



Navigating Uncertainty: Perspectives on talent from CPG CEOs in Evolving Times

Change: The great constant of our time

Over the last five years, the consumer products industry has weathered an unprecedented “poli-crisis” of geopolitical tensions, inflationary pressures, climate change, technology developments, and stagnating returns.

As a result, consumer CEOs are moving away from last year’s cautious optimism to uncertainty and ambiguity ahead. In fact, Russell Reynolds Associates’ [Global Leadership Monitor](#) shows that, while consumer leaders are concerned about a range of external threats—with changes in consumer behavior and uncertain economic

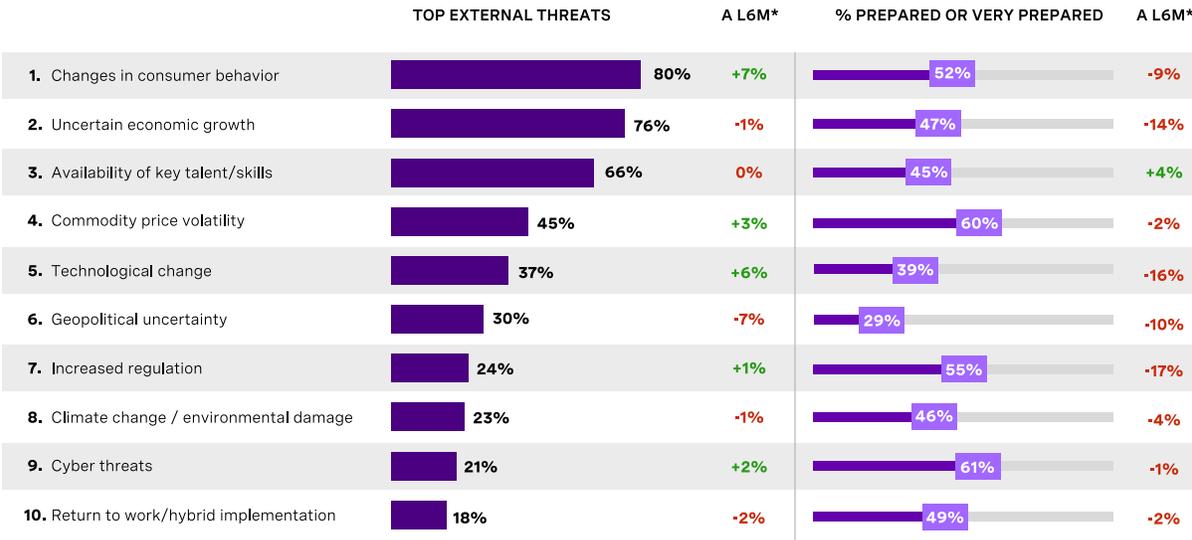
growth topping the list—they feel less prepared to address nearly every external organizational threat than they did six months ago (Figure 1).

To help consumer leaders plan for an uncertain future, we launched our fifth **Annual Consumer CEO Perspectives Review**. For this installation of the report, we interviewed 19 global CEOs of *consumer products (CPG) companies* at the end of 2023 and beginning of 2024 (please see appendix for full interviewee list), identifying learnings and recommendations for the future across four themes:

- **Necessary skillsets:** The three skills CPG leaders need to succeed
- **Technology advancements:** Opportunity and uncertainty for CPG CEOs
- **Succession planning:** The key to continued stability in CPG organizations
- **Evolving cultures:** CPG talent is expecting more from their organizations

Figure 1: Top external threats & preparedness for leaders in the consumer industry (H2 2023)

Leaders ranking the top 5 factors that will most impact their organization’s health across the next 12-18 months, and their preparedness to address them



Source: Russell Reynolds’ H2 2023 [Global Leadership Monitor](#), n=531 consumer leaders, survey conducted Sept 11-29, 2023.



Necessary skillsets: The three skills CPG leaders need to succeed

While leaders will always need traditional competencies across functional areas, our CEO interviewees stressed that today's CPG leaders need **curiosity**, **agility**, and **empathy** to navigate the complexities of the modern business landscape.

Curiosity drives talent to explore new ideas, perspectives, and approaches, encouraging innovation and adaptability in the face of change. Our interviewees reiterated that they are looking for leaders who can embrace new ideas and perspectives, effectively learning, unlearning, and relearning from past experiences to grow alongside their organizations. This iterative process of reflection and improvement allows leadership teams to stay resilient and relevant.

In today's dynamic and rapidly changing business environments, CPG CEOs also need leaders and teams who demonstrate **agility**. This means modifying approaches, showing resiliency in the face of setbacks, and adjusting practices and points of view to address the organization's changing needs, embracing an open mindset of continuous improvement, adaptability, and experimentation.

Finally, leaders need **empathy**. As business operations become more complex and tech-centered, workforce diversity grows, and firms face greater public scrutiny than ever before, CPG organizations need leaders who are adept

communicators, relationship builders, and problem solvers. Our interviewees spoke to the importance of leading with humanity—building trust, meeting employees with humility and compassion, and demonstrating vulnerability are crucial to navigating ambiguity and attracting/retaining the strongest teams.

"The world is changing at a pace that makes it challenging for CEOs to keep up. Curiosity and a capacity (and willingness) to upscale oneself and one's employees will allow leaders to be agile and seize the opportunities that lie ahead."

Nicolas Hieronimus
L'Oréal, CEO

"We need leaders who thrive in unpredictable situations; who don't need a user manual to operate, and can deal with risk and lack of information. Organizations (even large and established ones) need to operate like startups and rediscover the entrepreneurial spirit of the early days."

Gianluca Di Tondo
Barilla, CEO

Technology advancements: Opportunity and uncertainty for CPG CEOs

Unsurprisingly, all of our interviewees noted technological change's major impact on CPG organizations, particularly in the marketing realm. From social media revolutionizing how brands build relationships with consumers to the recent [artificial intelligence proliferation](#), leaders have never had to adapt so quickly to changing consumer behaviours.

Unleashing the full potential of digital innovations requires a management team and workforce that are comfortable experimenting with new technologies. As AI creates vast possibilities for consumer businesses—from rectifying supply chains inefficiencies to harnessing consumer data for enhanced branding and analytical capabilities—it also requires thoughtful evaluation to ensure strategic alignment, maintain data security and privacy, and fully consider ethical implications of leveraging these tools. And our research shows that consumer leaders still have a lot of work to do to understand AI, [with 72% reporting that they have minimal to no knowledge of generative AI solutions](#). AI remains a black box to most consumer leaders, and implementation approaches will vary as a result.

What does this mean for leadership?

Management teams need to develop a firm grasp of AI's applications, opportunities, and risks, while simultaneously ensuring strategic alignment and maintaining data security and privacy. This may require upskilling to better understand these technologies, in which leaders learn how to interpret and extract actionable insights from vast amounts of data to make informed decisions. Successfully addressing these challenges requires visionary leadership who can identify the talent with the skills—and willingness—to embrace change.

That said, while digital innovations are undoubtedly the way of the future, when engaging with employees, one interviewee spoke to the importance of traditional motivation and mobilization practices. While the way we work may change, the way that leaders engage with their people will not. Leaders who can help teams maintain clarity through the uncertainty and chaos of competing variables will find the most success.

"All organizations are trying to figure out how to navigate AI. As leaders leverage the new technology, it may provide a way to leap frog the competition—but the path forward is still not crystal clear."

Brian McNamara
Haleon, CEO

"Technological change is not just a CIO project—it requires each and every one of the leaders in the organization to be engaged and to embrace technological acceleration."

Brendan Foley
McCormick, CEO

"To unleash all the potential of the digital world, we need to ensure leaders can still mobilize sales forces, motivating them to go the extra mile. It's not an 'OR' mentality. It goes back to the concept of the 'Genius of the AND.' As leaders, we need to be able inspire and motivate our teams AND build new, critical digital capabilities to succeed in the near term."

Mark Clouse
Campbell's, CEO

Succession planning: The key to continued stability in CPG organizations

According to our [research](#), 60% of consumer leaders globally report that they are considering a career move beyond their current industry. These leaders are prioritizing career advancement, organizations that make them feel more valued, and different company cultures (which we will discuss in the next section). This makes **consumer leaders the most likely to leave their industry**, compared to leaders every other sector.

The key to planning for that talent uncertainty?
Succession planning.

Many of our interviewees noted that [succession planning remains a critical process](#) and helped them avoid turmoil when a leader left their organization unexpectedly. Because they proactively discussed succession plans at least two years before leadership change occurred, there was ample time to assess potential candidates, provide necessary development opportunities, and align the management committee with the organization's future needs. They were prepared for the change and ensured leadership continuity.

Of course, unforeseen circumstances can also disrupt even the best well-laid plans. One interviewee shared that, given the current market volatility, they valued leaders who could comfortably adapt succession plans when new information or unexpected developments presented themselves.

While succession processes typically involve internal leadership transition planning, many interviewees also noted the importance of benchmarking internal talent against the broader marketplace. Many firms rely on internal assessment methodologies for succession and development. While this is a good first step, organizations risk becoming complacent if it's the only tool they utilize when planning for the future. Robust succession planning and talent development lies in balancing internal succession processes with external engagement. This helps

leaders and their teams balance trusted internal expertise with fresh eyes and a more diverse range of perspectives and experiences.

"As CEOs we are always focused on developing and evaluating future succession candidates and discovering who will be best to elevate the organization. This requires consideration of ever-changing contexts and new challenges, which in turn defines the new questions these potential CEOs will ask themselves."

Salman Amin
pladis, CEO

"Succession is one of our chief responsibilities as senior leaders—it's not an occasional priority, it's perpetual. We're constantly building relationships with people in all functions, even when we don't have a specific open role for them. We are not selling a job, we're selling a culture. Recruiting is another perpetual effort; we are constantly networking to determine who will be good fit (do their values align, are they passionate about external focus, fast moving, good culture fit, in addition to having skills, etc.)"

Sean Connolly
Conagra, CEO

Evolving cultures: CPG talent expects more from their organizations

In times of uncertainty, culture has the power to pull people closer together or drive them further apart. According to our research, seeking a [different company culture was the top reason CPG leaders left](#) their organizations in the past year, outranking career advancement and better pay.

This resonated with our interviewees, who shared that—more than ever before—CPG talent prioritizes alignment with company mission, values, and leadership. Employees and leaders have a different awareness and different desires, and this makes attracting top talent more difficult. Next generation leaders, in particular, are motivated by a clear path that is consistent with their aspirations and career development, and a better work/life balance—in addition to company reputation and remuneration. This underscores the importance of fostering a workplace culture that prioritizes empathy, support, and a sense of belonging, as this is becoming a non-negotiable for CPG employees and upcoming leaders.

Additionally, interviewees noted that top talent is consistently looking for new growth and development opportunities. While these opportunities differ based on company context (e.g., larger companies can send individuals to other regions to diversify their experience, while smaller companies often look for cross-functional development opportunities), all interviewees agreed that communicating and activating purposeful mentorship plans for top next generation leaders is absolutely crucial.

[“Leaders need a deep understanding of the company’s culture and core values to help their teams embrace change, build cohesion, and develop a sense of belonging and passion towards common goals.”](#)

Stanislas de Gramont
Groupe SEB, CEO

As cultures continue to evolve, our interviewees stressed the importance of **complementary talent** within the leadership teams, particularly between the C-suite and next generation of leaders. Established and up-and-coming leaders will bring different—but ideally complementary—skills to the organization. For example, next generation leaders may possess a deep understanding of younger consumer segments; however, they may lack the **breadth and depth** of skills necessary for effective leadership, meaning they need the C-suite perspective to action on their insights. Interviewees recommended purposeful collaborations such as cross-generational mentorship programs, to facilitate knowledge exchange and skill development, thereby empowering both generations.

[“Younger generations bring an external perspective. They may not have the full set of leadership skills ready yet, but they bring other ways to connect with and understand consumer behaviours. We need to find ways to integrate and expose the younger generation at the ExCom level.”](#)

Olivier Delaméa
Savencia, CEO

Articulating organizational culture strategy isn’t always straightforward—it needs to be communicated thoughtfully to ensure everyone understands the organizations’ values, priorities, and commitments to fostering well-rounded leaders within their unique contexts.

What's next for CPG CEOs?

As CPG organizations weather the constant change and uncertainty of our current poli-crisis, our CEO interviewees recommended that leaders:

Prioritize talent with three crucial skills for today's changing environment: While traditional leadership skills will continue to be table stakes, today's CPG leaders emphasized **curiosity, adaptability, and empathy** as crucial for success today.

Embrace technology innovations and leverage them across the organization: However, while understanding new tech like AI is crucial to keeping pace in the future and glean actionable insights, human-centered leadership will be key to inspiring and motivating teams to best leverage these tools.

Proactively succession plan for leadership roles:

Succession processes require time and planning, and should follow a formal process to identify and develop successors long before the need arises. CPG leaders today recognise this need and that, when executed correctly, a good succession plan reduces risk and creates a sense of transparency within the organization.

Cultivate an open, people-centered culture: Culture matters the most in times of change. From attracting and retaining talent to binding organizations together via common goals and senses of purpose, a healthy culture is key to retention, consistency, and growth.

At Russell Reynolds Associates, we can help your organization to succeed by:

- Identifying and investing in the right leaders for your board or C-suite, using our decades of executive search experience
- Carefully examining the capabilities of your existing board or C-suite and benchmarking them against the current market
- Carrying out executive assessments, which evaluate your executive team's leadership approaches and their likely impacts, strengths, and areas for improvement
- Conducting psychometric testing to better understand your leadership team's instincts, traits, and any potential behavioral derailers
- Helping you develop a deeper understanding of your C-suite capabilities, uncovering and addressing potential gaps with our C-suite success experts

Appendix

Gianluca Di Tondo	CEO	Barilla
Simon Song	President	BSH Home Appliances China
Mark Clouse	CEO	Campbells
Kai Boris Bendix	CEO	Carl Kühne KG
Sean Connolly	CEO	Conagra
Robert Hanson	President	Constellation Brands
Walter Geiger	Head of Consumer GBU	Galderma
Dany Schmidt	CEO	Griesson - de Beukelaer
Stanislas de Gramont	CEO	Groupe SEB
Brian McNamara	CEO	Haleon
Rob Versloot	CEO	Hero AG
Juan Ignacio Amat	President Europe	JDE Peets
Nicolas Hieronimus	CEO	L'Oréal
Brendan Foley	CEO	McCormick
Roberto Marques	Former CEO	Natura
Jörg Biebernick	CEO	Paulaner Brewery
Salman Amin	CEO	pladis
Olivier Delaméa	CEO	Savencia
Jaime Ramirez	Former COO	Stanley B&D



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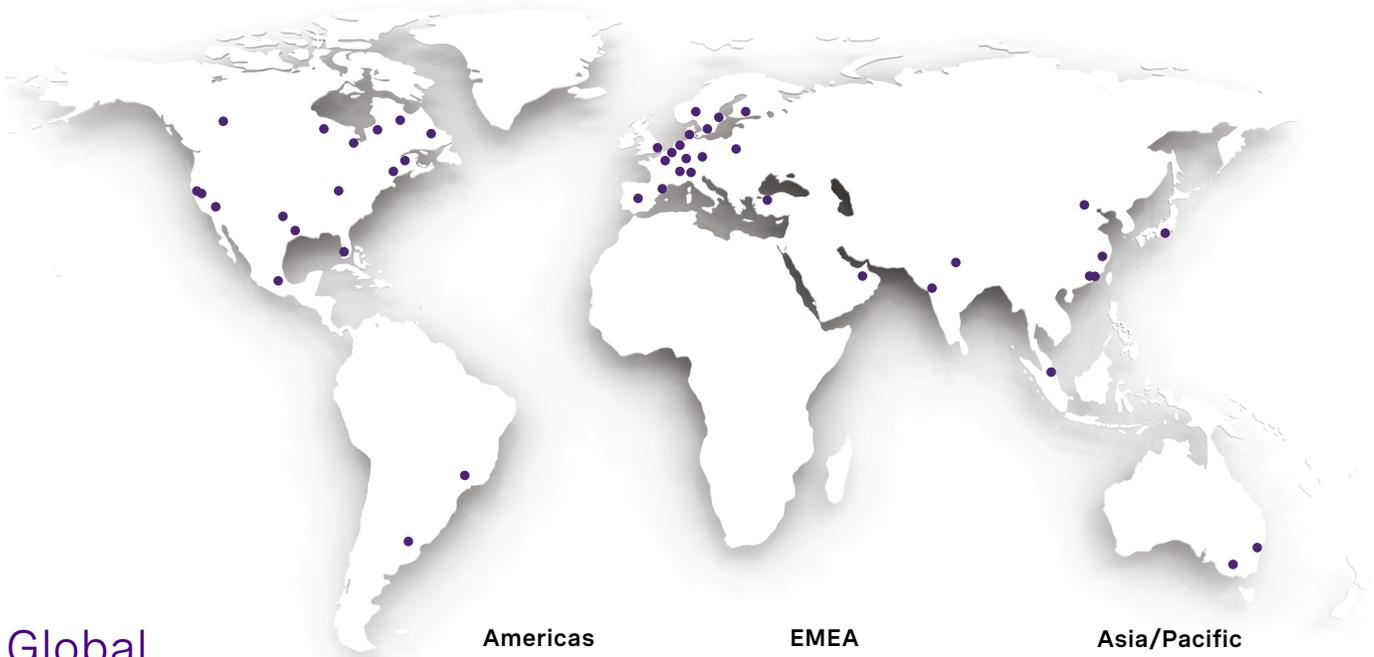
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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ 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, sustainability, 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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