Competency Development for Boosting Performance of Sales and Key Account Manager, A Case Study in PT Security Indonesia

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ABSTRACT: PT Security Indonesia, which has been operating for over 20 years with 9,000 employees in 121 cities, serves customers in various industries. The focus of PT Security Indonesia is to provide manned security that incorporates technology to deliver better services. Sales and Key Account Manager are the key to sustaining the business. Sales are responsible for acquiring new customers, while the Key Account Manager retains existing customers, ensures their satisfaction, and delivers products and services that meet their needs. Based on the financial performance of PT Security Indonesia during 2020 and 2021, it appears that the company is not performing well. It is measured by the company's total revenue and gross margin. Both actual and budget figures were compared, and it was found that the company did not meet its revenue targets and gross margins were lower than expected. This research conducted what are the competency needed for Sales and Key Account Manager to improve performance of PT Security Indonesia. And how PT Security Indonesia can improve level of competency of Sales and Key Account Manager. Competency is an underlying characteristic of a person that has a causal relationship to successful and/or outstanding performance in a role or circumstance. (Spencer & Spencer, 1993). Competencies are set of Knowledge, Skill, and Attitude of the persons carrying out the work. (Busch, 2012). In this research, the level of competency needed are measure by quantitative method. The result of this research will become a recommendation that can be implemented by PT Security Indonesia in the future.

KEYWORDS: competency, sales, key account manager.

INTRODUCTION

In this modern, fast-paced environment, security is more essential than ever. Employee safety, asset protection, and the security of data and other important information are the three main workplace security concerns that every business will encounter. Security guards are required by the company to ensure their safety and protection. Security guards will create a safe environment to prevent theft, robbery, or destruction. The key to a security company's long-term success is providing excellent customer service. In business-to-business, Sales contribution is one of the factors in creating and sustaining the company. Sales is a transaction that involves the exchange of products or services valued at a particular amount of money. The sales performance may be determined by aptitude, role perception, motivation, personality, organizational characteristics, and sales competencies (skills) (Ahmed S.Z. et al. (2010)), (Churchill et al.1985) and Ford et al. (1988). The key account manager (KAM) is one of the ways for improving the sales for existing customers, the strategies are to keep customers, sell more services/products and generate profit for the company. Referring to Homberg, Workman & Jensen, 2002, Key account management (KAM) offers a service or product that is customized to each customer's specific needs. In order to improve business performance, this key account manager also provides assistance to the sales department in generating additional revenue. The goal is to increase revenue and profitability from existing customers. The Covid-19 pandemic in 2020 had an impact on physical security products across the world. The total value was $31.7 Billion throughout the year, and in 2019 it decreased by more than 7.5%. (The physical, 2020). Sales dropped in the first three quarters of 2020. Physical security has been reestablished in Quarter 3 in 2021, the growth is approximately nearly 3%. According to projections, by the end of 2025, spending on physical security will exceed $42 billion. (The physical, 2020). PT Security Indonesia is one of the global companies that provided security and facility services. In Indonesia, this company had 9000 employees, operating in 121 cities, and had 9 branches. And operated for over 20 years, with more than 250 customers in many industries spread across Indonesia. The main business of PT Security Indonesia is providing manned security, that combined with technology. In 2021, the Revenue is favorable from the Budget, with GAP 2.5 Bio, furthermore the Gross Margin is not favorable from the Budget for -9.46 Bio. Until October 2022, the actual revenue has not achieved the target yet, with the GAP for 1 Bio, it also impacts the achievement of Gross Margin for over 2.1 Bio. In addition to more focus on customers PT Security Indonesia divided the customers into three segments, Industry and...
Manufacturing, Energy and Resources, and Business Service and IT. The sales team has main responsibility is to acquire new customers. Then, the Key Account Manager will be responsible for handling and maintaining the customers until the end of the contract period. The Key Account Manager is responsible for retaining the customers, ensuring growth from within and profitability through delivering service excellence to customers.

LITERATURE REVIEW

Competency is an underlying characteristic of a person that has a causal relationship to successful and/or outstanding performance in a role or circumstance. (Spencer & Spencer, 1993). Underlying characteristic means competency indicates that a person's behavior can be predicted in a wide range of contexts and job duties. (Spencer & Spencer, 1993). The knowledge, skills, and attitudes (KSA) that encourage work performance are known as competencies (Busch, 2012). Competency is frequently defined as a person's ability to successfully do a task or activity in a certain environment. Competency is typically defined as a combination of skills, knowledge, and attitudes. Sales plays critical role in the organizations, with the high-performance will encourage revenue and its profits. According to Busch, 2012 the skills required for a sales manager are self-development for achieving goals, relationship building and maintenance, management of sales strategy and outcomes, ability to analyze team competency and capacity, and control over hiring, promotion, and termination for enhancing sales performance. On the other hand, key account management (KAM) has become one of the most key concepts in business-to-business (B2B) during the past few decades. (Tzempelikos, 2015). According to Woodburn's (2006) research, a key account manager requires the following competencies: product, industry, supply chain, and other expertise; financial awareness; strategy; problem-solving; negotiating; listening skills; project management; and IT literacy. Other skills such as relationship building, or the capacity to build and maintain strong, enduring, and trust-based interpersonal relationships between suppliers and customers, have been acknowledged as essential for KAMs. (Guenzi et al., 2007; Iacobucci & Ostrom, 1996; Narayandas & Rangan, 2004). As a result, the more successful KAMs are at building, managing, and keeping customer relationships, the higher their sales performance should be (Hengstebeck, et al., 2022).

RESEARCH METHODOLOGY

In this research, the author uses quantitative analysis. Starting from identifying the business issue, the problem statement, research questions and objectives, to propose the business solution and implementation plan that referred from literature review. The research design showed the framework of research methods and techniques chosen by the author. This framework is a guidance for the author to find which most important competency for Sales and Key Account Manager that needs to be developed in order to improve performance of the organization. To collect the data, the author used interview to General Manager level and questionnaire to obtain the primary data, this questionnaire is filled by the employee in PT Security Indonesia. Another supporting data is collected from internal organization of PT Security Indonesia, and other relevant resources.

RESULTS AND DISCUSSION

In this chapter, the author shows the analysis of the research. This analysis used SPSS 27 to get the output from the questionnaire. There are 86 respondents from PT Security Indonesia, these questionnaires were distributed by using google form. Based on the literature review, the author conclude that competencies divided into Knowledge, Skill, and Attitude. This competency will drive performance consists of Revenue Achievement, Customer Satisfaction, and Customer Retention of Sales and Key Account Manager. Hence, the conceptual framework of this research is shown as Table x below.
After passing the normality, validity, and reliability tests, the next step is a simple linear regression analysis of each engagement driver is used to determine how significant each engagement driver influences engagement behaviors. The outcome of a simple linear regression using SPSS software is shown in Table X below.

Table: Simple Linear Regression Result

<table>
<thead>
<tr>
<th>No</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>R²</th>
<th>Beta</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Knowledge</td>
<td>Revenue Achievement</td>
<td>0.275</td>
<td>0.230</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction</td>
<td>0.285</td>
<td>0.241</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Retention</td>
<td>0.355</td>
<td>0.251</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>Skill</td>
<td>Revenue Achievement</td>
<td>0.699</td>
<td>0.156</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction</td>
<td>0.748</td>
<td>0.166</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Retention</td>
<td>0.238</td>
<td>0.087</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>Attitude</td>
<td>Revenue Achievement</td>
<td>0.662</td>
<td>0.110</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction</td>
<td>0.646</td>
<td>0.112</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Retention</td>
<td>0.396</td>
<td>0.082</td>
<td>0.000</td>
</tr>
</tbody>
</table>

According to the table above, the author concludes that:

1. Knowledge significantly affects performance, contributing 27.5% to revenue achievement. The remaining 72.5% is influenced by various factors that require more exploration. Since Beta has a positive value, it implies that higher levels of knowledge will result in higher levels of revenue achievement. On the other hand, knowledge also significantly influences customer satisfaction with 28.5%, and implies with positive beta value, it indicates that greater Customer Satisfaction is influenced by better Knowledge. Along similar lines, knowledge also contributes significantly (35.5%) to customer retention. Better knowledge has a greater impact on customer retention.

2. Skill significantly affects performance, contributing 69.9% to revenue achievement. The remaining 30.1% is influenced by various factors that require more exploration. Since Beta has a positive value, it implies that higher levels of skill will result in higher levels of revenue achievement. On the other hand, skill also significantly influences customer satisfaction with 74.8%, and implies with positive beta value, it indicates that greater Customer Satisfaction is influenced by better skill. Along similar lines, skill also contributes significantly (23.8%) to customer retention. Better skill has a greater impact on customer retention.

3. Attitude significantly affects performance, contributing 66.2% to revenue achievement. The remaining 33.8% is influenced by various factors that require more exploration. Since Beta has a positive value, it implies that higher levels of attitude...
will result in higher levels of revenue achievement. On the other hand, attitude also significantly influences customer satisfaction with 64.6%, and implies with positive beta value, indicates that greater Customer Satisfaction is influenced by better Attitude. Along similar lines, Attitude also contributes significantly (39.6%) to customer retention. Better attitude has a greater impact on customer retention.

Referring to Table above, the most influencing competency towards Revenue Achievement is Skill, the most influencing competency towards Customer satisfaction is Skill, and for Customer Retention is attitude.

**MATRIX COMPETENCY VS PERFORMANCE**

After analysis which the most influencing competency towards to performance, then the author created a matrix between the current competency and impact to performance. This matrix consists of two axes. The X refers to current condition of the company which information can be taken from the average score of the questionnaire result, the Y refers to percentage of the R2 for each of the Competency.

**Revenue Achievement – Matrix**

Figure X shows the level of competency influence towards Revenue Achievement. It showed that the engagement drivers are spread on Quadrants I, II, III, VII, VIII, and IX. In addition to improving company performance, the competency level in Quadrant I should be improved immediately. The competency level in this Quadrant has a significant impact but has a low score. This condition indicates the urgency to take action as soon as possible. And most of the competency level is on Quadrant II which has a significant impact, but the score is in the average score, which means the company also needs to take action afterward.

From the figure, the author concludes there is some top-priority competency that urgently needs to be improved. These competencies consist of Q12, Q11, Q23, Q30, Q42, and Q29 since the influence score is high, but the current level condition is low.

**Customer Satisfaction – Matrix**

Figure X shows the level of competency influence towards Customer Satisfaction. It showed that the engagement drivers are spread on Quadrants I, II, III, VII, VIII, and IX. In addition to improving company performance, the competency level in Quadrant I should be improved immediately. The competency level in this Quadrant has a significant impact but has a low score. This condition indicates the urgency to take action as soon as possible. And most of the competency level is on Quadrant II which has a significant impact, but the score is in the average score, which means the company also needs to take action afterward.
From the figure, the author concludes there is some top-priority competency that urgently needs to be improved. These competencies consist of Q12, Q11, Q23, Q30, Q42, and Q29 since the influence score is high, but the current level condition is low.

**Customer Retention – Matrix**

Figure X shows the level of competency influence towards Customer Retention. It showed that the engagement drivers are spread on Quadrants I, II, III, VII, VIII, and IX. In addition to improving company performance, the competency level in Quadrant I should be improved immediately. The competency level in this Quadrant has a significant impact but has a low score. This condition indicates the urgency to take action as soon as possible. And most of the competency level is on Quadrant II which has a significant impact, but the score is in the average score, which means the company also needs to take action afterward.

![Figure 3. Customer Satisfaction – Matrix](image)

From the figure, the author concludes there is some top-priority competency that urgently needs to be improved. These competencies consist of Q23, Q30, Q42, and Q6 since the influence score is high, but the current level condition is low.

In addition to the research, it can be concluded as follows:

1. **Knowledge**: The company needs to improve financial knowledge of Sales and Key Account Managers. This can be done with give the employee financial education and encourage culture of Financial Responsibility. By implementing these, the company can help improve their employees’ financial knowledge, which can lead to better financial decision-making, improved job satisfaction, and improving company performance.

2. **Skill**: The company needs to improve Analytical and Strategic thinking of Sales and Key Account Managers. This can be done with providing training and learning program for employee to develop analytical and strategic thinking skills, the mentorship
program is also useful to help the employee to learn and think strategically and analyse situations more effectively. In this mentorship, the mentor needs to give the employee a feedback and guidance. The company can also encourage the employee participation, such as team meetings, brainstorming sessions, and other group activities where they can analyse challenging problems and come up with solutions to lead the employee think analytic and strategically. And finally, the company must foster a culture of continuous learning, that can enable the company to stay ahead of the competition.

3. Attitude: There are some attitudes of employees that need to be improved, followed as Self-Confidence, Flexible & Adaptable, Achievement Oriented, and Teamwork. These can be done with provide Learning and Development Program, the employees need to attend training programs or workshops, that can help them to develop skill and knowledge of the employees, the mentorship program also will help employees to get a positive feedback and guidance due to their projects or tasks. The company also needs to encourage employee participation and collaboration to enhance a culture of working together and develop a sense of teamwork and build an environment of open communication by encouraging employees to share ideas, ask questions, and share innovation. In addition, by providing rewards and recognition to employees for their efforts, their self-confidence can be strengthened, and they can be motivated to maintain their high performance, both individually and as a team.

Based on the research, the author proposed strategies, which can be executed over the course of a year, aiming to increase the employees' knowledge and skill capabilities. In order to make sure the strategy is working as planned, it is important for the company to regularly evaluate its effectiveness. The implementation of this strategy may vary depending on factors such as personnel turnover and business conditions. To accomplish the expected outcomes, the strategy’s PT Security Indonesia must continue to be adaptable, and flexible as necessary accordingly to achieve the desired outcomes. Regular evaluation can help ensure that the company can continuously enhance the competency of its employees, which can ultimately lead to improved performance and better outcomes for the business.

REFERENCES


