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Synthesis

Driving Innovation and Disruption among Consumer Brands today

EgonZehnder

Egon Zehnder hosted an intimate dinner in San Francisco for the CEOs of today's leading disruptive consumer packaged goods brands. The gathering was an opportunity to connect, share insights and challenges, and discuss the talent and leadership implications that CEOs are contending with as they evolve and disrupt innovation within the consumer space. Here is our synthesis of the conversation:

- 1. Investing in culture is worth it:** Organizations that are constantly investing in culture stand to be the biggest innovators. Paradoxically, culture is both an incredible force in the best of times and a strength in the toughest. To embrace culture is to encourage employees to test and fail without fear, moving away from what's safe. Although this investment may also require tough decisions, such as replacing disruptive talent, these judgements will ultimately allow the organization to flourish.
- 2. Business as a force for good is no longer just “nice to have”:** Today, it is clear that a business' purpose drives more than just profits—it is something that truly matters to employees. This means finding and investing in leadership candidates that care just as much about the outcome as they do the mission. Driving purpose for employees means making it a part of the business DNA rather than just a message of a campaign. Leaders will still, at times, contend with the give and take between profits and purpose, ideally maintaining close alignment between the two. However, those who can truly embrace purpose as the company's true north will gain acceptance and credibility.
- 3. Continuous innovation means embracing risks and sometimes M&A:** You could say that the smaller the organization, the bigger the appetite for risk. Today's biggest companies are recognizing that in order to continuously innovate, they must be more open to embracing risks and failures and learn to support their employees along the way. Bigger organizations that struggle to innovate are turning to smaller, more agile and daring organizations that aren't afraid to try hard and fail harder. Companies that have lost the ability, and perhaps the will, to innovate internally are now embracing M&A as the new R&D. A fresh look at the culture and the barriers many companies create, may unlock further value from the people within.

4. **Sustainability fuels innovation:** What if zero-waste became a profit center? One attendee was the CEO of a company that uses fruit to make their products. That CEO underwent a zero-waste initiative to use every part of the fruit for their product and hasn't looked back since. Sustainability is about more than just being the "right thing to do"; it's about finding ways to reduce waste on our planet. This is leading to new approaches and product lines, which also contributes to the bottom line of business.
5. **Don't lead for perfection, focus on transparency:** The most successful leaders of today will be those who prepare less and communicate more. Seemingly counter-intuitive, imperfection can and will break barriers, which helps leaders understand what's not working. Find leaders that are open to employees who provide honest feedback, forcing a different kind of dialogue. Find leaders who consider transparency as a disruptive tool and want to hear the unvarnished feedback that will help the business find the diamonds in the rough.

In Summary

Leaders in today's disruptive consumer market face many challenges to grow and maintain a healthy culture of innovation. The best talent will embrace risk, invest in culture and create a strong connection between purpose and profits. In the end, honesty and genuine leaders who are open to the unknown and build their team with transparency as a key guiding principle will create a new kind of engagement and passion that will drive innovation forward now and in years to come.

Hosts



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About Egon Zehnder

Egon Zehnder is the world's leadership advisory firm, sharing one goal: to transform people, organizations, and the world through great leadership. We know what great leaders can do and are passionate about delivering the best leadership solutions for our clients. As One Firm, our more than 450 Consultants in 68 offices and 40 countries bring our individual strengths to form one powerful collaborative team. We partner closely with public and private corporations, family-owned enterprises, and nonprofit and government agencies to provide Board advisory services, CEO search and succession, executive search, executive assessment, leadership development, and organizational transformation. We share a commitment to and pride in doing work that contributes to successful careers, stronger companies, and a better world.

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