

THE BUSINESS LEADERS PLAYBOOK FOR **COMMERCIAL**

A comprehensive guide for business leaders to drive commercial performance, strategic partnerships, and sustainable revenue growth.

Presented by Leadership Services
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Chapter 1: Why Commercial Leadership Matters

Commercial leadership sits at the intersection of sales, marketing, finance, and strategy. It is about maximising the commercial value of every relationship, contract, and market opportunity your business pursues.

Without commercial leadership, businesses commonly experience:

- Revenue growth stalling despite market opportunity
- Margin erosion from poor contract negotiation and pricing
- Overreliance on a small number of key accounts
- Missed opportunities in adjacent markets and new channels
- Disconnected sales and marketing efforts reducing effectiveness

 *Leadership Tip: Commercial leadership is not just about selling more. It is about selling smarter, protecting margins, and building sustainable revenue.*

Chapter 2: Commercial Strategy Development

A commercial strategy defines how your business creates, captures, and grows revenue. It integrates market positioning, pricing, channel strategy, and customer development into a coherent plan.

The Commercial Strategy Framework

Element	Key Questions	Output
Market Analysis	Where are the best opportunities for growth?	Prioritised market segments and sizing
Value Proposition	Why should customers choose us?	Clear and differentiated positioning
Pricing Strategy	How do we capture maximum value?	Pricing framework and discount governance
Channel Strategy	How do we reach our target customers?	Channel plan with investment allocation
Customer Strategy	How do we grow existing accounts?	Account development and retention plans
Partnership Strategy	Who can accelerate our growth?	Strategic partnership roadmap

 *Leadership Tip: A commercial strategy without execution rigour is just a PowerPoint deck. Build accountability into every element.*

Chapter 3: Pricing and Margin Management

Pricing is the most powerful lever in commercial performance. A 1% improvement in price realisation typically delivers an 8-11% improvement in operating profit.

Pricing Strategy Options

Strategy	Best For	Consideration
Value-Based Pricing	Differentiated products and services	Requires deep understanding of customer value
Cost-Plus Pricing	Commodity or low-differentiation markets	Simple but may leave money on the table
Competitive Pricing	Highly transparent and competitive markets	Risk of margin erosion and price wars
Tiered Pricing	Products with varying feature sets	Encourages upselling and clear segmentation
Subscription Pricing	Recurring services and SaaS	Predictable revenue but requires retention focus

- Conduct regular pricing reviews at least annually
- Implement discount approval processes with clear authority levels
- Train commercial teams to sell on value rather than compete on price
- Monitor margin by product, service, customer, and channel
- Benchmark pricing against competitors and market expectations

 *Leadership Tip: Discounting is the crack cocaine of commercial strategy. It feels great in the moment but destroys long-term value.*

Chapter 4: Key Account Management

Your top 20% of customers typically generate 80% of your revenue. Key account management ensures these critical relationships are strategically managed and continuously developed.

The Key Account Framework

- Identify and classify key accounts based on revenue, profit, and strategic value
- Create individual account development plans with growth targets
- Assign dedicated account managers with clear relationship maps
- Conduct quarterly business reviews with key stakeholders
- Map the full opportunity within each account and build expansion plans
- Monitor account health through satisfaction surveys and engagement metrics

Account Tier	Revenue Contribution	Management Approach
Strategic	Top 5-10 accounts by value	Dedicated account director with full account plan
Major	Next 10-20 accounts	Named account manager with development plan
Growth	High-potential developing accounts	Structured engagement with clear growth targets
Standard	Remaining active accounts	Efficient service delivery with periodic review

 *Leadership Tip: Key account management is not about servicing your biggest customers. It is about growing them strategically.*

Chapter 5: Contract Negotiation and Commercial Risk


Every commercial agreement carries risk and opportunity. Strong negotiation and contract management protects your margins, limits your exposure, and creates the foundation for profitable long-term relationships.

Negotiation Best Practice

- Prepare thoroughly: understand your walk-away position before entering any negotiation
- Focus on total value, not just price: payment terms, scope, duration, and exclusivity all matter
- Never negotiate against yourself: let the other party respond before conceding further
- Document everything: verbal agreements are worthless without written confirmation
- Build in regular review points and performance clauses for long-term contracts

Commercial Risk Management

Risk Area	Mitigation Strategy	Review Frequency
Customer Concentration	Diversify revenue across more accounts	Quarterly
Contract Terms	Standard terms with legal review for exceptions	Per contract
Payment Risk	Credit checks and staged payment milestones	Per new customer
Market Changes	Scenario planning and diversified offerings	Bi-annually
Competitor Activity	Regular competitive intelligence gathering	Monthly

 *Leadership Tip: The best time to negotiate is before you need the deal. Desperation is the worst negotiating position.*

Chapter 6: The Part-Time Commercial Director Model

Many SMEs need senior commercial leadership to drive revenue growth and protect margins but cannot justify a full-time Commercial Director. The part-time model delivers strategic commercial expertise affordably.

What a Part-Time Commercial Director Delivers

- Commercial strategy development and execution planning
- Pricing strategy and margin optimisation
- Key account management frameworks
- Sales and marketing alignment
- Contract negotiation and commercial risk management
- Channel and partnership strategy
- Market analysis and competitive intelligence
- Board-level commercial reporting and forecasting

Part-Time vs Full-Time Comparison

Factor	Full-Time Commercial Director	Part-Time Commercial Director
Annual Cost	85,000 to 140,000 plus benefits	24,000 to 60,000
Availability	5 days per week	1-3 days per week or as needed
Experience	May be limited by salary budget	Access to senior multi-sector commercial leaders
Flexibility	Fixed overhead	Scale with commercial priorities
Perspective	Single market focus	Cross-industry commercial insight

 *Leadership Tip: A part-time Commercial Director brings the strategic commercial acumen that turns market opportunity into profitable revenue.*

Next Steps

Strengthening your commercial capability starts with honest assessment:

- Review your pricing: when did you last increase prices and do you know your true margins?
- Assess your key accounts: are you growing them or just maintaining them?
- Evaluate your commercial team: do they have the skills, tools, and processes to succeed?
- Analyse your pipeline: is it sufficient, well-qualified, and progressing effectively?
- Consider whether part-time commercial leadership could accelerate your revenue growth

Leadership Services provides experienced part-time Commercial Directors to UK SMEs. Our directors bring strategic commercial leadership to help you maximise revenue, protect margins, and build sustainable growth.

Book a free consultation at www.leadership-services.co.uk

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