Commercial Leaders Guide



Hot Topics

Developing Regional Foodservice Fast Start Up Recovery Plans.

#BeMore

April 2020

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Introduction

Globally, McCain is facing an unprecedented situation with measures and restrictions designed to stop the spread of COVID-19 detrimentally affecting all players of the Foodservice industry including consumers, operators, distributors and suppliers.

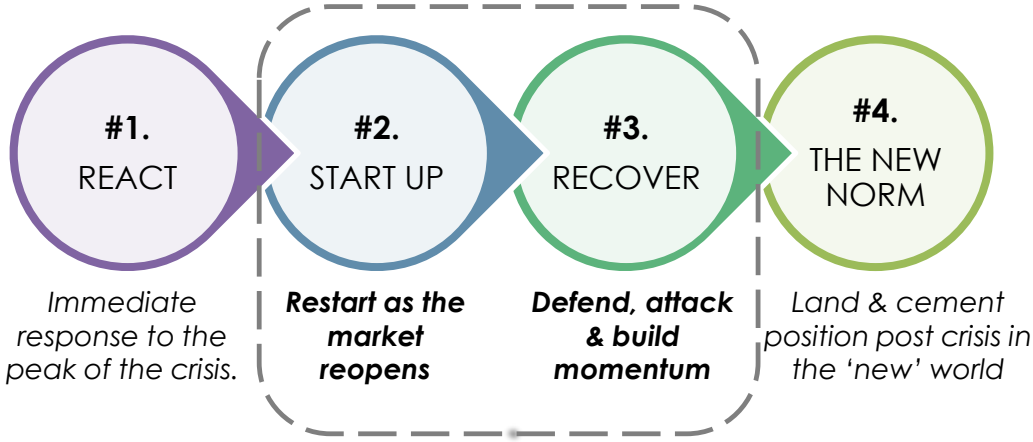
As a global organization, we have the opportunity to share and leverage the best thinking and learnings from every region to accelerate our recovery and strengthen our Foodservice business by successfully defending our share and attacking competitors business to gain market share.

The COVID-19 Commercial Leaders Guide & Checklist has been developed to assist you and your teams in developing regional Fast Start Up Plans that will enable an efficient and effective restart and recovery of our Foodservice business. Although local regions will be accountable for creating, managing and executing their own local Fast Start Up Plans, we will share and learn from each other to ensure we have strong, well thought out plans that will fast track our recovery and return us to growth.



4 Phased Approach

There will be four phases of recovery that will see our Foodservice Business through from the here and now, to stabilization at the point of the 'new norm'. This Commercial Leaders Guide has been built to assist your local business through phases #2 and #3, Start Up and Recovery:



-FOODSERVICE FAST START UP PLANS-

5 Key Focus Areas

To be successful, the Fast Start Up Recovery Plans will need to be built on 5 key focus areas. These include:

#1	•Operational *(Internal)*
#2	•Competitor
#3	•Consumer
#4	•Operator
#5	•Distributor

Desired Outcomes

Foodservice Fast Start Up Recovery Plans developed and ready for activation in every McCain market that enable us to gain market share:

- Maximize McCain potato volume and the speed of our Foodservice recovery in all markets
- Defend and retain key international and local Foodservice customers with a strong focus on our T50 and top customers in each market (both contracted and uncontracted).
- Deliver a strong attack plan that allows us to selectively win our competitors customers contracted & uncontracted resulting in market share growth
- Accelerate Delivery platform by evolving a full Delivery proof portfolio for potato and appetizers
- Build a strong campaign with promotional plans that will create pull through and drive demand from consumers, operators and distributors
- Understand and prioritize customers based on future potential and likelihood of survival
- Identify Jobs to Be Done (JtBD) for each stage of the recovery
- Build a re-engagement plan for our Foodservice teams / front line employees that includes policies and procedures, tools and education to manage the new environment
- Prepare to respond to the changed landscape (new world/new norm) and Foodservice customer environments in each market
- Lead the recovery in the categories we operate in within each market enabling us to define our core position and secure incremental opportunities by attacking competitors

Fast Start Up Recovery, Focus Area Checklists

	#2. START UP *Restart as the market reopens*	**#3. RECOVER** *Defend, attack & build momentum*
1. Operational	• Manage & reduce Inventory levels • Use available data resources to monitor, analyze & assist in decision making • Business scenario planning • Reengage & reset the FS team • Identify contract customers to defend & attack • Set & execute short term pricing	• Disciplined approach to S&OP/IBP • Continue to monitor data resources to assist in decision making • Business scenario planning next stage • Coach & guide FS team • Target contract customers to defend & attack • Set & execute medium term pricing
2. Competitor	• Gather competitor data & information • Profile key competitors • Analyze & track competitor activity • Execute attack plan • Analyze competitor pricing & deal levels • Predict competitor response model	• Gather competitor data & information • Profile key competitors • Analyze & track competitor activity • Execute & evolve phase 2 attack plan • Analyze competitor pricing & deal levels • Predict competitor response model
3. Consumer	• Monitor consumer behaviour & attitudes to dine in, delivery & take-out • Set consumer based demand forecast • Reset consumer activation	• Monitor consumer behaviour & attitudes to dine in, delivery & take-out • Set consumer based demand forecast • Evolve phase 2 consumer activation
4. Operator	• Prioritize contracted & uncontracted customers & environments to defend & attack • Understand Operator needs in relation to dine in, delivery & take - out • Review & reset portfolio • Execute operator campaign • Implement operator incentives • Conduct focused sales blitz activity • Drive Delivery plan • Provide sales support packages • Drive customized operator pricing • Assess & monitor customer solvency • Launch training & education program • Launch loyalty program	• Drive execution & target contracted & uncontracted customers & environments • Develop and evolve understanding of Operator needs Evolve phase 2 portfolio reset • Execute & evolve phase 2 operator campaign • Implement & review operator incentives • Conduct focused sales blitz activity • Drive Delivery plan • Provide sales support packages • Drive customized operator pricing • Assess & monitor customer solvency • Train & educate operators • Drive loyalty program
5. Distributor	• Revisit and renegotiate Trading Terms • Revisit, reset or develop JBPS • Execute promotional program • Implement distributor incentives • Manage Investment initiatives • Analyze & assess distributor Inventory • Attain & analyze sell out data	• Revisit and renegotiate Trading Terms • Drive JBPS • Execute & evolve phase 2 promotional program • Implement & review distributor incentives • Manage & drive investment initiatives • Analyze & assess distributor inventory • Attain & analyze sell out data

Getting Started

Engage a cross - functional local team: To ensure your local team is on board and fully aligned, it is recommended to build your plan collaboratively, from the bottom up including representatives from Sales (all levels), Marketing, Category, Finance, R&D and ISC.

Set Objective, Strategy & Initiatives: Set your local objectives and strategy and build initiatives for each of the 5 key focus areas to ensure your team are clear on the expectations and requirements and are fully accountable and committed to delivering the result.

Track, measure and course correct: Implement a process to ensure the plan remains on track and relevant to the changing market place. It is recommended to document details of your local COVID-19 situation (relative to the Foodservice market) on a weekly basis and to actively work with the team to understand what's working, what's not and what requires corrective action. Trouble shoot issues and concerns with other Regional Foodservice leaders and the GCT.

Estimate Market Share: Estimate your current market share (peak of COVID) and track your progress. Understanding this can be hard to attain in the absence of factual market data, create your best estimate remembering progress over perfection, utilize salesforce as well as market intelligence.

Sharing learnings and best practice: As we establish these plans, we must take the opportunity we have as a global organization to leverage the best thinking and learnings from every region. To effectively accelerate our recovery, strengthen our business and drive world- wide excellence, we must all share learnings and best practice examples via the COVID-19 Foodservice SharePoint Hub and the weekly Commercial Leaders call.

#1

Operational

The world as we know it has changed, not only for us but for our Foodservice customers. In order to successfully regain business and drive sustainable share growth, we must react to meet the changed needs of consumers, operators and distributors by evolving and resetting our internal operations at local market level.

Reducing inventory on hand will be a major priority. We will be required to understand the breakdown by SKU and location to determine strategies and actions in preparation for sales execution.

In order to support our Foodservice start up and recovery, we will need to ensure our house is well in order, ready to provide what is necessary to support our plans to enable us to deal with the new environment and customer demand. Business scenario forecasting and tracking will be crucial to assist in determining and understanding new demand and timings by customer and environment..

Our sales teams and brokers will need to be reengaged and provided with knowledge, tools and a new level of education to ensure they are well prepared to meet the post COVID-19 new market place and customer needs.



Operational - Checklist

Inventory Management
Foodservice Inventory levels of products that have slowed or stopped as a result of COVID-19 will need to be identified and prioritized through local market S&OP / IBP process.

High levels of inventory on hand will present significant cost challenges that will require strong plans and appropriate levels of investment to sell immediately. Understanding customer SOH and their demand and timing will enable a calculation on the cost of holding inventory over a period of time versus the level of investment required to sell thru, assisting in decision making on the depth of investment allowing best decisions to achieve the best return.

Business Scenario Planning
Scenario forecast for each phase of the recovery process to enable an understanding of the new market demand and outlook:

1. Calendar year 2020. F21, modelling should include **pessimistic - base - optimistic** versus E2 for F20 and F21 AOC monthly volume.
2. F21 monthly forecast for 3 areas IO, MEU, Distributor shown as a % of AOC based on base or realistic model.
3. F21 monthly forecast for Environment's shown as a % of AOC based on base or realistic model.
4. Contract risk profile by environment F21 renewal.
5. F22/23 renewal of contracted & uncontracted customers.
6. Defend customer profile includes contracted and uncontracted, F21 timing, volume and % of AOC.
7. Attack customer profile includes Contracted and uncontracted held by competitor, contract timing, F21 volume, recovery timing.

Operational - Checklist

S&OP/IBP
Sales and operations planning will be an extremely important process to allow us to maximise our sales, supporting our Foodservice start up and recovery plans. It provides alignment and synchronization among all functions of the organization to ensure our customer demand can be met at start up and through each stage of the recovery.

Foodservice Team Reset
Prepare and develop plans to ensure that the sales team make a fast start, maximising the opportunity to build customer partnerships and get ahead of our competitors:

- Engage with your team, support individuals as they re enter the business or become fully operational again.
- Brief the team on safety / sanitation standards and expectations internally and externally with their customers.
- Work with your sales leaders so that they can set their teams priorities, providing focus and coaching support for the short and medium term:
    - Discuss customer recovery needs and challenges that we can quickly understand and bring value.
    - Agree customer engagement approach and best practices on how we will add value in the short and medium term.
    - Agree who the prioritised customers are in their portfolio and start considering the Jobs To Be Done and supporting activities.
    - Brief the prioritised Environments to be targeted, provide the supporting propositions.
    - Launch #BeMore with your sales leaders (focus on Role of the Sales Leader and Coaching Guides).
    - Launch #BeMore with their teams (focus on MSS refresh and Customer Growth Planning)

Following this, review and reset sales KPI's/incentive/bonus scheme to drive the right behaviours and deliver the desired outcomes and results

#2

Competitor

The impact COVID-19 has had on the Foodservice markets around the world has affected our competitors as it is has us. As a result we can expect that our competitors will be holding high levels of inventory. They will have a strong need to move it as soon as possible as they move to recover their business. These high inventory levels across suppliers and a progressive Foodservice recovery will mean we can expect to see a level of competitor activity not seen before. Initially this will come in the form of pricing and promotions; and targeting new business opportunities which will include our customers.

Although protecting our pre-existing and contract business is our priority, we have the opportunity to get on the front foot of our competitors and steal share from them as we emerge from the crisis. This can be achieved by staying informed, through the collection of information, analysis and data about our competitors activities and their products.

In order to win against our competitors we will need to include our competitor knowledge, analysis and predictions in our recovery plans.



Competitor - Checklist

Competitor Information
Gather information available to all of us in every aspect of our competitors business including data, stats, company information, product intel, market strategies, customers, sales, supply stability, people and services.

Competitor profile
Create a brand and product profile of your competitors brands and products and your brands and products.

Activity
Keep track of competitor activity including promotions, focus products, focus environments, pricing, advertising, new supply lanes, new distributors etc.

Attack plan
Build competitor customer profiles including; contracts & timing, open customers, products, pricing/deal levels, supply lanes, other support offered, product and pricing you need to win the customer.

Competitor pricing and deal levels
Identify the average historical discounts offered by competitors, this will assist in setting your pricing discounts and better manage pricing battles.

Predictive competitor response modelling
Predict how our competitors will react and their response to our activity at start up and through the recovery to enable us to build strong defensive plans.

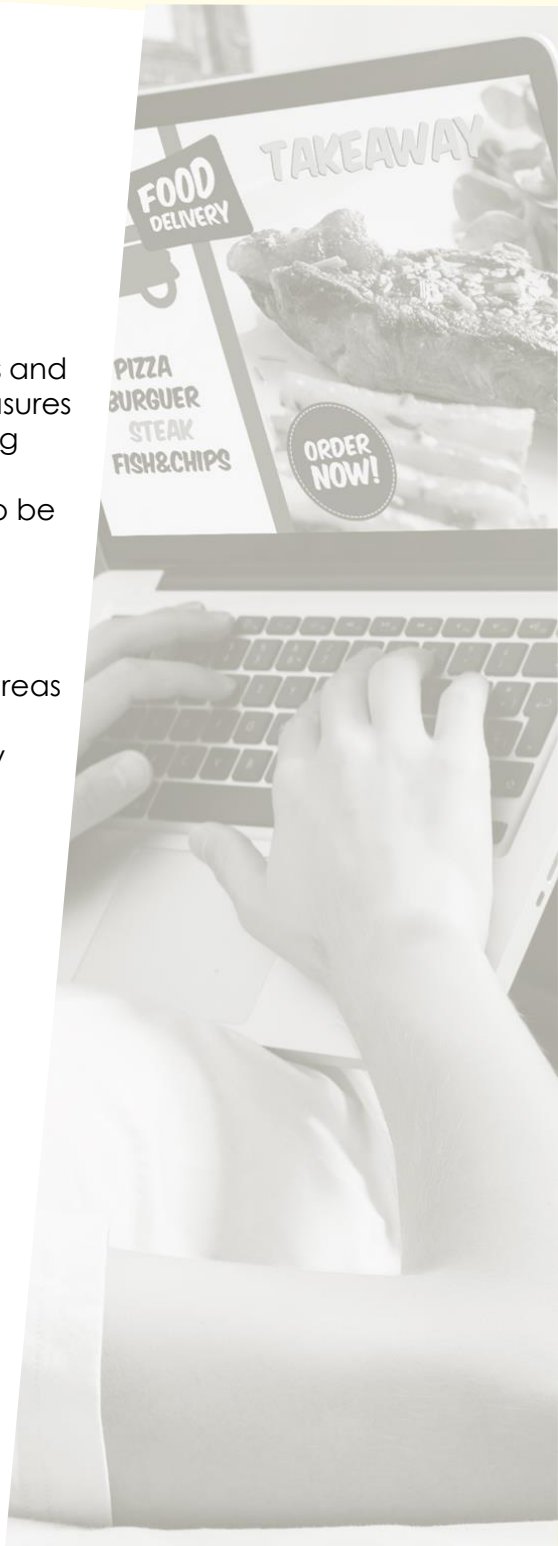
#3

Consumer

Consumers globally are feeling the economic effects of COVID-19, short term and potentially longer term attitudes and behaviours are shifting. The current COVID-19 related measures and restrictions are forcing consumers to adapt new eating habits, they will have a long term influence after the immediate health threat has eased. We are likely going to be moving into a recession with many consumers facing significant financial issues and value will become an even more important factor for many.

With a team of global and local market specialists in the areas of Marketing, Category and Sales, McCain must take the opportunity to rapidly understand and respond to the new consumer reality, create demand and drive consumption.

In order to be successful, it is imperative we utilize the MWOW framework to show Category Leadership and to identify and deliver tailored solutions and activations that drive consumer demand at local market level.



Consumer – Checklist

Consumer Behaviour and Attitudes to dine in, delivery and take-out
Understand consumer behaviour and attitudes to Foodservice and eating out/ off- premise:

- Monitor behaviour and attitude shifts during lockdowns and identify potential implications for product and communication going forward in context of Foodservice environments and products.
- Monitor changes in drivers/barriers for dine in/ delivery/ take-out to forecast future behaviour and identify which drivers/barriers need to/can be addressed and actioned.
- Determine what operators need to put in place going forward from a health, food safety, environment and employee point of view (this will mean understanding government stipulations as well). Understand what the resulting behaviour will be in terms of menu ordering and specific items.

Consumer Based Demand Forecast
Forecast the likely future consumer demand profile and usage of different environments including dine in, delivery and takeout/drive thru. Utilize industry predictions *e.g. Technomic, Cleveland, NPD Crest* coupled with any other learning from local data/industry experts and custom research where necessary and possible.

Consumer Activation
Based on consumer understanding, identify consumer communications/activations that can be used to create demand within the environment for McCain categories and products. Ensure you leverage, lift and launch/adapt from other markets where possible to avoid duplication.

#4

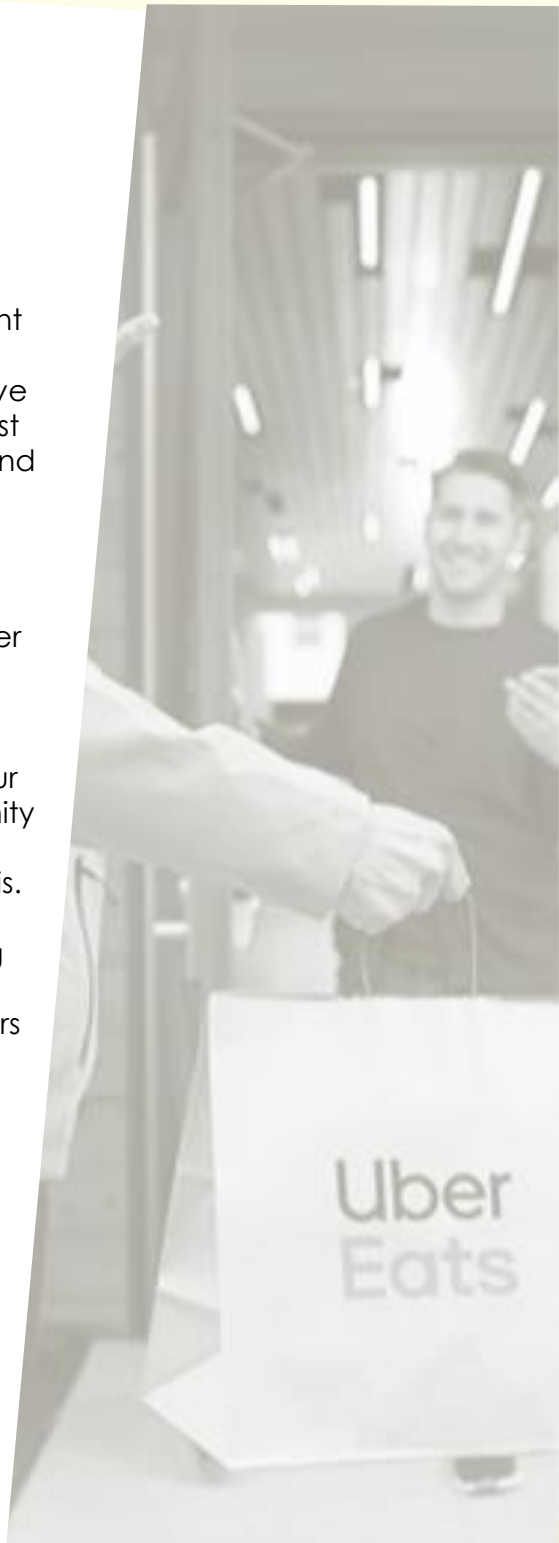
Operator

Globally, Foodservice Operators have been at the forefront of measures and restrictions put in place to enforce social distancing in response to COVID-19. The large majority have been forced to cease on premise, dine- in operations whilst needing to lay off staff and shift their focus to takeaway and delivery (where not prohibited) in an effort to stay afloat.

Although restrictions will not be in place forever, the road ahead for Operators is expected to be long with social distancing , consumer confidence and changed consumer behaviour the biggest challenges in returning their operations to 'normal' in the foreseeable future.

During this time it is imperative we protect and preserve our pre- existing business, however, we also have an opportunity to gain incremental business by being prepared to target prospective or new customers as we emerge from the crisis.

In order to be successful in defending contracts, regaining businesses, holding and growing our share we need to scope, prioritize, prepare and strategically target Operators of choice.



Operator - Checklist

Prioritize Customers and Environments (Contracted & Uncontracted)
Utilize Salesforce CRM, MWOW and MSS Principles to identify and prioritize key customers and environments to defend and attack based on future potential and likelihood of survival. Identify and assign JtBD and include T50 and top local customers into the exercise.

Understand Operator needs in relation to dine in, delivery and take-out
Understand needs of priority contracted customers and environments (within an occasion opportunity) to deliver tailored, insight based propositions and support tools:

- Monitor operator response during stages of lockdowns and potential implications for operations and menu moving forward
- Monitor changes in drivers/barriers to purchasing, product selection and operations and identify which drivers/barriers need to/can be addressed and actioned
- Monitor the evolution of dine in, delivery & take- out in response to shift in consumer behaviour, attitudes and demand to develop consumer centric propositions that meet operator needs

Review & Reset Portfolio
Review and reset portfolio based on demand, consumer trends/attitudes and operator needs:

- Identify if existing consumer and operator offers/propositions need to be modified or reframed based on emerging attitudes, behaviours and needs.
- Identify if there are new propositions required to meet changing attitudes, behaviour and needs.
- Use 5i2p to ensure that reframed or new propositions are based on insights. Conduct 5i2p for consumer, specific operators or environments.
- Set strategies across each area Differentiated, Potato specialty, Conventional - A grade and B grade.
- In a world of simpler menus, identify the simplest portfolio/product mix a customer can offer (to meet the bulk of the needs). Ensure you leverage, lift and launch/adapt from other markets where possible to avoid duplication.

Operator - Checklist

Operator Campaign
Critical to create a start up Operator campaign to target priority customers and environments. Program should be short and aggressive, designed to win new business and steal share by increasing consumer demand and driving consumer consumption.

Operator Incentives
Can be short, medium or long term and should be designed to assist in driving products and sales volume. Incentives can be in the form of, product or target rebates, bonus stock, merchandise and so on.

Sales Blitz Activity
The goal of the sales blitz should be to accelerate start up and recovery, win new, win again and building intelligence. The blitz activity should be marketing-led and designed, supported by an outbound sales campaign targeting predefined customers or segments in a single or multiple environment or geographical area, within a specified timeframe, a focus and consistent message. Consider incentivizing sales representatives for reaching related targets and utilize Salesforce to track and measure results.

Delivery
Drive Delivery plan and portfolio at Operator level, leveraging consumer trends and research to hold and grow share coming out of COVID-19.

Sales Support Packages
Equip the sales team with customer or environment specific sales support material. This may include; trade presenters, menu & serving suggestions, consumer insights & trends, POS, packaging or e-commerce initiatives.

Customized Operator Customer Pricing
Set contract pricing with key or strategic customers to retain or win the business, can be direct or through a distributor.

Operator - Checklist

Customer Solvency
As we exit the crisis and customers move into recovery we will need to monitor and assess their financial strength and abilities to fulfil their commitments.

Training & Education
Implement a training initiative on McCain Fries and Appetizers to educate Operators on the profit potential and value it will provide them in their recovery.

Loyalty Program
As a medium to long- term priority, implement a loyalty plan to win new, win again and retain customers.

#5

Distributor

Foodservice distributors have experienced significant sales falloff as a result of COVID-19 impact on the demand across Foodservice operators with varying magnitude of decline, by segment and by market. As a result, distributors are running at minimum level across all markets and are looking for ways to continue to operate and manage their cash flow. They are aggressively working to reduce inventory levels, extend payment terms, reduce their headcount/SGA costs and explore alternatives like retail.

The result is that our distributors are focused on reacting to the changing environment which is expected to be the case for the short term. External research is suggesting that although it is difficult to have a clear picture post COVID-19, it is expected we will see a number of distributor closures and consolidations.

The opportunity for McCain is to partner with the distributors that will assist in our start up recovery and the future restoration and retention of our business.

In order to win with these distributors we need to have strong start up plans and agreements in place that cover a number of key areas. This will allow us to maximize our initial sales volumes at start up and the speed of our recovery with the right distributor partners.



Distributor - Checklist

Trading terms
Revisit and renegotiate to ensure they provide the right level of support to the start up and recovery plan while supporting McCain investments and promotions. Sell out data to the lowest level available should be included as a part of our agreements wherever possible.

JBP's
Revisit, reset or develop for key distributors, the JBP's should link directly to the start up recovery promotional activities, investment, incentives and targets together with MWOW CGP.

Promotional programs
Are designed to support your campaign, maximize buying volume sell thru. General promotions can be tailored to individual distributors to enable best results. Sell out data can be used as a performance measure or a formula to calculate payment.

Incentives
Short to medium term and should be designed to assist in driving volume, products or categories. Incentives can be in the form of targets – growth or volume, bundling, volume buys, ranging, distributor sales representative or telesales.

Investment
Short, medium or long term they can be in the form of incentives, price discounts, rebates, product targets, bundling, volume buy's or targets, ranging, sales out (exit sales), sales representative or telesales incentives.

Inventory analysis
Calculating and tracking distributor weeks on hand modelling will enable you to determine re-order timing and assist with ranging and service levels (DIFOT).

Sell out data
Sell our data will enable you to build on your data repositories to allow you and your team to make informed decisions at start up and through the recovery phase.

Support Material & Guide to Tools

5 Focus Area Checklist
Foodservice Fast Start Up Recovery Plan

Focus Area	Y/N	START UP	Y/N	RECOVERY
1. Operational		Manage & reduce inventory levels		Disciplined approach to S&OP/IBP
		Use available data resources to monitor, analyze & assist in decision making		Continue to monitor data resources to assist in decision making
		Business scenario planning		Business scenario planning
		Reengage & reset FS team		Coach & guide FS team
		Identify contract customers to defend & attack		Target contract customers to defend & attack
		Set & execute short term pricing		Set & execute medium term pricing
2. Competitor		Gather competitor data & information		Gather competitor data & information
		Profile key competitors		Profile key competitors
		Analyze & track competitor activity		Analyze & track competitor activity
		Execute attack plan		Execute attack plan
		Predict competitor response model		Predict competitor response model
3. Consumer		Monitor consumer behaviour & attitudes to dine in, delivery & take-out		Monitor consumer behaviour & attitudes to dine in, delivery & take-out
		Set consumer based demand forecast		Set consumer based demand forecast
		Reset consumer activation		Evolve phase 2 consumer activation

Focus Area	Y/N	START UP	Y/N	RECOVER
4. Operator		Prioritize contracted & uncontracted customers & environments to defend & attack		Prioritize contracted & uncontracted customers & environments to defend & attack
		Understand Operator needs in relation to dine in, delivery & take - out		Understand Operator needs in relation to dine in, delivery & take – out, developing tailored propositions
		Review & reset portfolio		Evolve phase 2 portfolio reset
		Execute operator campaign		Execute & evolve phase 2 operator campaign
		Implement operator incentives		Implement & review operator incentives
		Conduct focused sales blitz activity		Conduct focused sales blitz activity
		Provide sales support packages		Provide sales support packages
		Drive customized operator pricing		Drive customized operator pricing
		Assess & monitor customer solvency		Assess & monitor customer solvency
		Launch training & education program		Train & educate operators
		Launch loyalty program		Drive loyalty program
5. Distributor		Revisit & renegotiate Trading Terms		Revisit & renegotiation Trading Terms
		Revisit, reset or develop JBPS		Drive JBPS
		Execute promotional program		Execute & evolve phase 2 promotional programs
		Implement distributor incentives		Implement & review distributor incentives
		Manage Investment initiatives		Manage & drive investment initiatives
		Analyze & assess Distributor inventory		Analyze & assess distributor inventory
		Attain & analyze sell out data		Attain & analyze sell out data

#2.
START UP
Restart as the market reopens

START UP:
Foodservice Fast Start Up Recovery Plan

Focus Area	START UP Checklist	Specific Action / Details	Owner	Timing
1. Operational				
2. Competitor				
3. Consumer				
3. Operator				
3. Distributor				

RECOVER:
Foodservice Fast Start Up Recovery Plan

Focus Area	RECOVER Checklist	Specific Action / Details	Owner	Timing
1. Operational				
2. Competitor				
3. Consumer				
3. Operator				
3. Distributor				

Support Material & Tools

For local market templates and examples please refer to **the COVID-19 Foodservice Fast Start Hub (SharePoint site).** Email updates will be provided when new material becomes available.

For detailed information please refer to the following McCain material:

- MWOW
- #BeMore
- MSS
- 5i2p
- T50 Corporate Finance Monthly Update
- Global Governance
- Delivery Expansion and Evolution model
- Market Data & Analysis (Internal & External)