefly review the existing GAM research to highlight how our integrative model can enrich the understanding of GAM. We then derive relevant constructs from the resource-based view. Finally, we close with a commentary on the theoretical and managerial merits of the proposed integrative model.

2. Global account management as a complex managerial task

Although multinational corporations have adopted GAM as a managerial practice for a couple of decades, GAM has become a priority for most Fortune 500 companies only in the last several years (Toulan et al., 2002). Despite its importance and complexity, GAM-related research is “sparse and recent” (Birkinshaw et al., 2001). Montgomery and Yip (1999: p. 10) define GAM as “an organizational form and process in multinational companies by which the worldwide activities serving a given multinational customer are coordinated centrally by one person or team within the supplying company”. They believe it is the industry globalization drivers that create conditions for the use of GAM. Therefore, an MNC needs to set its global strategy, organizational structure, and management process appropriately relative to its industry globalization drivers, factors that are related to market, cost, government, and competition (Johansson & Yip, 1994; Montgomery & Yip, 1999; Yip & Madsen, 1996).

Drawing on the contingency theory and a variety of “fit” literature in which “fit” is defined as “a static match between actors and/or conditions” (Van de Ven & Drazin, 1985), Toulan et al. (2002) expect that “a greater fit between a global supplier and its global account on a variety of strategic as well as structural aspects will result in higher performance of the relationship”. More specifically, it is expected that the symmetry of approaches across two organizations is associated with enhanced mutual performance (Pardo, Salle, & Spencer, 1995). This result is complemented with a traditional bargaining power perspective that would predict that the performance will most probably be skewed in favor of the more powerful side in the presence of power asymmetry between two parties. GAM structures allow the global supplier to increase its information processing capability as well as its bargaining power versus its global account (Birkinshaw et al., 2001). Finally, some recent publications about GAM provide insightful studies of how MNCs are managing their global accounts (Capon, 2001; Harvey, Myers, & Novicevic, 2002; Wilson et al., 2002).

GAM research has its roots in traditional research on Key/National Account Management (KAM/NAM) that focuses mainly on such issues as customer selection, performance measurement, compensation, and customer segmentation (Millman & Wilson, 1996; Weilbaker & Weeks, 1997). An important stream of

\(^1\) We conducted about a dozen interviews in three leading GAM supplying companies, including Xerox, P&G, and one major financial service company.
KAM research examines the complexity of managing NAM in different geographic
areas, functions, as well as operating units, and recognizes that the support systems
are largely a neglected area (Pardo et al., 1995; Shapiro & Moriarty, 1984). Along
with this view, GAM is not simply an extension of KAM across countries for
customers (Yip & Madsen, 1996). Rather, it is a substantial managerial challenge
for supplier firms, because their worldwide customers have become very selective
about consistent service and a favorable price. GAM activities tend to escalate
the complexity in the global organizational structure and require a high level of
purposeful cooperation in organizational cultures as well as coordinated global
strategy (Day, 1994; Deshpande et al., 1993).

Thus, the global marketing strategy and global organization literature (Cavusgil
& Zou, 1994; Jain, 1989; Roth & Morrison, 1990; Zou & Cavusgil, 1996, 2002) are
closely related to GAM. The match of global strategies adopted by two organiza-
tions will be associated with the dyadic performance (Toulan et al., 2002). Mean-
while, the characteristics of dyadic investments (Dyer, 1996, 1997) and the process
of collaboration (Weitz & Jap, 1995) will also affect GAM performance. Finally,
the embedded organizational belief and culture affect the ability of a dyad to adopt
a GAM relationship.

3. A proposed conceptual framework of GAM

Scholars in the strategy field are fundamentally concerned with explaining how a
business achieves and maintains a superior competitive advantage (Porter, 1980;
Rumelt, 1991). Porter’s (1980) competitive forces approach puts the emphasis on
the intensity of competition in the industry. As a result, many researchers in stra-
tegic management focused on the industry as a relevant unit of analysis (Dyer &
Singh, 1998; Jap, 1999). In response to Porter’s (1980) model, the emerging
resource-based view (RBV) argues that heterogeneity of a firm’s resources, rather
than industry structure, are the ultimate sources of competitive advantages
(Barney, 1991; Rumelt, 1991; Wernerfelt, 1984). Day (1994: p. 38) classified resour-
ces in two categories: “Assets are resource endowments the business has accumu-
lated”, while “capabilities are the glue that brings these assets together”. Firms
that are able to accumulate distinctive assets and capabilities will achieve a com-
petitive advantage over their competitors (Barney, 1991; Dierckx & Cool, 1989).

Recent strategy literature acknowledges that a firm’s critical resources may
extend beyond its boundaries (Dyer & Singh, 1998). In other words, relationships
with competitors, suppliers, and customers are resources to a firm if they are rare,
valuable, nonsubstitutable, and inimitable. Consequently, a dyad becomes an
important unit of analysis for understanding the process of generating competitive
advantage. We therefore argue that two firms’ distinctive capabilities may extend
beyond their boundaries to form inter-organizational capabilities. Mainly drawing
on Day’s (1994) definition for capabilities, we define inter-organizational capability
as a nontradable resource deeply embedded in inter-organizational routines and
practices that bring the assets of two organizations together and “enable them to
be deployed advantageously” (Day, 1994).
Our primary focus in this article is to examine how GAM collaborative processes between a supplier and its global account can lead to strategic advantages for both parties. In Fig. 1, we offer a conceptual model that focuses on the dyadic process as the unit of analysis. In this model, we explain what the two parties do together in forming and maintaining the relationship; the three inter-organizational capabilities are Collaborative Orientation, GAM Configuration, and GAM Strategic Fit; the underlying antecedents, organizational factors and environmental dynamism, which constitute the context.

The value of a collaborative relationship is derived from its inimitable nature. First, its “causal ambiguity” nature makes the process difficult to observe and duplicate by rivals (Dierckx & Cool, 1989). Second, a successful collaborative relationship requires a high level of accumulated idiosyncratic investments from both parties over a long period of time, due to the fact that two organizations will continually invest in a specific collaboration based on past success. Those investments in turn will facilitate further asset accumulation and create barriers for a succeeding mover to replace the current player (Dierckx & Cool, 1989). Finally, although all general processes look similar, every relationship is specific in its learning curve, human resource investment, and mutual strategic goal, making it virtually impossible to be imitated precisely (Jap, 1999).

Being a very complex and coordination-intensive collaboration process, GAM is special in that it requires a high level of purposeful coordination of global resource and global strategic moves worldwide (Arnold et al., 2001; Yip & Madsen, 1996). Accordingly, GAM introduces a specialized GAM group in a supplying MNC,
which is often independent of traditional country or product division of that MNC. Meanwhile, driven by various global procurement initiatives, such as outsourcing, streamlined supply chain, and early supplier involvement, a global account is continually investing idiosyncratically in GAM relationship to develop new global procurement strategies and reconfigure global resources. Thus, we use **GAM Configuration** and **GAM Strategic Fit** to capture these realities. **Collaborative Orientation** is important in the GAM context in that it is a set of fundamental beliefs that differentiate GAM from traditional arm’s length buying–selling activities. It guides worldwide GAM activities, in spite of national and cultural differences that GAM may confront. In the following discussion, we further propose that those three capabilities can produce superior favorable outcomes for both parties.

### 3.1. GAM strategic outcomes

Before we articulate the propositions, two outcome constructs are delineated. **Joint Profit Performance** refers to an above-normal profit generated by the joint efforts of the two organizations, which cannot be produced by either organization independently (Dyer & Singh, 1998). In other words, joint profit performance is not a simple summation of the two organizations’ profits; rather, it is created through the mutual effort and investment that inhabit a specific dyad (Jap, 1999). **Dyadic Competitive Advantage** refers to strategic outcome earned from the dyadic relationship which enables this specific dyad to outperform competitive dyads (Jap, 1999; Porter, 1980). The competitive dyads need to invest substantial time and effort in order to copy this relationship which is characterized by “causal ambiguity” and “time compression diseconomy” (Dierckx & Cool, 1989).

### 3.2. Inter-organizational capabilities as mediators

**Collaborative Orientation** is a set of basic values and expectations shared by two exchange parties that are working together to jointly achieve mutual and individual goals. Collaborative orientation is a fundamental capability that can make sense out of inter-organizational routines, behavioral norms, and working processes. As a result, a highly collaborative GAM partner will seek a sufficient understanding of its partner, in order to achieve a long-term joint benefit (Narver & Slater, 1990). However, a simple focus on information needs is not adequate in understanding collaborative orientation in this case, because collaborative orientation is a set of more fundamental values, beliefs, and mindsets that are likely to constantly reinforce the focus of a high level of cooperation and influence the two involved parties (Deshpande et al., 1993). More explicitly, collaborative orientation can be described as “why things happen the way they do” in a GAM. The phenomenon of information exchange and processing between two parties, on the other hand, is an inter-organizational climate, “what happens around here” (Schneider & Rentsch, 1988).

In our exploratory interviews, a global account general manager of a major manufacturing company explicitly stated, “my role is to identify and address my
customer’s needs” (a Global Account General Manager from a Fortune 500 Company, \(^1\) Personal Communication & May, 2003). Interestingly enough, she also showed a culture matching matrix classified by collaboration, entrepreneurship, clan, and hierarchy, by which she chose the appropriate strategy to manage her customer. She said that they expected their customers to be collaborative. She also acknowledged that her company has a mixed culture. However, the culture of her GAM team is definitely a collaborative one.

Theoretically, Collaborative Orientation serves as lubrication that smoothes the cooperation between the two parties. As a result, it enhances the efficiency of using strategic assets deeply embedded within two organizations to drive down the transaction costs that incurred in that specific relationship. In addition, Collaborative Orientation is inimitable due to the continual idiosyncratic investments and the difficulty with which a specific orientation can be duplicated exactly. Therefore, we propose:

**Proposition 1a.** Collaborative orientation between two parties in a GAM relationship has a positive effect on dyadic competitive advantage.

**Proposition 1b.** Collaborative orientation between two parties in a GAM relationship has a positive effect on joint profit performance.

**GAM Strategic Fit** is a second-order factor comprised of **Global Standardization Fit**, **Global Participation Fit**, and **Global Coordination Fit**. Each reflects one dimension of the match or consistency on global strategy between the two organizations (Arnold et al., 2001; Cavusgil & Zou, 1994; Zou & Cavusgil, 2002). Although fit can take various meanings, it usually refers to interactive fit and environmental fit. Interactive fit focuses on the interaction of pairs of organizational variables, while environmental fit is on the match of an organization to its environment (Toulan et al., 2002; Van de Ven & Drazin, 1985). We use the concept of interactive fit in that GAM is a dyadic phenomenon. We further adopt the Toulan et al. (2002) definition in which inter-organizational fit is described as “a high level of agreement or consistency between two interacting organizations” (Toulan et al., 2002: p. 3). More specifically, GAM strategic fit can be comprised by three components.

**Global Standardization Fit** refers to the extent to which the global supplier’s approach to standardizing its products matches its customer’s global standardization demand. Despite the long debate about standardization versus adaptation, we argue that when GAM relationship manifests a match of global standardization strategies between two parties, the performance will be enhanced (Toulan et al., 2002). For example, Electrolux provides a range of large refrigerators that fit Shell’s consistent Retailer Visual Identity strategy, which wants to make Shell gas stations look the same everywhere (Toulan et al., 2002). As a result, both organizations benefit from this stable and profitable relationship.

**Global Participation Fit** refers to the extent to which both organizations pursue marketing operations in the same major markets in the world. In the age of rapid globalization, if a supplier cannot keep the globalization pace of its global account, it will risk losing that account permanently (Wilson et al., 2002). For example,
AT&T extended its operations globally, because its global accounts would use AT&T’s competitors, such as NEC, Siemens or IBM, if AT&T could not satisfy their global needs (Yip & Madsen, 1996).

Global Coordination Fit refers to the extent to which a dyad’s value-adding activities in different country locations are planned and executed inter-dependently on a global scale in a coordinated manner. Due to the dyadic nature of the coordination concept, this concept is a bit different from the aforementioned two in that it not only requires a similar level of global coordination within two organizations, but also requires a high level of purposeful global coordination between two organizations in pursuit of mutual benefits. For example, in our exploratory interviews, a country level global account manager from a major manufacturing company stated that, when its global account manager serving ABB informed GAM managers of the possible order from ABB, these GAM managers located in various countries would study the local unique business needs and develop their country-specific proposals. Each GAM manager then interacted with its ABB local purchasing managers to work out the specific industrial customer solution. Later, managers located in different countries from both organizations negotiated in a teleconference to formulate a global agreement.

Theoretically, in addition to the inimitable nature of inter-organizational capability (Cohen & Levinthal, 1990), the value of Global Strategic Fit is derived from its GAM relating selective nature. It is selective in that not all organizations can form GAM relationships. GAM is often formed between two influential organizations that powerfully impact their own industries and that have rich alliance experience (Dyer & Singh, 1998; Wilson, Speare, & Reese, 2002). Therefore, the succeeding mover is very likely to confront a “Partner Scarcity” problem (Dyer & Singh, 1998). In addition, as two parties continue to invest in a GAM, based on past success, the “Asset Mass Efficiency” effect will therefore enhance the sustainability of that dyadic resource (Dierckx & Cool, 1989). Therefore, we propose:

**Proposition 2a.** The strategic fit between the GAM partners (i.e., standardization fit, participation fit, and coordination fit) has a positive effect on dyadic competitive advantage.

**Proposition 2b.** The strategic fit between the GAM partners (i.e., standardization fit, participation fit, and coordination fit) has a positive effect on joint profit performance.

GAM Configuration can be conceived in four dimensions: activities (what is done), actors (who does it), support (with whom is it done), and formalization (how formalized is it) (Homburg et al., 2002). The essence of GAM configuration is a type of inter-organization, relation-specific asset in that the investments for configuration are specialized or unique to a specific GAM relationship and are not easily transferable to other relationships. Therefore, such investments will lose their values if the relationship is terminated (Dyer & Singh, 1998). At the same time, these investments are necessary for GAM because they facilitate relational exchange (Heide & John, 1992), and represent commitment to the relationship
GAM Activities include global pricing, global joint product development, and taking over business processes that are outsourced by global customers. For example, 3M used R&D competence as a criterion in choosing a global account, from which 3M benefited from the increasing R&D capability that enables 3M to deliver highly customized new products (Arnold et al., 2001; Capon, 2001).

GAM Actors include global account teams and top executives from both organizations, who are involved in the processes of problem solving, decision making, and activity planning and coordination with its counterpart (Arnold, Belz, & Senn, 2001; Harvey, Novicevic, Hench, & Myers, 2003; Millman, 1996; Wilson & Millman, 2003). For example, P&G’s Wal-Mart Global Account Team members locate in the headquarters of Wal-Mart. Meanwhile, Wal-Mart provides worldwide training to P&G’s global account personnel. As another example, a senior president is located at Xerox Beijing, who is responsible for coordination with senior level managers at the global account organization.

GAM Support refers to global account-related personnel’s access to its organizational resources. In our exploratory interviews with a leading supplier, we were quite impressed by the complex web of human resources across different functions and countries that are directly or indirectly involved in that relationship from both the supplier company and its global account.

GAM Formalization is defined as “the extent to which the treatment of the most important customers is governed by formal rules and standard procedures” (Homburg et al., 2002: p. 45). The degree of formalization is among key characteristics of GAM. Formalization approaches include the change of management reporting lines, the establishment of GAM budgets, the coordination of cross-functional activities, and the development of standard operational procedures. Therefore, we propose:

**Proposition 3a.** GAM configuration has a positive effect on dyadic competitive advantage.

**Proposition 3b.** GAM configuration has a positive effect on joint profit performance.

### 3.3. Antecedents of GAM-related capabilities

Goal Congruence refers to the extent to which both global supplier and its global account perceive a common set of strategic and/or economic goals (Arnold et al., 2001; Jap, 1999; John & Reve, 1982). Prior to entering a GAM relationship, the two organizations need to examine if they have common goals, due to the fact that the consistent strategic goal sets a platform and a basic incentive for their future joint investment, use of global strategies and purposeful collaboration (Cavusgil, Yaprak & Yeoh, 1993; Hedaa, 1993; Marshall, 2003; Roath, Miller, & Cavusgil, 2002). For example, 3M selects its global account not only based on a customer’s volume commitment, but also based on its R&D competency. The common goal of 3M and its global account is to deliver highly customized new products. Based on
the R&D projects tailored to the needs of both organizations, it began to develop appropriate global buying–selling strategies and jointly invest in this dyad, from which both organizations enhanced their R&D capabilities and deepened the existing relationship (Capon, 2001). Therefore, we propose:

**Proposition 4a.** Goal congruence of GAM partners has a positive effect on collaborative orientation, GAM strategic fit, and GAM configuration.

**Resource Complementarity** refers to the degree to which each organization can provide distinctive knowledge, assets, and capabilities that are lacked by the other organization and that can therefore fill the other organization’s need. Resource Complementarity is a motivation for GAM formation and sets an initial stage for joint investment. For example, in the P&G and Wal-Mart GAM relationship, P&G can supply innovative products and consumer knowledge, while Wal-Mart grasps first-hand consumer purchasing data and inventory movement data. Therefore, we propose:

**Proposition 4b.** Resource complementarity of GAM partners has a positive effect on collaborative orientation, GAM strategic fit, and GAM configuration.

### 4. Directions for future research

Drawing on the extant literature and manager interviews, the conceptual framework presented in this article describes the dyadic process of a successful GAM and underscores the three important GAM-related capabilities. Several conclusions can be drawn from this conceptual framework. First, this article addresses the question of why some GAMs perform better than others by focusing on dyadic GAM capabilities. That is, the three GAM-related capabilities are binding a supplier and its customer into a seamless coalition at a global level, which rewards the supplier as well as its customer with extraordinary rents that cannot be generated by either organization in isolation. First, **Collaborative Orientation** reflects the commitments across two organizations that drive their decision making and priority setting. Second, **GAM Strategic Fit** suggests greater fit between two organizations in a variety of aspects of their strategies will generate better dyadic performance. **GAM Strategic Fit** is further broken down into three dimensions, including Global Standardization Fit, Global Participation Fit, and Global Coordination Fit. Finally, **GAM Configuration** reflects both organizations’ idiosyncratic investments toward their GAM relationship. These are top executive involvements, specialized teams, GAM relating incentive systems, and formalized processes.

Second, this study also sheds light to the applicability of the RBV in the context of GAM. More interestingly, we adopt the “relational view” of RBV to extend a firm’s critical resources beyond its boundaries (Dyer & Singh, 1998). Specifically, when exchanging parties invest specifically in their GAM relationship and combine their resources in a unique way, extraordinary joint rents can be generated. Hence, this study distinguishes itself from past research by conceptualizing all constructs and delineating the entire GAM process in a dyadic way, as opposed to the past...
research that examines mostly the individual perspective. In view of the fact that both GAM-specific research and dyadic conceptualizations remain scarce in the marketing field (Birkinshaw et al., 2001; Jap, 1999), such a view is promising.

Finally, at a practical level, this research stresses on the importance of a collaborative culture, the fit of strategies, and joint idiosyncratic investments. In other words, a GAM relationship’s success relies not so much on the external environment as on the capability embedded within an inter-organizational working process. In fact, current customer or supplier relationship management largely rests on the execution stage rather than be exalted to a strategic level. GAM indicates a major shift of managerial practice in strategically dealing with a very complex relationship. Our research suggests that an above-normal profits can be generated when they jointly invest in their GAM relationship, and successfully establish cooperative culture as well as strategic fit.

The proposed framework offers several insights for managerial practices. First, at a strategic level, before companies jump on to the global account “bandwagon”, they must bear in mind that a GAM is a dyadic process. More explicitly, GAM is a relative symmetric process, which requires both parties to make investments and achieve a fit from various perspectives. Thus, whether or not two organizations have a potential to establish a GAM Strategic Fit can be a crucial factor. For example, Xerox is famous for its central selling GAM system. When it is selecting its global accounts, it prefers accounts that have centralized sourcing structures, because symmetric structures lead to more efficient exchange decisions.

Second, at an implementation level, each GAM combination that involves a pair of exchange parties is unique. Hence, its culture, strategies, and investments are different from other GAM combinations. More specifically, in order to succeed with GAM practice, management from both exchanging parties should cultivate a collaborative culture, establish an appropriate GAM Strategic Fit, and invest idiosyncratically in their relationship.

4.1. Future research directions

Based on the proposed conceptual framework, a number of research directions can be pursued by scholars in order to enhance our understanding of the GAM phenomenon. First, according to the original scheme of RBV where critical resources are internal to a firm, a firm can possess various distinctive resources. Inter-organizational capabilities can take a variety of forms. Although we suggest only three such capabilities in this article, future scholars can identify additional capabilities. Thus, future empirical work should comprehensively incorporate them and assess the impact of each on strategic outcomes. If certain capabilities are found to have more significant impact on performance, cultivating these capabilities can become new strategic focuses for practitioners.

Second, going further into the GAM Strategic Fit presented here, we conceive it as a multifaceted concept. However, the purpose is not to exhaustively list all possible dimensions; rather, we aim at reminding both researchers as well as practitioners the role of inter-organizational fit in the GAM context. We then further
elucidate three important dimensions: Standardization Fit, Participation Fit, and Coordination Fit. Thus, the corresponding empirical work should investigate whether different fit dimensions have differential effects on GAM performance under certain environments. Such work can guide GAM exchanging parties to prioritize their efforts in pursuit of a joint goal in the global marketplace.

Third, future research should assess the effects of different facilitating conditions on the formulation of inter-organizational capabilities. Given the diversified nature of GAM-related capabilities, different facilitators probably affect them differently. The aforementioned research can provide important insights for practitioners to establish a set of criteria in partner selection. For example, when a supplier company is choosing a global account, in addition to this account’s potential contributions to profit and volume, whether or not the two organizations pursue a consistently strategic goal is an important criterion. Without a congruent strategic goal, a global agreement is nothing more than a “price squeeze” (Arnold et al., 2001).

Finally, while GAM has received attention in the popular press and professional circles, this emerging field of inquiry is still in its exploratory research phase. The current study is only an initial attempt in the process of developing a more comprehensive understanding of the GAM phenomenon. Although we focus on new ideas that are specifically tailored to the GAM context, future empirical investigations may take into account of various control variables, such as national culture distance, supplier and customer industry types. After all, GAM is a global management practice, which is implemented in multiculture and across-industry contexts. GAM performance might vary due to the heterogeneity of national culture factors and industry profitability factors.

It is hoped that scholars pursue these and related research avenues so that our understanding of global account management relationships as a critical managerial capability is sufficiently enhanced.

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