

# Commercial Acumen – A snapshot.

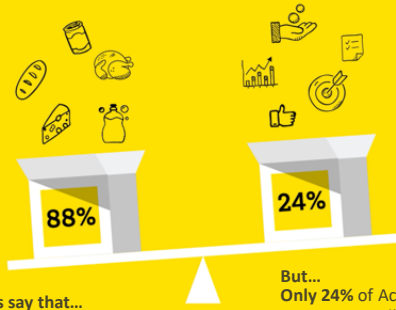


Have you ever thought what it's like to **sit on the other side of the table** and **be a customer** rather than a supplier?

- What does their day look like?
- How many suppliers do they meet, talk to or deal with via e-mail?
- What do they want suppliers to talk to them about?

**This is what they tell us ...**

Step into your customer's shoes



**Customers say that...**  
88% of Account Managers they see are knowledgeable about their own products and actively lead a discussion centered on pushing their products.

-Forrester Research

**But...**  
Only 24% of Account Managers they encounter really understand the customer's business and want to help them solve commercial challenges.

-Forrester Research

**4:1...**  
Customers value having business conversations 4x more than product conversations

-SiriusDecisions

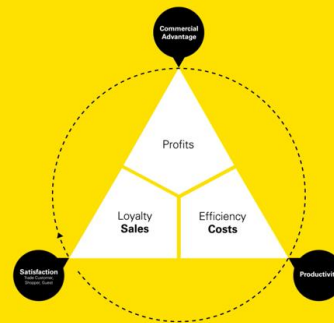
From the **Buyers side** of the desk are **you** and **McCain** part of the



**24% or the 88%?**  
Are you part of the valued few suppliers meeting **their** needs solving **their** problems?

Being part of the valued few is at **the heart of Good to Great Customer Leadership**. This means we **MUST** have **smarter business conversations** based on a **deep understanding** of what's working and not working in the **customers business model** and the impact it's having on **their operating profit**.

It's a reflection of how well it's managing costs and driving sales vs. their competitive set.



**Operating Profit =**

Revenue - Cost of goods sold labor, and other day-to-day expenses incurred in the normal course of business

Brands	Sales \$bn	Operating profit %	Incremental sales to get \$10k operating profit
	\$122	1.8%	\$545k
	\$55	1.4%	\$715k
	\$6	36%	\$27.7k
	\$21	25%	\$40.0k
	\$1.5	19%	\$52.6k
Regional privately owned chain	-	15%	\$66.6k

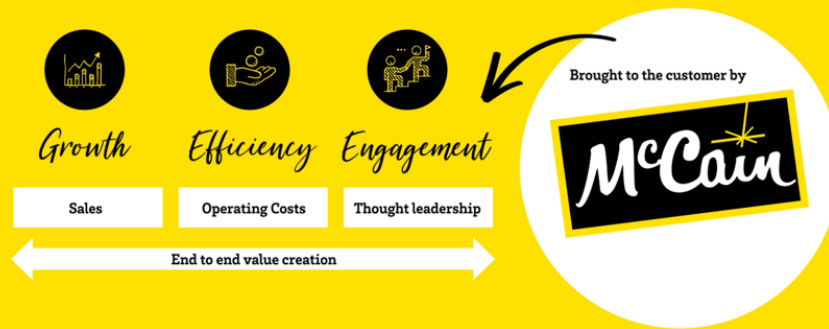
It also shows the **scale** of our **customers challenges**.  
**To generate just \$10,000 dollars of profit they need to generate significant sales growth.**

**Do you know** your customer's operating profit and the value they need to sell to be left with just \$10k?

Alternatively they can try to **increase the margin percentage** by being **more efficient** throughout their business.

**What's easier for your customer?** Sell **significantly more** or **reduce their cost** of doing business?

Armed with that customer understanding we can **be proactive in developing solutions** that **deliver against Growth or Efficiency tensions**. These are two of



the **new currencies** on which **customers place a high commercial value**. The third currency is **"Engagement"** – for example, it's sharing and operationalising trends, bringing services and ways of working like collaborative planning, culinary or category expertise that helps to create dependency on McCain.

**Working** in these **new currencies** enables us to **positively impact a new set of metrics** that **matter to our Customers** like ....



**Commercial Acumen** - "The ability to view situations from a business perspective and assess the commercial impact of decisions for the Customer and McCain".

The **depth and breadth of these conversations** is influenced by the **size, scale and complexity** of the customers business, the **relationship** we have with them and the **potential of their business** to McCain.



**Commercial Acumen =**



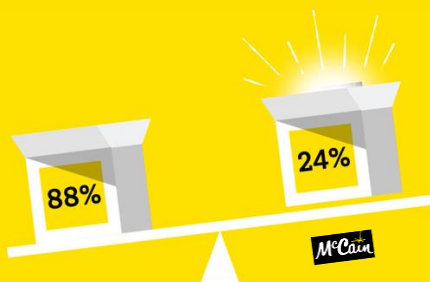
To develop commercial acumen requires **blending and deepening existing skills**. It takes mastering how they blend together to create some **commercial magic and logic**.

And we are having them today with customers in **all channels** using Commercial Acumen **BUT** they need to be wired in to **how we deliver end to end and value to our customers.**



Creating commercial solutions to solve our customers business tensions ensures we are seen as a **true partner** not a vendor, impacting **metrics that matter to them** using the “**new currencies**” of **growth, efficiency** and/or **engagement**.

**McCain**  
*solutions*  
are easy to say **'Yes'** to



It's time to **get curious about your customer's business** and **start to strengthen your commercial acumen** so that **you and McCain** are seen as part of the few **valued suppliers** bringing **GREAT Customer Leadership** and in return, **profitable topline growth** for McCain.

Start developing your Commercial Acumen by reflecting on

- 1 The conversations you've had with your customers in the last week and taking a view on the percentage that were led by THEIR business challenges vs. being led by a McCain product discussion.
- 2 What you really know about THEIR business Growth and Efficiency challenges and taking action to find out.