

Italian consumer CEOs employ empathy and flexibility amid COVID-19

Highlights from digital gatherings with Italian consumer CEOs, hosted by Egon Zehnder

Chief Executive Officers (CEOs) of Italian fast-moving consumer goods companies (FMCG) have recognized the effectiveness of empathy, engagement and greater inclusion in dealing with the challenges brought by the COVID-19 crisis, they told Egon Zehnder in recent digital gatherings.

An empathic leadership style has proven to be the most effective during the crisis, while constant communication with the organization at all levels has been key, revealed CEOs. Moreover, trust and authenticity have emerged as fundamental in keeping their teams connected, responsive and flexible to face the new market conditions.

People's well-being has of course been top of CEOs' agenda, with activities on offer ranging from psychological daily support to creative Zoom meetings for employees' children. "We have really learned something that we often declare in corporate presentations: people are our most important asset," states one CEO.

The extent of the crisis has additionally introduced a new sense of humility among leaders. Executives admit, “we had to learn quickly”, as doctors and scientific experts were involved in major board decisions.

Uncertain times

Meanwhile, standard monthly decision-making processes have been abandoned in favour of weekly planning as CEOs recognize that a flexible mindset has to co-exist amid such strong uncertainty. “Empowerment has proven to be key in operating with flexibility and autonomy, hence enabling companies to act and respond quickly.”

To face the challenges brought by such a complex and unpredictable environment, Italy will need to eliminate excessive bureaucracy. Moreover, companies will have to become more agile, change pace and react with a new mindset. And their teams will have to re-skill and engage in a continuous learning process, say CEOs. “We’re managing organizations in an era of constant and augmented change, no one can have all the answers anymore. Leaders will need to employ an “Olympic level” of listening, to learn from both the market and from their teams, if they want to respond to a changing world”, adds another.

E-business will doubtless continue to play a pivotal role in the future as the FMCG sector rethinks its distribution channels, while national retailers, hypermarkets and malls, as well as small local grocery shops, will have to rethink their services and identify new solutions. However, it’s hard to forecast consumer behaviour in the short- to medium-term, says one CEO. “It’s very likely that we will soon experience a sort of consumer schizophrenia.”

A chance for change

Any crisis always presents an opportunity for change and some opportunities are clearly emerging for FMCG firms. “We need to think in terms of the broader ecosystem, as well as in terms of our impact on society at large, where companies play their key part and not only focus on our own corporation,” says one CEO. Those companies of a significant reach and scale play a key role towards all players in the entire business value chain, with their choices directly impacting suppliers, local institutions or governments, business partners, farmers, the retail systems and obviously customers, agree executives.

“In the future, which role do we want to play in society, as a company that has surpassed the current crisis?” ask CEOs. Those companies who answer this question in a purposeful way will win in the future, thanks to a stronger connection with both consumers, their current and potential future employees, as well as with the community at large. Therefore, while rethinking their strategy and safeguarding shareholder value, companies need to place collectivity at the top of their priorities, making this a key asset in their future plan of action, conclude CEOs.

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Covid-19 Micro-Website

We have launched a micro-website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

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