



Consumer CEO Review:

Leadership lessons from the front line

The demands on future leaders have never been greater, and the skill sets that drive success have never been as varied. Our research interviewing **35 global consumer chief executives aims to distil the key leadership learnings from the past year** to drive success among consumer brands in this new phase of the (post) pandemic. While many lessons from the previous report remain relevant today, headwinds such as rising inflation and the conflict in Ukraine have introduced fresh learnings. The resulting deep and volatile shifts in consumer behavior have led to significant periods of disruption. When discussing these shifts, we break them into three distinct phases:

“Consumers are going to define the rules.”

Corie Barry
CEO, Best Buy



Respond



Six to twelve months of high volatility and uncertainty, starting with the pandemic responses in early 2020 and lasting to early 2021. As many governments took drastic measures to contain the spread of the pandemic, consumer spending fell dramatically and indiscriminately as the global public prepared for a variety of potential scenarios. The future was highly uncertain. Many economies responded with strict lockdowns and rules around meeting, travel and visiting public spaces with severe consequences for many businesses. Many individuals were forced to work from home.



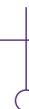
Recover



Following the response, we saw a year of recovery and adaptation. A combination of successful vaccine rollouts and a better public understanding of the pandemic led to a bounce back in consumer spending and, as individual liberties such as travel and public gatherings became possible once again, we saw a gradual recovery of performance across sectors. Many behaviours persisted from the Respond phase, such as home working and greater digital penetration.



Re-imagine



2022 offers a chance for leaders and businesses to re-imagine how they engage with their customers. Many governments have announced a theoretical 'end' to the pandemic, due to variants such as Omicron appearing to be less harmful to health, many economies successfully vaccinating a majority of their populace and consumers generally being more willing to live with the consequences of catching the virus. As many economies begin to return to some semblance of normality with regards to the pandemic, many new challenges have begun to emerge. Businesses must re-imagine how they engage with consumers particularly in relation to new inflationary and geo-political headwinds.

Our approach

¹See Appendix for a full list of companies we interviewed across both stages of this inquiry.

This is the second in our CEO outlook series. We spoke with 35 Consumer CEOs globally - across consumer products, consumer digital and media, leisure & hospitality, and retail - building on interviews we had with executives in 2020¹. The previous paper, [Why Being a 'Great Business Leader' is Not Enough](#), took place in the Recover phase of the pandemic. Despite the worst effects of the crisis largely subsiding, many of the trends that it either accelerated or created have persisted to the present phase. Our goal was to understand the continued evolution of consumer behavior and its impact on business and leadership. We have also compared these findings with the first wave of this CEO Outlook series conducted in the fourth quarter of 2020, to investigate how consumer behavior and business response has evolved in the intervening period.

“What was once an accordion reopening has become a consistent rebuild. Our focus has been to capture that away from home re-bounce while driving competitiveness, in what are proving to be very sticky at-home occasions.”

Shane Grant

CEO, Danone North America

Key drivers for 2022

Consumer behaviors	Business implications	Leadership learnings
<ul style="list-style-type: none"> • Consumer activism • Digital ubiquity • Continuous disruption • Life rebalancing 	<ul style="list-style-type: none"> • Consumer centricity • Resilient operations • Unified channel strategy 	<ul style="list-style-type: none"> • Data driven decision making • Dealing with ambiguity • Social intent • Cultural excellence

The future consumer

Prior phases of the pandemic accelerated certain existing consumer trends like digital disruption while introducing others that were unprecedented, such as the cultural shifts favoring hybrid and remote working. Many companies successfully pivoted, rapidly adapting to these shifts in behavior in the Respond and Recover phases of the pandemic. A key theme emerging from our interviews has been an acceleration in the pace at which consumers are adapting to ongoing disruption, putting additional strain on business and requiring agile leadership to see companies through. Executives have made clear that utilizing data, remaining close to your customer, and building strategies to maintain agility and drive forward innovation are key to predicting the needs of the Future Consumer.

In our previous report, we identified the four key trends that defined 'Consumer 3.0', a paradigm that completely turned the table on brands across the consumer landscape. Peter Field, the chief executive of GfK stated that "83 percent of shoppers across Europe had changed their behavior" in the year following the pandemic. As the worst impacts from previous phases subside, leaders now find themselves facing a "world of increasing complexity," as described by Fonterra chief executive, Miles Hurrell.

Of the four consumer themes identified last year, three have seen incremental changes and one has evolved substantially.

"Consumer trends have become universal. Everything is moving together in a coordinated way across the world."

Ian Lee

President, Asia Pacific and Japan, The Adecco Group

"Disruption is now endemic; businesses absolutely must be nimble to survive."

Marc Allera

CEO, Consumer Division, BT Group



2022 Consumer Drivers

Change

Consumer Activism

In the past year, we have seen consumers increasingly alter consumption patterns as a result of heightened awareness of societal and ethical issues, both localized and global. This modification of behavior based on the ethical and environmental cost of goods, and the suggestion among respondents that the trend is accelerating in light of recent conflicts, has led us to suggest last year's theme 'Social Purpose' has evolved into 'Consumer Activism'.

Digital Ubiquity

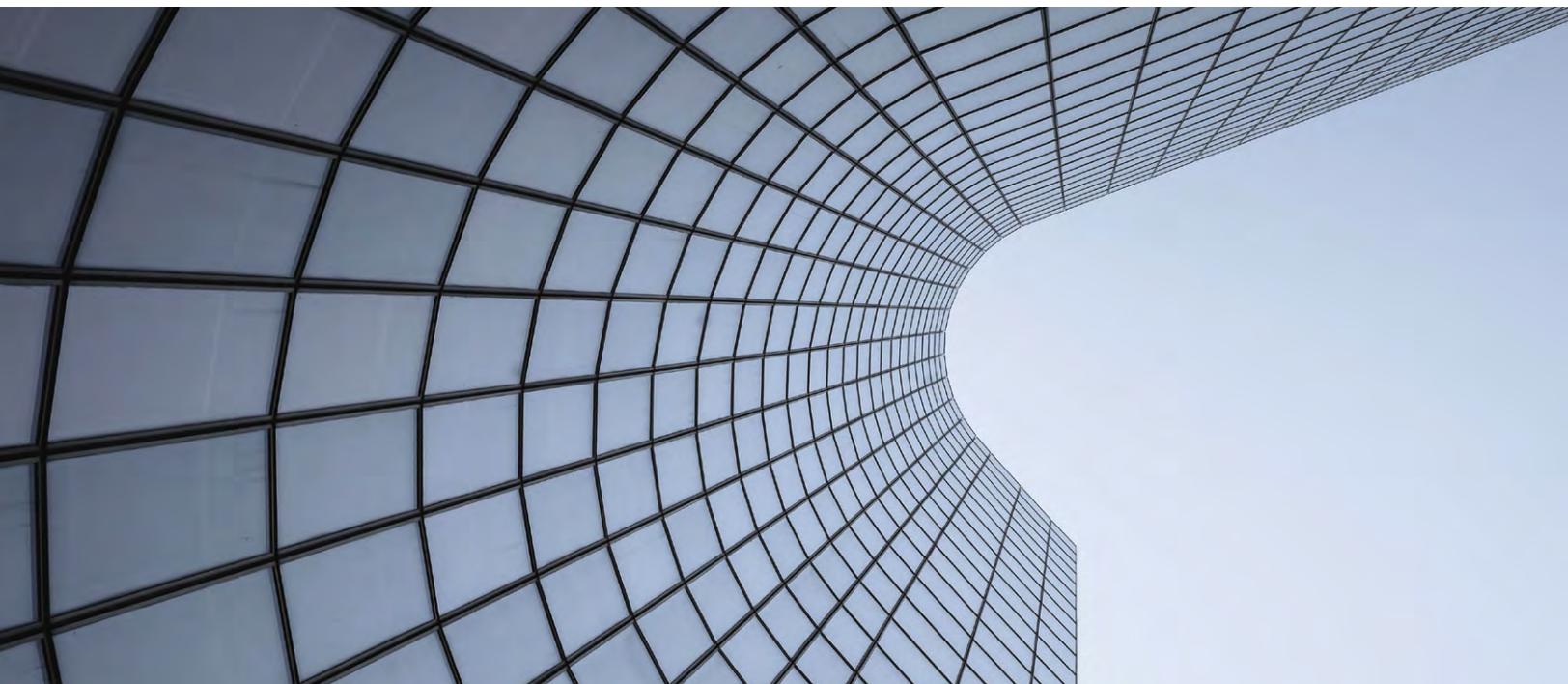
The early phases of the pandemic led to a sharp rise in digital adoption globally. As behaviors become less volatile the usage, and prominence in decision-making, of digital channels, have settled substantially above pre-pandemic levels after a period of remarkable growth. Consumers have intensified their online expectations while also requesting seamless digital integration in physical stores leading us to upgrade the previous driver 'Digital Amplitude' to 'Digital ubiquity,' to reflect this change.

Continuous Disruption

Rising geopolitical and economic tensions have come to the fore, replacing hygiene concerns, which have become embedded and dropped down the agenda. Leaders have suggested that consumer behaviors will continue to shift due to global, societal, political, natural, and health-related events and that individuals have become significantly more adept at rapidly adapting their behaviors in response.

Life Rebalancing

Customers have reassessed how they value time in the home and time outside it — 'work from home' has required businesses and individuals to redefine all aspects of their lives. This introspection and re-evaluation will continue as we enter the 're-imagine' phase, with consumers now able to plan for the future more effectively and re-evaluate the successes and pitfalls of the Respond and Recover phases.



1. Consumer activism

Since we last spoke to our interviewees last year, we have witnessed a significant rise in social awareness. Following COP26, sustainability rose to the agenda yet again Black Lives Matter continues to spark protest and shine a light on inequality, while 'anti-work' movements are placing corporations and their processes under increasing (and public) scrutiny. Boards and CEOs across the world have recognized the need for their businesses to do more to tackle inequality for their customers, employees, and shareholders.

Beyond heightened awareness of the ethical pledges they make to their workforce, chief executives report that consumers have begun to expect a higher bar for sustainable credentials from many companies. Concern over the environment has reached an all-time high, particularly among the younger generations. In the wake of COP26, companies across the globe are raising the visibility and ambition of their goals. This has placed demands on corporations to provide social guidance and to be net contributors.

Going forward, our respondents expect that consumers will increasingly choose brands based on their track record in these areas, how they treat their employees, how they communicate with their customers and their stance on broad-ranging issues. With geopolitical tensions rising and consumers increasingly boycotting companies over where they trade or challenges in their supply chain, the leaders surveyed expect this trend to intensify in the coming years.

“Consumers want to do business with companies aligned with their values; they’re re-imagining the types of people they want to be.”

Steve Cahillane

Chairman and CEO, Kellogg's

“Customers need to trust you – the consistency of how you deliver the service is very important. –”

Marcelo Pimentel

CEO, GPA

“There is a substantially heightened focus on ESG, companies must be a force for good”

Stuart Irvine

Former CEO, Lion



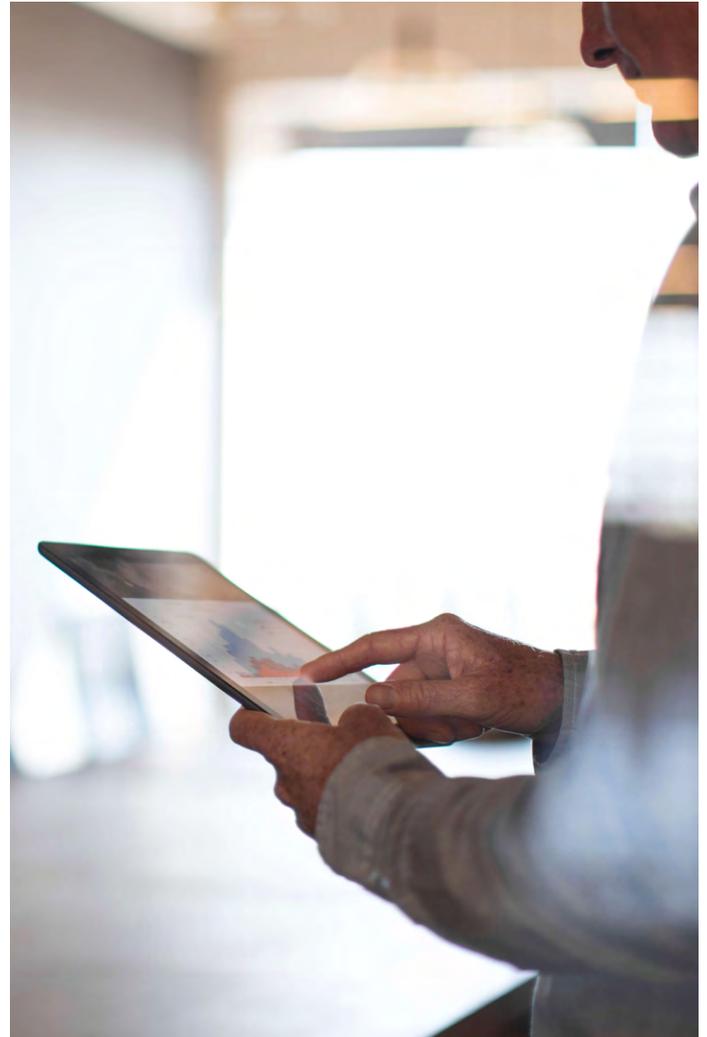
2. Digital ubiquity

Many consumers were forced in the Respond and Recover phases of the pandemic to rely heavily on digital channels for all their needs, resulting in five years of digital acceleration in the first five months of restrictions alone. Consumption patterns were irrevocably changed, and it has become clear in our latest research that despite consumers having offline options open to them, many continue to rely on digital options more frequently in both the research and purchase phase of each transaction.

Digital natives have consolidated; digital newcomers have taken up residence. Those who thought they would never go digital found they liked it and are willing to explore new online experiences. Rethinking traditional processes and product discovery experiences is now fundamental to future growth.

While some industries witnessed considerable traffic return to offline channels, it remains considerably below pre-pandemic levels overall. Companies that we're able to successfully leverage digital channels to inform and drive shoppers to physical sites, and those scaling up the adoption of hybrid fulfillment models such as click and collect or curbside pickup have reportedly reaped dividends.

Many chief executives noted that brands face a far savvier and more versatile consumer and that gains made in digital adoption are here to stay while also acting as a catalyst for future growth.



“More and more customers have digital comfort, but they also have very high expectations. They may not always be digitally native, but they are digitally comfortable.”

Corie Barry
CEO, Best Buy

“The biggest trend for us is that Gen Zers are becoming new mothers and they are digital savvy. Compared with previous generations, they will research products and consider more factors (not only price but also service, convenience, etc.) to decide which product/brand they are going to buy”

Grace Chen
MD, China, FrieslandCampina

3. Continuous disruption

While the worst impacts of the pandemic appear to be subsiding in 2022, and there was some optimism amongst our sample with regards to recovery, CEOs made it clear that planning for high volatility and continuous disruption would be crucial for future success.

Significant macro-economic shocks are causing consumers to rapidly shift their spending habits, and businesses find that predicting these rapidly evolving behaviors is challenging. Consumers are facing substantial economic and geopolitical headwinds, aging populations, rising inflation putting pressure on household incomes, tight labor markets, substantial supply chain, and manufacturing disruption, which are all adding complexity to operating models.

Many leaders cited rising complexity as a challenge to their continued success, and that companies needed to both be more agile and re-evaluate and diversify their resourcing structures to be prepared for future shocks.

“Macro shifts like an aging country, increased income disparity, shrinking households, and distinct regional differences are accelerating and shaping how we think about our strategy across multiple dimensions – from categories to brands, packages, pricing, channels, supply, and talent. Segmented growth strategies are more critical than ever.”

Shane Grant

CEO, Danone North America

“Across the sector, there have been big winners and big losers. Some companies’ products are up 60%; others are down 60%. It is incredibly hard to understand why in the current climate, and many retailers are not getting this right.”

Rodrigo Pizarro

CEO, Australia & New Zealand, L'Oréal

4. Life rebalancing

The Respond and Recover phases were characterized by deep self-reflection by many people, in all areas of life. This resulted in seismic behavioral shifts, and in our most recent round of interviews, many consumers are continuing this personal assessment.

“I think there’s going to be ongoing rewriting of priorities in life, and that’s still occurring.”

George Zoghbi

CEO, Arnott’s

A consumer focus on health and wellness was cited by many chief executives, in addition to how hybrid working can enable this for both customers and employees. Many companies are settling into hybrid patterns, with diverse consequences across Retail, CPG, Hospitality, and Leisure.

Consumers are also making efforts to be more active, eat better, improve work-life balance, and consume more responsibly. Adapting product lines, marketing, and messaging to reflect this change yielded positive results among the leaders we interviewed.

“Consumers learned how to cook and that has accelerated a long-term trend: they’re cooking more at home, and we have rigorous quantitative data that shows this, and how that’s aligned them closer with our products”

Lawrence Kurzius

Chairman, President and CEO, McCormick & Company



In response to the rise in hybrid working, consumers have continued to shop in a home-centric way: with a rise in spending on items and categories with a household focus, such as appliances, DIY, furniture, homeware, and electronics.

Simultaneously, businesses that rely on foot traffic -- e.g., restaurants and travel -- have bounced back in some economies. Where public confidence is high enough, restaurants and hoteliers have thrived - an encouraging development for countries still in the Recover phase. Many of the leaders surveyed expressed uncertainty as to how the future of consumer destinations will play out but we're confident that people are returning to physical locations, albeit slowly.

“During COVID-19 there was an incredible amount of home nesting. People invested in their homes, they learned working from home was more budget friendly and we think a lot of those behaviors will be hard to unwind.”

Sean Connolly

President and CEO, Conagra

“Dubai recorded its busiest summer since 2009 with over 16,000 property transactions in Q3 alone; and hotels bucked the trend in the hospitality sector, with an 11% increase in consumer spend in Q3 of 2019”

Alain Bejjani

CEO, Majid Al Futtaim

Business implications of the future consumer

Many of the core themes identified by our cohort of global chief executives have persisted from the previous study, however, the composition of each has shifted to reflect the new phase that the global economy has entered. Effective supply chain and labor management, navigating continued disruption, and brand purpose have been identified as of renewed importance to modern leaders.

“... no one can cover double digit inflation with productivity. It’s a learning process on both a manufacturing process and a supplier side”

Steve Cahillane
Chairman and CEO, Kellogg's

2022 Drivers & themes	Change since 2021
 <p>Consumer Centricity</p> <ul style="list-style-type: none"> Inflation & value proposition (new) Brand purpose & consumer trust (new) Insight, Innovation, portfolio adjustment (ongoing) 	<p>Customer centricity remains at the core of a successful consumer strategy in 2022. However, brand purpose, pricing, and value proposition have increased in importance in light of inflationary pressures. Data, insight, and innovation have all remained consistently important compared to the prior year.</p>
 <p>Resilient Operations</p> <ul style="list-style-type: none"> Planning for uncertainty (new) Talent in a tight labor market (new) Workforce wellbeing (new) 	<p>While businesses were reviewing operating models last year, they are now building out the resilience of their operations in the face of heightened uncertainty and risk. As consumers anticipate and respond to continuous disruption, businesses must head off challenges in supply chains and staff retention through robust people strategies and tech.</p>
 <p>Unified channel strategy</p> <ul style="list-style-type: none"> The future of physical (new) D2C, customer acquisition, channel partners (ongoing) 	<p>The spike in digital adoption or ‘the great onboarding’ has subsided, but online penetration is still substantially higher than pre-pandemic levels. Investment in digital channels remains top of the agenda, with many companies across sectors opting to cut out the middleman and reach consumers directly through a variety of channels. A key consideration moving forward, as physical centers reopen, is how to adopt a unified channel strategy incorporating and leveraging physical assets.</p>

Consumer centricity

Inflation & value proposition (new)

We have seen a surge in demand as economies have generally re-opened more quickly than analysts had anticipated, with spending up on pre-pandemic levels for many categories and markets. This combined with tight and disrupted supply lines, rising oil & energy prices, and rising labor costs have put pressure on businesses to raise their prices. Retailers are finding themselves in a precarious position when it comes to managing prices: do you keep prices low and take a hit on margin, or pass on higher costs to your customers? Many companies have taken other steps to mitigate price rises, which are treated as a last resort, such as reducing unit sizing, component/material cost, or rationalizing SKUs in the case of retail. The brand is becoming increasingly important in this progressively fraught landscape and is particularly important in fighting inflation. Ensuring that businesses have a communicated purpose helps build brands that consumers will continue to engage with, even when disposable income is constrained.

Brand purpose & consumer trust (new)

With the rise of consumer activism and inflation eating into disposable income, how brands humanize themselves can make or break businesses. A crowded marketplace with established and innovative competitors can be incredibly challenging to penetrate. Creating a powerful brand purpose adds value to both customers and society. Companies can use their reach to shine a spotlight on societal and human issues. Connecting with consumers on this personal level leads to a longer and more valuable relationship, building loyalty that has been heavily eroded throughout the pandemic.

The challenge is that the required organizational changes to authentically appeal to consumers can only truly take root if the organization has a broader purpose; albeit, this alone is not enough. This has never been more important given the 'Life Rebalancing' that many consumers are engaging in, revisiting their purpose and asking themselves how their environment reflects those changes.

“The inflation we are seeing reinforces that you need to have strong brands that ultimately have emotional connections with consumers because after a certain price point there are generic labels that they will choose unless a brand has been humanized.”

Glen Walter

Former President, North America, Mondelēz
CEO, Tropicana

“ . . . In terms of what consumers value – it has become even more entrenched in the types of companies. They want to do business with is it aligned with their values”

Steve Cahillane

Chairman and CEO, Kellogg's



Ongoing trends - Data, Innovation, Portfolio adjustment

Many trends have persisted from the last version of this report. It has been made clear that rethinking legacy org structures continues to be critical, with successful organizations connecting their front-end marketing with their back-end operations, such as supply chain. Customer centricity must continue to catalyze innovation, not just when considering product ranges, but when diversifying categories or adopting channels. Companies must now develop solutions for new consumption channels, such as e-commerce-specific products, to meet consumer demand. Social has moved from a fringe activity to a dialog with consumers, shaping product lines, messaging, and investment in real time.

“... we believe an organization with a greater purpose tends to create excellent customer retention and employee engagement in the long term. Adding value to all stakeholders (customers, employees, suppliers, communities, and government) leads to a more robust ecosystem.”

Alain Bejjani
CEO, Majid Al Futtaim

Resilient operations

Resilient supply chains (new)

Supply chains have experienced unprecedented levels of disruption. Companies must operate in an inflationary landscape where fissures can appear at any time, and where they must be ready to switch to Plan B (or C) with minimal notice. Within this maelstrom, companies are re-inventing their supply chain blueprints on the fly while they build up their ability to make course corrections. Others are moving to fully integrate their supply chains, from first to the last mile to build resiliency. Faced with continued geopolitical pressures and the resultant fuel price rises, materials shortages, and previously prosperous regions and trade routes becoming warzones, even the most globally oriented of companies have found themselves assessing which pieces of their value chain they can near-shore.

Companies with supply chain depth, strength, and operational clout have thus far weathered the more volatile swings; companies that were overly dependent on one sales channel or one supply chain network have struggled, as have those that failed to deploy adequate contingency or workaround plans.

“Global supply chain . . . is possibly the biggest issue that we are focusing on.”

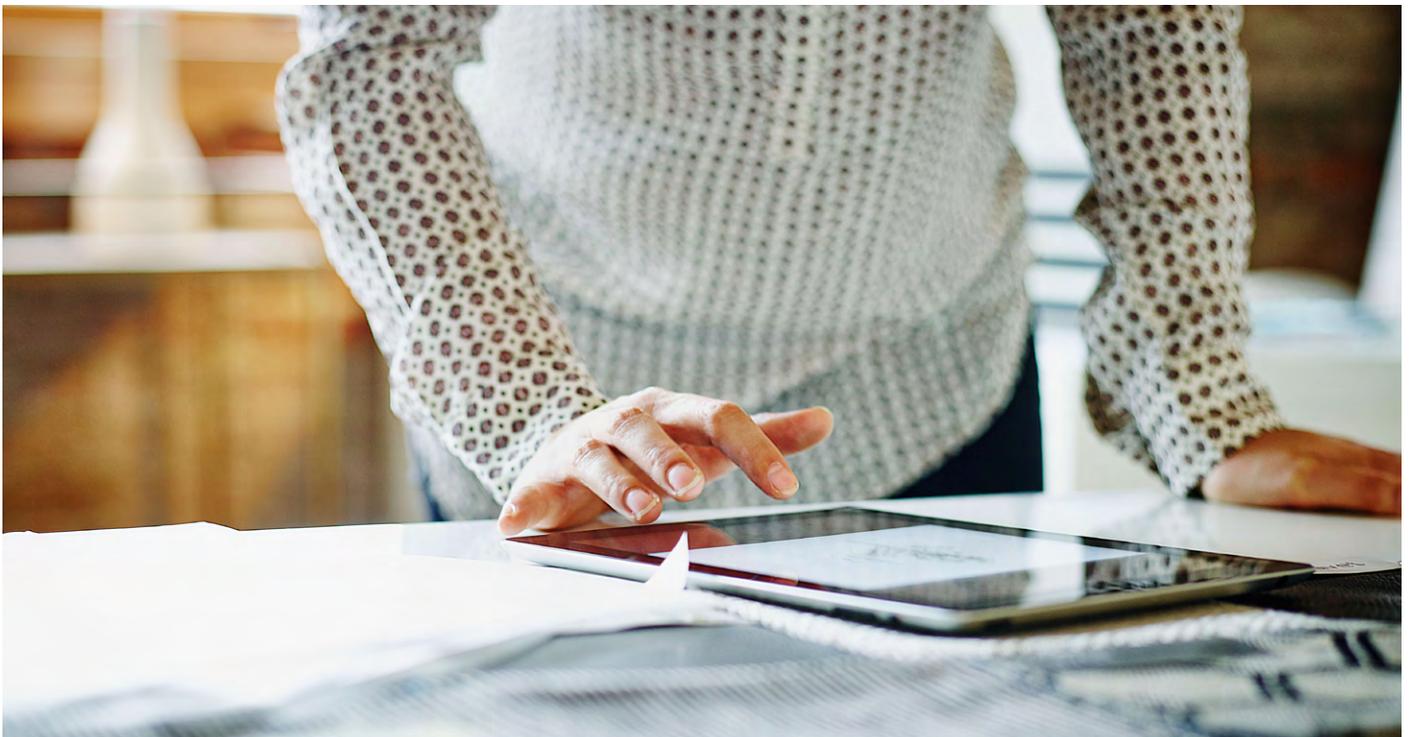
Alaistair Symington

Group CEO and MD, Blackmores

“We are continuing to build our supply chain capability because nobody has a crystal ball of when this will pass. If the trucking lanes are not operating you need to get your trucks; we have had to backward integrate into a lot of these things. There is no silver bullet”

Steve Cahillane

Chairman and CEO, Kellogg's



Talent in a tight labor market (new)

Labor at all skill levels experienced intense stress during the pandemic. Many governments spent billions to ensure that widespread industry closures did not permanently scar their economies, but many businesses did not survive. These drastic shifts required companies to reshape their leadership teams during the pandemic, with many of our respondents pivoting toward more digital and agile operating models. The most successful organizations cascaded this change and were perhaps more prepared than most to manage high turnover rates and stretched teams. The most prevalent human capital shift seen across companies is the intensified focus on talent with digital and customer-centric capabilities.

Nor is talent attrition in today's economy entirely due to the pull of competitors: increasingly, we are seeing talent downshifting or opting out altogether from their field. The Great Resignation has had a pronounced effect in the United States, but many of the same patterns are apparent across geographies. Companies must rethink their offer, and perhaps the job itself. For some, that means moving forward with a dispersed or hybrid workforce. For other companies that meant investing in upgrading their office space while workers went remote, in the hopes that bringing workers together physically will drive engagement and team-building.

“Everyone is looking for the same thing at the same time.”

Alaistair Symington

Group CEO and MD, Blackmores

“A big challenge is how to build a team that has a cohesive perspective as we keep working on Zoom.”

Fabian Garcia

President, North America, Unilever

“... we had to refresh up to 50% of the executive suite and the layer below that, to build up a team of people who can think marketplaces and digital and are used to working in an agile way. We're trying to import a lot of talent that is very hard to find everywhere, and everyone is hunting for the same people.”

Ait Voncke

CEO, Aviv Group



Workforce wellbeing (new)

The pandemic has taken its toll on many employees. As the prospect of burnout rises many businesses are taking a more active role in their employee's well-being. This can take the form of re-imagining and re-affirming their corporate purpose after the tumultuous Respond and Recover years. Many leaders pointed to an array of more direct interventions such as hiring wellness coaches, organizing after-work activities, annual wellness weeks, or offering Cognitive Behavioural Therapy to retain top talent.

Companies we spoke to have worked hard to link their culture and brand to their underlying purpose as a driver for wellbeing. The challenge is that culture itself can only take root if the organization has a broader purpose to anchor itself to. This has never been more important than at a time when so many people are revisiting their purpose and asking themselves how their environment reflects that.

“To develop organizational resilience and longevity in the face of this crisis, we reconsidered how work and talent were organized and how work can be reinvented, emphasizing mental and physical wellbeing.”

Alain Bejjani
CEO, Majid Al Futtaim

“Critical for us is how to care for the culture of the company during this time: everything is happening so fast it is so easy to lose sight of your core values, and what is important and what you will not compromise in exchange for growth.”

Marcelo Pimentel
CEO, GPA

The future of physical (new)

The world has accepted that normal as we knew it is not returning, however many economies have begun to re-adopt some of our old behaviors about physical space. Restaurant and hotel bookings in Europe and the Americas are returning to near pre-pandemic levels. While the volume of store visits remains lower, the amount spent per visit is substantially higher. The future of physical consumer locations needs to be frictionless, data-driven and connected to attract the future consumer. With the consumer still tentatively returning to physical centers, availability and experience will be key. It should be as easy to find an item online in a nearby store as it is to find one in a distribution center hundreds of miles away, but this is rarely the case. Leveraging physical assets for more effective (and sustainable) last mile delivery is also a compelling advantage, utilizing physical space as a point of sale but also a location for fulfillment, customer service, and community engagement. Businesses must enhance store technology to meet both the short- and long-term expectations of their customers.

Ongoing trends: D2C, customer acquisition, channel partners

Companies continue to leverage D2C to both better control their brand proposition, mitigate their own brand risk and improve margins, this trend continues to accelerate across sectors. Where to play remains a key consideration, with brands forming new and tangential partnerships not just with marketplaces, but with complementary brands. Customer acquisition was widely mentioned, with digital marketing and sales capacity being scaled rapidly at successful organizations.

“The only way retailers are going to be able to continue to drive profitable outcomes is that you are going to have to find efficiency- real automation within your organization and digital experience in your physical locations is incredibly important.”

Corie Barry
CEO, Best Buy

Leadership requirements

“People are tired. We are trying to find this right mix — we are a high-performance organization and wanted a strong level of excellence. We are starting to rebuild connections and trust and there needs to be a much stronger sense of empathy —as leaders, we need to have not just a strong IQ but EQ. The short terms pressures are so brutal, trying to balance where you are headed can be overwhelming.”

Glen Walter

Former President, North America, Mondelēz
CEO, Tropicana

There was no playbook for navigating what began in early 2020 and has changed the world since. Leaders across the world, regardless of sector, have had to rely on a combination of their value systems, instincts, experiences, and, of course, their executive teams to navigate the storm.

The events of the last few years have added competing priorities to CEOs’ agendas and stacked significant complexity on top of what was already a nearly impossible role. As businesses look to build solutions for the new consumer paradigm, we have identified four fundamental leadership requirements that future consumer CEOs must possess:



**Data-Driven Decision-Making
and Dealing with Ambiguity**



**Social Intent and Cultural
Excellence**

Data-driven decision-making and dealing with ambiguity

One of the paradoxes that C-suites must confront is that they must be data-driven, yet despite a wealth of data, there is substantially heightened ambiguity, and generating insights from data has never been more complex. When overburdened with data, companies can become trapped in minutiae while missing the big picture. The antidotes are employees and leaders that can interrogate datasets fluently and communicate their recommendations flawlessly. In the current business environment, planning horizons are narrowing and reaction times are shortening, the key to success is building a data lead culture, and best practice that brings together the right talent and resources to ensure data-based decision making is baked in at all levels of the organization.

Very few decisions are ever made with total transparency. The capacity to move ahead with strategy in the absence of perfect information was identified as a core skill for future leaders. Leaders across sectors tell us they are now working well beyond their comfort zones, and a proven ability to make instinctual but grounded decisions based on the best available evidence was frequently raised as a desirable trait.

Managing ambiguity is about accepting potential risk and moving on, nonetheless. It may be that no one loves being uncomfortable; nonetheless, some executives thrive in such environments while others use yesterday's tactics for tomorrow's problems. The best executives can become comfortable with the uncomfortable, leaning on their confidence in their instincts and intuitive to move forward

“Digital is all about data; you need good storytellers who can read the mood and the numbers —there are almost too many algorithms— you need more people with gut and storytelling ability.”

Chief Executive,
Global news organization

“We are looking for skill sets around people who can operate in volatility and uncertainty, people who cannot be paralyzed by change and courageous to make decisions without information. They have got to have the ability to create not only plans and choice, but they need to be great communicators, that is crucial.”

Alaistair Symington
Group CEO and MD, Blackmores

“... we invested a lot into data capabilities to build visibility of market, and now we already have a very solid and detailed granular level of data collection about all the channels that we are operating and can make a precise decision based on the data and facts.”

Grace Chen
MD, China, FrieslandCampina

Social intent and cultural excellence

Social intent refers to the external manifestation of corporate values and a firm's contribution to society, Cultural excellence is how those values impact a business's employees and their decision-making.

Companies that successfully made it through the pandemic did so in part by returning to and reinforcing their core values, with executive teams remaining highly visible even as organizations went remote. That visibility extended into society, where companies are under the microscope, and where it can be hard to remain neutral on so many social issues.

“Companies need to think beyond traditional philanthropy and volunteerism and adopt an approach that unites multiple stakeholders to create lasting change. Campbell’s vision is to leave a legacy of impact in the communities we call home through programs like the Full Futures school nutrition partnership, which helps students reach their full potential by providing daily nutrition that supports their development.”

Mark Clouse
CEO, Campbell Soup Company

Living up to rising expectations from society while maintaining growth becomes even more necessary as investors insist on both. **Executives must ensure that their actions match their commitments,** and in so doing model an organizational culture that promotes sustainable growth. Becoming a cultural transformer influences a significant portion of the business and consumer issues touched on the importance of social impact in this research.

Executives must be willing to both lead and sense where the organization is leading them. COVID and its ramifications have forced companies to operate with a new mindset, cultivating a risk-seeking culture that has allowed them to pivot toward new revenue streams and ways of working. As it subsides, they must build back better, rewarding those that supported them in times of crisis, while also building in additional resiliency for future challenges.

“As CEO, my job is to convey the culture and change the mindset of some employees, especially the old generation, to better embrace the new market conditions and digital tools.”

Karen Li
CEO, Vinda International

Conclusion: Leading in turbulent times

The legacy of the pandemic is unpredictability.

Constants have become variables. Factors that were accepted norms are now the dated conventional wisdom of yesteryear. Amidst mounting economic and geopolitical headwinds, it is easy for employees to feel they do not have control over their destinies. Whether in a crisis or periods of heightened uncertainty, it is easy for leaders to reflexively try to attempt to impose control. Instead, they must build trust with and empower their teams to do their best work. Achieving this begins with simply providing an empathetic and purpose-led working environment to enable their success. A leader who can demonstrate vulnerability, and humanity in times of challenge will attract the strongest teams.

The consensus among the leaders we spoke to is that their roles have never been more demanding, and the skills within their teams are never as diverse.

As a result of the array of external factors influencing consumers, their behaviors have understandably become harder to predict. Customers are harder to acquire and harder to retain. Leaders will need significantly more resilience within their operations to weather whatever fresh shocks the world faces in the coming years and must plan and respond quickly as they arise.

For leaders to successfully attract the Future consumers to their offering, and retain their high performing teams, they will need to adopt a purpose led and empathetic approach to business communicating their vision to consumers, building resilient teams and leadership strategies to mitigate future shocks, and treat their employees as stakeholders to ensure growth in this new phase we have entered.

"This has been a real development and growth-oriented 18 months for all our leaders -- it has required a shift which has been exciting for me and our senior leadership team, focusing on proximity to our teams, empathy for our people, vulnerability through the organization, humanity to the way we lead the business which this period has brought out in many leaders and made us better. It has been a really important evolution in contemporary leadership, including having a simple but not simplistic strategy, and a focus on customer-centricity, but it has made us a much more modern organization and gives me a ton of confidence that we can sustain what we have done."

Chief Executive,
Global Consumer Packaged Goods

'I do think the role of the Managing Director has become extremely challenging because you can't just rely on the experts you have in your team you yourself need to have an in-depth understanding of many new areas. As example you have to be competent at data science, community relations, reputational issues, global politics, and all aspects of sustainability such as climate risks , all while you are actually running your business day to day.'

Ian Bailey
MD, Kmart Australia

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Kyle Monk leads the Consumer Knowledge function at Russell Reynolds, he brings significant experience in consumer behavior mapping and sector market intelligence. He is based in London.

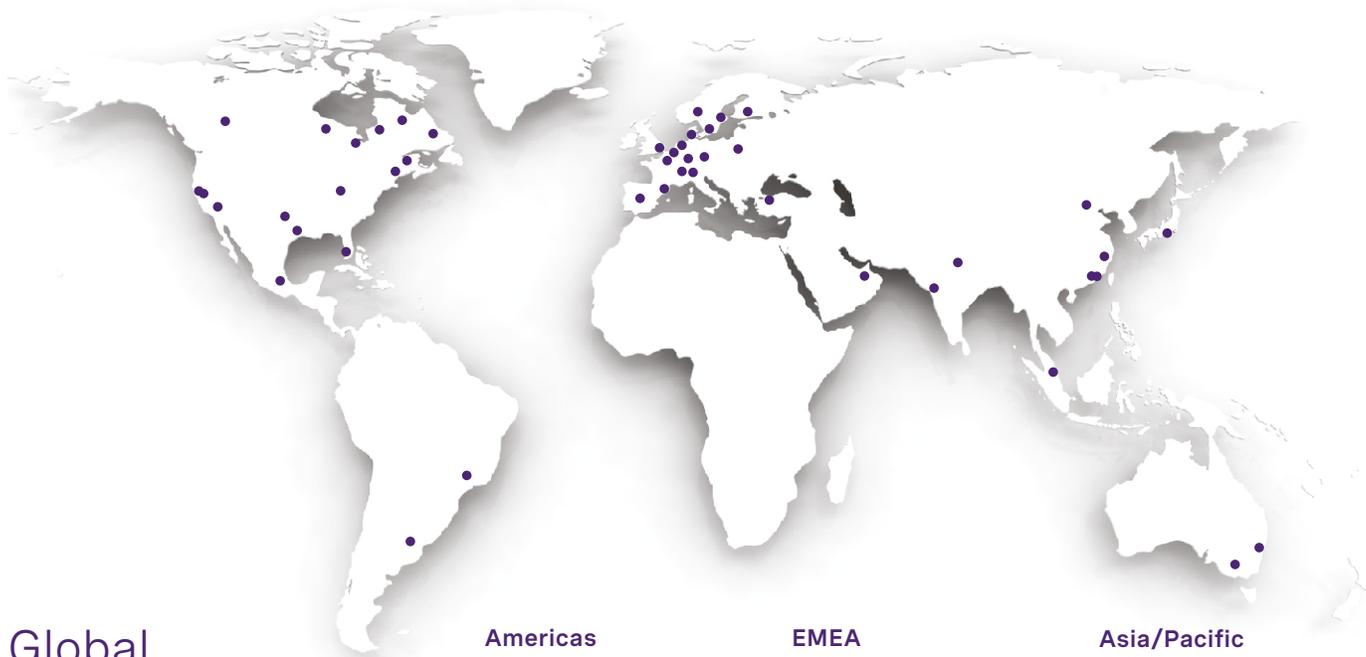
Katelyn Schoenholtz works within the global consumer knowledge team with a focus on US markets, consumer activation & growth roles, CPG and US retail.

Caren Hanssmann works within the global consumer knowledge team with a focus on European markets, retail, luxury and private equity.

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Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 47 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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