

Marketing & Sales

Focusing on culture to drive growth

Embracing a growth mind-set and working with customers to develop innovative new products has been the recipe for growth at Amcor.



In this interview, McKinsey's Biljana Cvetanovski talks to Luca Zerbini, vice president and general manager of Amcor Flexibles EMEA. Amcor is a global packaging company with revenues of \$13 billion. The following is an edited version of their conversation.

What are the key ingredients needed for growth?

You need to have an organization that enables you to make growth happen. I would definitely not underestimate the challenge of changing the culture to make that happen. The mind-sets of people are probably the biggest component. We always quote Peter Drucker: "Culture eats strategy for breakfast." It's absolutely true. It took us longer than we thought to change the mind-sets of people. In some cases, we had to change the people that we had in order to make it happen.

I think by now people really live and breathe growth, but in the past, there was much more skepticism: "Why would I change? What's in it for me?" To change this, you need an incentive system and organizational setup that is aligned to growth. And then the communication and the tone from the top has to be consistent in terms of driving customer centricity, organic growth, and collaboration among the different functions, rather than keeping the status quo and just continuing to do what we were doing before.

How do you think about innovation at Amcor?

Amcor is well known in the market for being a very strong innovator. One of the key pieces of feedback we get from our customers is that we have a strong innovation capability. In the past, however, customers would come to us with an issue, and we would say, "OK, we can solve it." We would then create an R&D project and deliver the solution. Very often what would happen, though,

was that we would do the same project 200 times because different customers would come to us with different but very similar types of issues. We called that "customer-backed innovation."

What we do now, with the advantage of having done work on the marketing side, is to drive what we call "segment-driven innovation," in which we proactively go to customers and say, "In your specific vertical, in your specific segment, in your specific category, what is important? If you're a coffee customer, what is important in terms of single serve, in terms of roast and ground, in terms of instant soluble? What type of sustainability or consumer requirements do you have? We can help you with this from a packaging perspective." Together with our customers we build an innovation road map that becomes a joint commitment to bring products to market. We do this both with the global key accounts and also regional accounts.

What is the Amcor Growth Opportunity Program?

The Amcor Growth Opportunity Program is about being fast and focused. We want to analyze and understand the market. We want to be clear in segmenting the market and in having a team that is able to drive the execution—and then repeat the process on a consistent basis.

It's about how you understand the market and your competition, and then quantify that and make sure you understand the needs of customers. It is about how you listen to them, structure their needs, segment the market, define a unique selling proposition to respond to the needs or pain points of the market, and then have an execution plan that addresses all the obstacles or opportunities for growth. The execution plan becomes something that is driven by the same team that has driven the analysis of the categories, so people are excited about crafting the future and then making it happen.

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