

General Mills: Choosing the Next Growth Moves

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This case presents a hypothetical transition-team decision based on public information available by the cutoff. It does not describe an actual assignment to Dana McNabb or a completed first-year plan. No post-cutoff outcomes are included.

The decision

On September 30, General Mills announced that Chief Operating Officer Dana McNabb would become CEO on January 1, 2027. Her public statement emphasized returning the company to profitable growth through digitally enabled demand generation and supply-chain modernization. The announcement did not describe a first-year budget or a North America Retail (NAR) resource plan.

Imagine that a transition team must recommend how to sequence General Mills' next NAR growth plan. Should it continue the company's pivot toward consumer-benefit-led innovation and renovation, brand communication, and omnichannel execution? Should it put more weight on consumer value through price-pack choices, promotions, and retailer execution? Or should it concentrate and stage spending in brands and categories where multiple demand indicators support further investment?

Your team must choose a sequence and specify what evidence would change it. The challenge is to pursue profitable organic growth while managing input costs and ongoing transformation-and to distinguish consumer demand from manufacturer shipments, retailer inventory, category conditions, and portfolio changes.

What the latest quarter says-and does not say

General Mills reported FY2027 first-quarter results on September 23 for the 13 weeks ended August 30. In NAR, reported net sales were \$2,451.8 million, down from \$2,625.5 million. The reported comparison included an approximately four-point headwind from the prior U.S. yogurt divestiture. On the company's organic basis, NAR net sales declined 3%; shipped volume contributed negative 2 points and net price realization/mix negative 1 point. These are manufacturer sales measures, not a direct count of consumer purchases.

NAR segment operating profit was \$478.6 million compared with \$564.2 million a year earlier (the Form 10-Q's Note 15, printed p. 20, gives the exact prior-year amount; MD&A p. 25 rounds it to \$564 million). Management attributed the decline to lower volume and higher input costs, partly offset by favorable net price/mix and lower selling, general, and administrative costs.

Segment operating profit excludes some corporate and transformation/exit costs; it is not a brand-level return measure.

The company also reported that NAR organic sales lagged Nielsen-measured retail sales by about one point and attributed the gap primarily to retailer inventory changes. Public materials do not provide the inventory series or a sell-in/sell-through reconciliation. The reported sales, organic sales, shipment tons, net price/mix, and retail scanner series have different definitions and scopes.

Other retail indicators offered a mixed picture. The company said dollar-share trends improved in a majority of priority categories and retail sales growth improved sequentially. Its Q1 slide chart shows U.S. xAOC retail dollar sales down 2.3% year over year, compared with a 3.6% decline in FY2026's second half. The rate of decline narrowed, but the Q1 measure remained negative. "Majority of priority categories" does not mean all categories, and none of these indicators identifies what caused the change.

A portfolio with different businesses and comparisons

NAR includes Big G Cereal & Canada, U.S. Snacks, and U.S. Meals & Baking Solutions. These are reporting units with different categories and channels; "Big G Cereal & Canada" is not the whole Canadian business. Q1 reported sales were \$744.4 million for Big G Cereal & Canada, \$789.0 million for U.S. Snacks, and \$918.4 million for U.S. Meals & Baking Solutions. The first comparison includes the yogurt divestiture effect. These operating-unit results are reported sales, not like-for-like consumer demand.

The U.S. yogurt business was sold to Lactalis in FY2026 Q1. Canada yogurt was sold earlier in a separate transaction. The Brazil sale closed September 2, after the latest quarter ended; final proceeds and customary adjustments were not available by the case cutoff. General Mills had also agreed to sell its mainland China Häagen-Dazs shops to an investor group. That transaction was still pending at cutoff, while General Mills said it would continue China retail and foodservice operations. These portfolio events should not be combined into one NAR performance explanation.

Strategy, costs, and leadership transition

Management said it was moving from FY2026 base-price actions toward product innovation and renovation centered on consumer benefits, supported by brand communication, omnichannel execution, and consumer value. The company cited protein and fiber benefits, bold flavors, fun and indulgence, and pet humanization as areas of emphasis. Its current public strategy is a starting point for the decision, not evidence that any action has caused the Q1 indicators.

General Mills targeted at least \$750 million of FY2027 savings through Holistic Margin Management, global transformation, and other actions. Management forecast 4-5% input-cost inflation and described the savings as a way to offset inflation and support brand investment. The savings target and inflation rate are plans and forecasts, not realized outcomes or a committed, fungible NAR budget. The public Q1 materials do not provide a complete bridge linking program-level savings, brand-level spending, and consumer results.

The company reaffirmed an FY2027 organic net-sales outlook of negative 1.5% to positive 0.5%. That is management guidance as of September 23, not a result. The company also called out timing assumptions, including a Thanksgiving-related NAR sales phasing effect between its second and third quarters. A single quarterly change should not be treated as a full-year trend.

McNabb was CEO-designate at the case cutoff. She currently led the operating segments and Sales, Supply Chain, and Innovation, Technology and Quality. Her public statements named priorities but did not establish a completed plan, resource allocation, or subsequent outcome. This case's transition-team mandate is hypothetical.

Three paths for the next plan

1. **Continue the innovation-led pivot.** Preserve the shift toward benefit-led innovation and renovation, brand communication, and omnichannel execution. The team would need to define how it will measure incremental trial, repeat, distribution, and cannibalization, while protecting consumer value and retailer execution.
2. **Increase the emphasis on consumer value and retailer action.** Put greater weight on price-pack architecture, selective promotion, affordability, and retailer execution. The team would need to separate temporary response from durable demand and guard against confusing shipment changes with household purchases.
3. **Concentrate and stage investment.** Focus initial resources in brands/categories where retail, share, and execution signals align; test and expand other initiatives as evidence develops. The team would need fair selection rules, baseline measures, and a way to avoid starving promising but early-stage initiatives.

A recommendation may combine these paths. For each choice, specify who owns the decision, what is tested, what measures are reviewed, and what would trigger expansion, redesign, or pause.

What the evidence cannot resolve

The public record does not show NAR brand/category/channel-level shipments matched with retail unit and dollar sales, share, distribution, in-stock availability, retailer inventory, promotion, price-pack, competitor activity, trial and repeat, or cannibalization over multiple periods. It does not disclose brand-level marketing investments, retailer service/fill rates, or a complete savings/inflation-to-investment bridge. Those gaps prevent a causal ranking of the proposed strategies.

Academic research can help structure the tests. A study of French new-brand introductions found that distribution, product, and promotional factors related differently to market potential and growth; two historical U.S. scanner studies show that advertising, price promotions, brand choice, category incidence, and purchase quantity can move differently over time. The samples are not current General Mills brands or channels. Their estimates are not General Mills elasticities, causal effects, or budget recommendations.

Assignment

Prepare a transition-team recommendation as of October 4, 2026. Address:

- how you would sequence innovation/renovation, brand communication, value and promotion, and retailer execution across NAR;
- which evidence should determine initial priorities across brands/categories;
- how you would separate manufacturer shipments from retail demand and retailer inventory;
- what consumer, retailer, supply-chain, and financial measures you would review, and at what intervals; and

- what findings would change your recommendation.

State assumptions and distinguish company claims, forecasts, and explanations from observed facts. Do not treat the FY2027 outlook or savings target as realized results. Do not infer causality from the quarter's trends or transfer academic estimates to General Mills. Keep the decision hypothetical; no post-cutoff CEO transition, product outcome, savings realization, or transaction outcome is in scope. Financial valuation and Excel modeling are out of scope.

Selected sources

- FY2027 Q1 Form 10-Q, filed September 23, 2026
- FY2027 Q1 results release, September 23, 2026
- FY2027 Q1 earnings slides
- FY2027 Q1 prepared remarks
- CEO succession announcement, September 30, 2026
- Research detail and boundaries: literature review