NIGEL WRIGHT GROUP CONSUMER

CONSUMER FOCUS

INSIGHTS INTO THE CONSUMER SECTOR

Contents

CONSUMER FOCUS – ISSUE 9

Welcome

NIGEL WRIGHT GROUP CONSUMER

Welcome to the latest edition of Consumer Focus Magazine, our dedicated annual publication for the global consumer industry.

In this issue, we catch up with senior executives from some of the sector's most dynamic brands to find out how companies are leveraging opportunities to grow, amidst what is an increasingly complex and challenging trading environment.

> "...we catch up with senior executives from some of the sector's most dynamic brands"

One prevalent way businesses are taking on these challenges is through merger and acquisition, but the success of these ambitious projects isn't guaranteed. In our cover story on page 28, however, Beam Suntory's Manfred Jus highlights a union which is benefitting greatly from its combined assets and, perhaps surprisingly, cultures. Synergies are in abundance again over at Harman International on page 50 as the business outlines plans to revolutionise consumer audio following its merger with Samsung.

Talking about the need to leverage new technologies, on page 56 the Boston Consulting Group shares its thoughts on why consumer goods, more so than any industry, must counteract digital disruption. And on page 60, Pernod Ricard's Aitor Rueda provides a fascinating review of an HR and marketing led digital transform-action in Spain.

Outside of the world of blue-chips, on page 6 former Just Eat VP turned angel investor, Rasmus Wolff, discusses his entrepreneurial career and on page 32 Sam Bridger celebrates ten years as a freelance marketing director explaining why career interims are a different breed of talent solution.

Our thought leadership articles this year cover several prevalent trends in talent acquisition and office culture including flexible working on page 46 and the impact of technology and AI in the workplace on page 14.

The importance of employer branding is also discussed on page 18 and we hear from Natalie Monjo of the iconic French fashion brand, Petit Bateau, who reveals its brilliant viral campaign to attract new talent.

The need for innovation in the food and drink sector is discussed on page 12 and over on page 42 Danish ingredients firm KMC gives an insight into its vision for the future of food. Elsewhere in the Nordics, skin care brand eos has big plans after its 2017 re-launch.

Meanwhile in the UK, on page 38 Taylors of Harrogate Managing Director, Andy Brown, describes the Yorkshire Tea maker's plans to bolster its global presence with a push on international growth, while investment at home promises jobs and retains quality.

We hope you enjoy the latest edition of Consumer Focus Magazine and would welcome feedback on any of its content.

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Nigel Wright **raises over £13,000** to help combat cancer

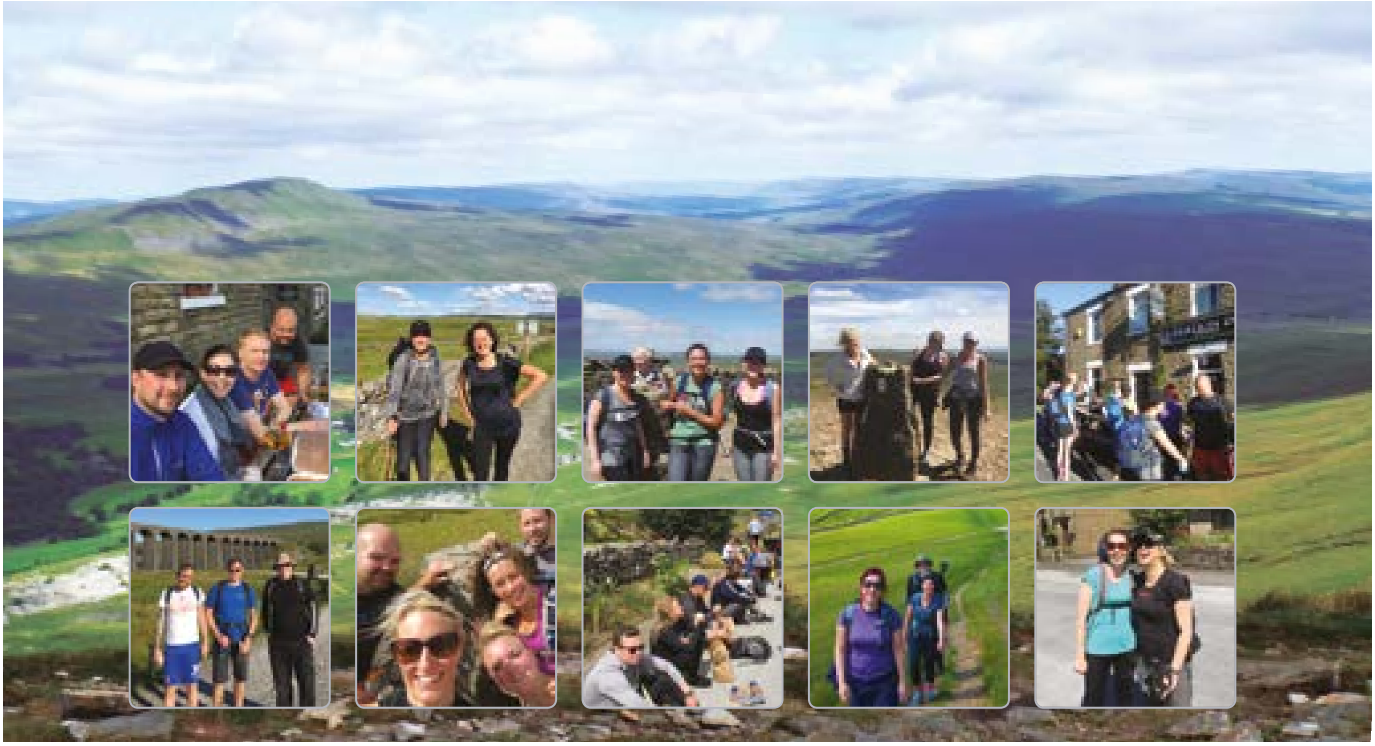
Nigel Wright Group has been fundraising throughout 2016-17 for Cancer Research UK. Employees across our 13 European offices have been involved in activities that have raised over £13,000.

Fundraising has been ongoing during the year and has included regular initiatives such as a tuck shop, raffles, dress-down days, as well as one-off challenges.

The biggest fundraising event took place during a weekend on 8-9 July 2017, when Nigel Wright employees accepted the challenge of completing The Yorkshire Three Peaks. Over 30 employees from across our international offices participated in the walk. Most of the Group completed the challenge of walking more than 24 miles over the peaks of Pen-y-Ghent, Whernside and Ingleborough in under 12 hours, and everyone enjoyed the experience however long it took.

Nigel Wright's Marketing Director, Justin Barlow, commented: "We were delighted to complete this challenging event and other activities to raise over £13,000 this year. We have now raised well over £35,000 for Cancer Research UK during the last three years. If any employee has an idea for raising money for this worthwhile cause, then we'll happily support them."

Cancer Research UK's Carolyn Reynolds praised the Nigel Wright team saying: "Nigel Wright staff are brilliant supporters of Cancer Research UK. We are making research breakthroughs in adult and children's cancers, and that means that we get closer to beating cancer, whilst also developing therapies that have fewer side effects, are less toxic and are kinder to patients. One in two of us will receive a cancer diagnosis in our lifetime. We receive no government funding for our research, so companies like Nigel Wright are the backbone of the work we do."



Striving to provide **consistently excellent service**

Nigel Wright Group measures its customer service performance using the Net Promoter Score (NPS) global management tool.

NPS is an index that measures the willingness of customers to recommend a company's services to others. It is used for gauging the customer's overall satisfaction with a company's service and the customer's loyalty to the brand.

Customers are surveyed on a single question. The NPS is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. This generates a score between -100 and +100 called the Net Promoter Score. As a result, getting a positive NPS is difficult to achieve and analysis of other businesses indicates that a Net Promoter Score of over 30 means you are largely seen as 'unique' by your customers.

Last year Nigel Wright Group's NPS was 48, following submissions from nearly 1,800 clients and candidates served by the firm during the previous twelve months. This places the company in the top percentile for customer service of any industry.

Nigel Wright's CEO, Paul Wilson, commented: "Collecting valuable customer data helps us to continually enhance and reinforce our standards whilst recognising great behaviours as well as by identifying issues and making immediate improvements across our business."

Consumer thought leadership

As part of our continued focus to engage with our networks and share insights, Nigel Wright Group is hosting a series of leadership events throughout the year ahead.

If you would like to attend any of our events, please contact us and we will be delighted to update you with current developments and future topics: events@nigelwright.com

Former Just Eat VP turned angel investor discusses his entrepreneurial career

Rasmus Wolff, 44, is the former VP and Chief Development Officer at Just Eat, the food delivery service that turned the industry on its head when launching in the UK in 2006.

The £4.5bn market cap business, originally founded in 2001 and 'tested' in the Danish market, now operates in 13 countries across Europe and South America. It floated on the London Stock Exchange in 2014, employs over 2,000 people worldwide, and is set to join the FTSE 100 this year. Back in 2008, however, when Rasmus joined the management team, it was still figuring out how to grow. He tells his story to Nigel Wright.

A computer science and international business graduate from Copenhagen Business School, Rasmus completed the management training scheme at global healthcare provider Novo Nordisk before in 1999 achieving his early aim of working in big media. Hired by Denmark's biggest commercial broadcaster, TV 2, during three years at the company as a product manager he helped lay the foundation for the country's most popular internet service before taking a leading role in driving TV 2's overall digital strategy.

After fulfilling another leadership role, developing the digital content portfolio of Hutchison Whampoa as it launched its Three mobile network in Denmark and Sweden, Rasmus decided to turn to the world of consulting, working independently for two years in Europe and Latin America, designing and leading digital innovation projects for various clients including TV 2 as well as Ericsson, Telefonica and JP/Politiken, owner of the three biggest Danish newspapers. The latter then hired Rasmus on a permanent basis to launch and grow a variety of new online businesses across the group. His return to 'big media' was, however, short-

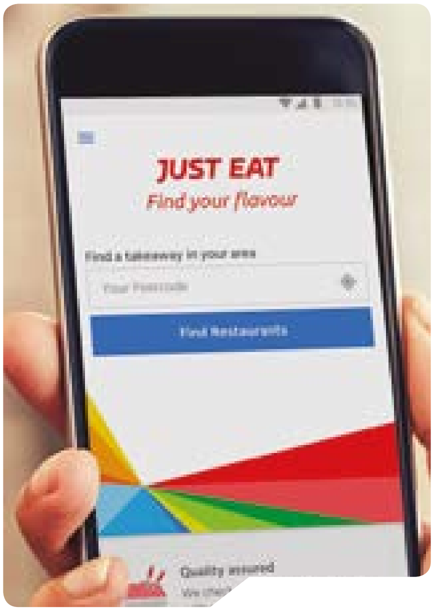
lived. Within eighteen months Rasmus found himself relocating to London in 2008 after receiving a fortuitous offer from a former boss, Klaus Nyengaard, to join Just Eat of which Klaus was now CEO.

Naïve at first, Rasmus highlighted how he soon grasped the potential of the opportunity: "At that time Just Eat was a small company of around fifty employees, with poor brand recognition. I was surprised to learn that the business was turning over a profit in Denmark. It demonstrated that the model worked and the chance to help roll it out globally, disrupting an industry worth $100 billion, was a dream challenge where I could use all my skills in technology, sales and marketing."

With thirty-five percent of all takeaway sales in Europe attributed to the UK, it was the obvious place for Just Eat to launch. Rasmus's first role in the executive team as VP New Markets was to build the sales and marketing playbook, testing existing strategies and creating new ones to facilitate growth. Rasmus would lead the charge on opening new offices, building and leading teams in Ireland, Norway, Spain, Belgium and Canada. Getting smart about metrics was a quality he immediately brought to the table: "We researched and segmented our customers and discovered a critical piece of information – that quality is subjective – and factors like price and location are often more important to people than taste or brand. Only our users could dictate the trends." Just Eat was happy, therefore, to partner with any restaurant and by allowing customers to rate their experiences of the different venues, they guaranteed the market would regulate itself.

This catch-all strategy meant sales took precedence over the other functions in the company early on. As Rasmus explained, developing relationships with independent restaurants and smaller chains was the thing that consistently worked. "All they wanted was increased revenues; but they lacked the skills, capital and desire to unlock the online opportunity." With no existing online presence, though, these businesses were difficult to find, so Just Eat's solution was to build an informed, aggressive and incentivised field sales force to grow its patch. The approach worked, and in 2009 the company became the first ever to raise substantial venture capital funding for the otherwise "un-sexy" take away business model.

With the new management having secured the investment for the expansion strategy, Just Eat's founders, who had historically grown the business with very little funding, shortly after agreed to leave the business. This marked a turning point for Just Eat as the new management team could now turn their full attention to scaling internationally. All subsequent markets after the UK, Rasmus explained, were selected based on three factors: levels of takeaway consumption, the proliferation of small businesses i.e. market not tied up in big franchises, and e-commerce adoption. While the latter was important from an 'are consumers comfortable using the system?' perspective, Rasmus admits that technology was never Just Eat's core strength: "The competitive environment at the time didn't require super-fast innovation the way it does today. There was no benchmark for how professional



> "Just Eat's platform was rudimentary but because no one else was using it, and the fact that it was low cost to install and maintain at restaurants, technology was never a barrier to our growth."

services should look online, mobile didn't even exist and expectations around usability were few. Just Eat users were spending, on average, twenty percent more than customers who called in their order by phone. The functionality of the site, which enabled consumers to see the full menu of a restaurant, easily add items and then complete a secure payment, was enough." Even in markets with low e-commerce penetration by still allowing cash payments to drivers it meant that incremental growth was maintained.

One piece of technology that proved critical to Just Eat's early success, however, was the 'magic box.' This was a small printer connected to the internet via a SIM card, installed at each restaurant, and which received and printed out customer orders. Clever in 2006 but not exactly cutting edge by today's standards as Rasmus explained: "Just Eat's platform was rudimentary but because no one else was using it, and the fact that it was low cost to install and maintain at restaurants, technology was never a barrier to our growth."

By 2011 Just Eat began complementing organic growth with M&A. Rasmus took on the role of Chief Development Officer responsible for all aspects of planning, funding and integration as well as recruitment and customer and commercial strategy for acquisitions in India, Brazil, France and Switzerland. The business increased its worldwide employees to over 2,000 and as part of the global leadership team Rasmus helped embed values and align people with Just Eat's Danish culture and ways of working. He alludes to some great initiatives which have stayed with him: "We made a point of recruiting only people who shared our hunger for success and who enjoyed our Danish frank and direct way of approaching difficult topics. But moreover, it was our belief that while individual efforts are important, the true

> "With the increased size of the company and with the preparations for an IPO in place, however, came a natural shift away from the historically risk-willing approach to business."

superheroes are the ones whose work benefits the whole of the company. For example, we had managers in Spain helping those in Canada, and all cross-country initiatives were given a lot of visibility to encourage more of them. Just Eat's company share scheme was extended to all employees, and we made a point of celebrating our victories, creating a fun environment for everyone."

With the increased size of the company and with the preparations for an IPO in place, however, came a natural shift away from the historically risk-willing approach to business. While undoubtedly still an exciting time for Just Eat, the overall strategy changed from expansion to one of consolidation and ensuring predictability of existing markets.

With the expansion challenge over and after more than five years based in London, Rasmus decided to move to Berlin with his wife and teenage kids to join Get Your Guide, the tourist excursion booking site as CMO. Over two years he helped accelerate its growth dramatically to more than €100m in annual transaction value, raise significant capital and pave the way for its international success; playing a key role in disrupting another $100+ billion market. Being the "experienced hand" as an executive with four young founders offered great learnings for Rasmus, but after Just Eat completed its IPO, the biggest in Europe for eight years, he explained it was time to try being the founder himself: "Suddenly there was a lot of investors looking at food. Me and a former colleague had discussed ideas of how to bring the Just Eat experience into the age of mobile. Now that I had the flexibility to sacrifice the steady paycheck, I left my job and started HUNGR."

HUNGR's critical difference, Rasmus explained, was allowing users to choose their dish first (Sushi – Salmon Roll, etc.) before offering them a comparison of relevant restaurants in their postcode area 'tagged' with that dish. The premise was that pizza, Indian food and sushi,etc. are generic experiences for delivery, and if a restaurant had great ratings, consumers would mainly be concerned with the total price and how quickly they could get the food delivered, rather than with which specific restaurant had made it. By only working with the top ten percent best restaurants in each area based on customer ratings, HUNGR's ease of use and mobile-only experience enabled customers to order delivery food in a matter of seconds, rather than taking several minutes to scroll through and manually compare multiple pages of restaurant listings.

Despite acquiring 200 restaurants in Berlin and hiring eight employees, the venture didn't grow as planned and after 12 months Rasmus decided to halt the business: "We launched in what was now a very competitive market and without a big war-chest of capital it was difficult to grow quickly and stand out from the crowd. We started to realise that despite the good feedback from the customers who tried us our product maybe wasn't disruptive enough to really stand out." After spending a year working day and night, seven days per week, and even answering customer service queries on evenings when someone's delivery was late it was a tough decision to close it down: "To win big you have to also be

willing to accept failure when the data proves you wrong. Despite the loss of time and money, I will never regret founding my own business. However, it helped me to realise that as an entrepreneur, I can be more effective at the later stages when a business has gone through its initial revolutions and is ready to scale."

Since HUNGR, Rasmus has focused his time and money on exactly these later stage businesses. He currently has investments in nine digital companies in a range of sectors including food as well as education, automated vehicles, retail and consumer marketplaces. Splitting his time between London, Berlin and Amsterdam, where he now lives with his family, he stays close to the start-up "eco-systems" in those markets looking for ideas where he can add value beyond capital investment: "I'm interested in investing in digital solutions that have passed the proof of concept phase, found a way to acquire customers and are ready to expand internationally. I prefer active engagement with the management team, coaching them on how to build a strong organisation, setting effective goals and having a direct influence. The start-up scene can benefit from the involvement of experienced people with specific industry knowledge and strong networks."

In his view, there is no shortage of ideas, but what often happens is that too little effort early on is put into verifying that there is a market for the new product or service. Rasmus argues: "The first 12-18 months of a start-up are critical to establish a curious and data-driven culture and to find ways to test and learn and re-work your hypothesis to find a market fit." He added how another major barrier to successful digital start-ups was talent attraction. Start-ups in the major European hubs must compete with big established companies who can pay top dollar when attracting the best people. Early stage businesses need to get the message out that even if they can't offer the same salaries, they offer opportunities for people to learn and to make a direct impact. A strong culture is also needed to drive successful attraction and retention he added: "If you can't win peoples' hearts with the vision of the company, then they'll leave when the going gets tough. I enjoy leading the alignment of culture, vision and values when the business is scaling and when failing to unite everyone around one agenda can otherwise become an issue."

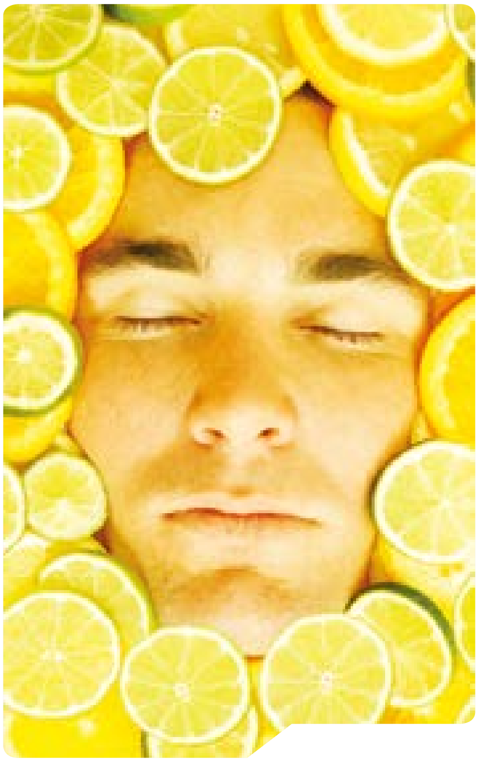
When asked about which industries are ripe for disruption, education is one Rasmus sees as standing out: "Education technology is an emerging sector which offers tremendous opportunity. Over the next ten years, there are going to be lots of new types of jobs that require new skills,

so more learning and education tools will emerge." His latest investment, StuDocu, operates in this space. StuDocu is a tool which allows students to share and download past exams, lecture notes and study guides across universities. The vision, Rasmus explained, is to build a digital system that will optimise learning in addition to reading books and going to lectures: "There's an increasing need for education and the best kind used to only be available to those who could afford a fancy university; StuDocu changes that by democratising knowledge and making it accessible to everybody."

While Rasmus admits travelling the world, making smart investments, and enjoying a flexible lifestyle is "privileged," he reveals that the professional satisfaction he gains from being an investor: "is not the same as being in the trenches with a team on a mission." He explained: "Fighting for a plan with global impact brings a lot of personal fulfilment and learning. I don't imagine staying as an investor forever, but the bar is high to find the right project. What matters to me is not whether it is a young or a more established company – what matters is the opportunity to build and lead a highly passionate team executing on a BIG vision".

Short-term thinking undermining innovation

The latest rankings in the **Brand Finance 'Brand 50'** report show a food and drink industry struggling to cultivate new ideas and products, which will enable them to gain an advantage in a changing market.



Nestlé retained its position as the most valuable food brand in the world, yet its estimated value has fallen 17% between 2016 and 2017 as the strength of its brand – and by default, its products which include Kit Kat, Yorkie and Rolo – has declined. Other iconic confectioners such as Mars and Hershey's as well as Danone, Kellogg's, and Kraft, which made-up the rest of the 'top 4', have also seen deterioration in their value during the last 12 months. In the drinks category, Coca-Cola and Pepsi, which occupied the top two spots, declined in value by 10% and 14%.

Living a healthy lifestyle and being conscious of your body are trends that continue to impact the food and drink market. Alternative products promoting a variety of interlinked qualities such as 'health', 'natural', 'fresh' and 'free from' have disrupted the market and many established brands haven't yet found a way to take on this challenge.

The right kind of innovation is the key says Lars Herrem, regional director at Nigel Wright Group, Europe's largest specialist consumer industry recruiter: "Health and obesity is one of the biggest challenges in the food and drink industry and some companies are losing perspective when it comes to innovation and new products which, despite having a lot of time and money

> "Alternative products promoting a variety of interlinked qualities such as 'health', 'natural', 'fresh' and 'free from' have disrupted the market."

invested in them, don't fulfil the market potential to meet the diverse needs of consumers or adds to the bottom line."

A recent example of this was Coca Cola's 'One Brand' label campaign which failed to live up to expectations and has harmed the value of the brand. This behaviour, Herrem explains, whereby a new product's 'innovative' qualities are exaggerated and used as the basis from which to launch it into the market is common in the industry.

Broadly speaking, there are two approaches to product development: product enhancement and new product creation. In the main, companies tend to classify both approaches as innovation. Yet, as Herrem argued, the way in which innovation is defined often determines how successful it is: "The most successful innovators are the ones who focus innovation efforts on developing new products where product enhancement does not distract time or investment away from the true innovation process."

> "It is no surprise that during 2017 there has already been a major move from the big players to realign products to the healthy living trend."

It is no surprise that during 2017 there has already been a major move from the big players to realign products to the healthy living trend. Nestlé has significantly reduced the sugar content in its Kit Kat and Rowntree brands and plans to drop at least 10% of sugar content for all products in its confectionery range. Furthermore, both Mars and Cadbury have indicated that smaller pack sizes and even smaller chocolate bars will appear soon. And in investing in leading health industry companies Innocent and Alpro, Coca Cola and Danone have already made positive moves to divest their portfolios.

There is, of course, pressure on companies to minimise the costs that will be incurred when a sugar tax is implemented in the UK in 2018 and while this is a positive catalyst to drive changes in the industry, Herrem warns that what we've seen so far from big brands are only examples of product enhancement rather than innovation: "Sugar is contributing towards making people obese but the problem is sugar tastes quite nice; so, this presents the sector with an opportunity. The brands that will succeed are those that find a way to take sugar out of people's diets but still offer them interesting and exciting propositions that don't make them feel like they must go on a diet. New product creation, therefore, is essential in the long term."

Work is changing:

what does it mean for talent attraction and management?

We're living through an era of constant change. It's a historical period the Hopi Indians refer to as powaqqatsi or 'life in transformation' – a time defined by endless socio-economic, geopolitical and demographic upheaval, underpinned by rapid technological advancement.

The mainstream media enjoy labelling this tumultuous epoch 'a new age of uncertainty' and there are a range of opinions offered about 'where we're heading', which can be sifted into an abundance of micro and macro contexts.

Anyone surfing the web for information on the latest developments in HR and talent attraction over the last 12 months has certainly found themselves compelled to click on an array of links proclaiming revelations about what the future beholds – the future of work that is. The overarching theme of these digital scatterings is that traditional jobs are being replaced by machines. Myriad statistics have been offered by various reports, some more defined than others. In Europe, it's anticipated a third of jobs could be lost to robots, whereas in the US commentators are claiming potentially 47%. A more considered analysis is offered by Mckinsey & Co's 2016 report which highlights that around 60% of occupations could experience 30% or more of their 'constituent activities' automated over the next ten years.

The types of roles we're told are under threat are mid-skill level administrative and technical ones in sectors such as law and accountancy as well as manufacturing and production – types of functions and areas where workers have historically (and rather cynically) been referred to as automatons, due to the mechanical nature of their remits. As it stands, according to the World Trade Organisation (WTO), there has been an overall net-loss of these types of jobs worldwide due to 'disruptive labour' changes – the number of which is expected to rise to 5.1 million by 2020. As with anything, however, there is a positive as well as a negative spin on these apparently irrevocable developments.

In economics, we often hear the Schumpeterian theory of 'creative destruction' bandied around and it definitely has credence in this area.

Whilst jobs in some industries are being lost at an alarming rate, there have been some incremental gains in new types of employment. The hope is that we will eventually see a cascade of new professions emerging out of this transitionary period. Indications of this hypothesised tipping point are good – a lot of today's most in-demand occupations, for example, didn't exist 10 years ago – and a recent London School of Economics (LSE) backed report added further weight to this hopeful outlook. In 100 Jobs of the Future, researchers identified various anticipated roles, many of which sound implausible to us today, like Mind Reading Specialist and Weather Modification Police Officer. It's clear that as technology progresses and improves, new opportunities and specialisms emerge.

The essential ingredient to eradicating the net-loss gap is making sure workers have the right skills to succeed in this envisaged future. Technological change will result in a wide range of traditional 'core skills' becoming obsolete and all industries will be impacted by this. There will still be core skills, though, and according to the abovementioned report, those skills will probably be more multifaceted and specialised, hence the urgency for training. The WTO provides a useful insight into what some of these desirable qualities of the future will be. Its research gives particular importance to data analysis and technical sales skills, envisioning an age where organisations will need more in-depth knowledge of data, as well as experts who can understand and commercialise increasingly complex products and services.

In addition to those 'scarcity skills' we hear a lot about, such as STEM (Science, Technology and Mathematics), programming and software development, academics at the Massachusetts Institute of Technology (MIT) Center for Digital Business go a step further and argue how a demand for creative expertise like writing, NPD and even art will also rise. The Pew Research Center also states that creativity will be a major asset for workers during the next decade, but adds factors like critical thinking, teaching, persuasion, empathy and judgement to the mix too – basically any adroitness that is 'uniquely human' and therefore difficult to automate.

> "It's clear that as technology progresses and improves, new opportunities and specialisms emerge."

The emergence of new specialisms and jobs and the subsequent need for training in the key skills required to fulfil these imminent opportunities and disciplines is one of the ways in which society is adapting to technology. Another feature of our adaptability, however, can be seen in the way in which working life is changing too. There has already been a great deal of impact on a number of historically 'fixed' attributes associated with work – things such as hours (how long you work, when you start and when you finish), location (remote offices, home working) contracts (the rise of the freelancer) and career (a move away from the ladder to the web).

Working hours have been in incremental decline, across Europe, for over sixty years and a recent report by PwC highlighted growing demands from workers to be released from the 'constraints' of 9-5 employment. Similarly, research by Dell has revealed how remote or home working is on the rise, with over 50% of global employees now working remotely more than once per week. With regards to freelancers, in the UK for example, it is anticipated that as much as 20% of the workforce will be employed in a freelance capacity, within the next six years. This move towards specialist and portfolio work is also dismantling the traditional career path of moving 'up' through an organisation. Working life isn't what it used to be and working life will continue to evolve.

The implications of the seismic changes in jobs and skills, as well as working life, for recruitment and talent management, is far ranging. With regards to recruitment, there is already widespread competition for talent within the fields fed by STEM skills – a situation which will only get worse over the next five years – and with the prospect of jobs becoming more niche and specialist, firms across all industries will begin to struggle to fill current and emerging roles. To get ahead of competitors, companies will have to become more scientific in their approach to identifying talent – or indeed seek recruitment partners that can demonstrate rigorous search methodologies that give more emphasis to candidate 'attributes' over job experience.

This point ties in directly to one made earlier. To provide a more thorough investigation of specific candidate attributes, recruiters will also have to capitalise on emerging skills and

> "A recent report by PwC highlighted growing demands from workers to be released from the 'constraints' of 9-5 employment."

technologies that will enable them to maximise their data and achieve these desired results. LinkedIn's Global Recruiting Trends 2016 report indicated that recruitment in the future will utilise databases built on complex algorithms, together with data savvy researchers, to ensure all possible 'fit factors' are considered during a search.

Having robust 'smart data' capability, however, is only one aspect of how recruitment is changing. In today's digital economy, recruiters are also finding they must use multiple on and offline channels to promote their brand to attract new business, and candidates. An interesting article by Recruitment Grapevine outlines a typical recruitment process involving predominantly content generating activities such as email, SMS and social media, in addition to headhunting calls. There have been a few articles written over the last 18 months which have asked the question 'Is recruitment turning into marketing?' and with recruitment agencies and internal recruitment departments tending to stand out when they're publishing and sharing content, the answer would seem to be yes. Recruitment, like other professional sectors, therefore, will need to rely heavily on creative skills in the future.

The challenges for talent management are equally galling. We have already discussed how working life is rapidly changing. The rise of flexible hours and remote offices, facilitated by advances in technology, are factors increasingly demanded by workers who are realising how new technologies can release them from the associated 'constraints' of work. If their demands for greater freedoms are not granted, then they move elsewhere. Or, thanks to an abundance of new and emerging tools, may transition to a freelance career. Many professionals across different sectors and disciplines are now choosing this route.

It is well documented how modern organisations are adapting to the new world of work, by creating 'enriching environments' in an effort to make their talent want to stay. We covered this briefly earlier this year, referencing initiatives such as those which support personal growth, health and wellbeing and the development of a workplace culture, as well as aligning the organisation with charitable or environmental bodies. There is also the acknowledgement, however, that not all businesses are the same, and different approaches are needed in different contexts. Thinkers in the field of work are emphasising the importance of 'people analytics' in helping HR departments design the best-fit 'employee experiences' and the need for companies to embrace change with an attitude of 'trial and error' rather than cautious distrust.

The director of the iconic 'Qatsi' trilogy of movies, Godfrey Reggio, said that 'Technology has become as ubiquitous as the air we breathe... we are no longer conscious of its presence." Humans will continue to become ever more dependent and integrated with their technology. The impact this is having on work is already huge and work as we know it will continue to change. Organisations that refuse to adapt their tools, invest in the acquisition as well as training and development of skills, and completely rethink their environment, risk being left behind.

> "If their demands for greater freedoms are not granted, then they move elsewhere."

Petit Bateau
uses brilliant viral campaign to attract new talent

Founded towards the end of the 19th century, Petit Bateau has always combined high-quality craftsmanship with great marketing to win the hearts and minds of consumers.

Though while the company continues to enjoy commercial success around the world, the competitive talent market in France, together with a growing need to introduce new skills and mindsets into the business, meant action was needed to turn Petit Bateau into an employer, as well as brand, of choice.

In April 2017, Petit Bateau launched the first of a six-part online campaign promoting its employer brand. Aimed at capturing the essence of the talented people behind the French children's clothing maker, the campaign also shrewdly reinforces how the company is "plugged into the childhood universe." In the superbly shot clips which combine real and animated sequences, employees of Petit Bateau, ranging from the Finance Director to the Supply Chain Manager, are joined by their young relatives (sons, daughters, nephews and cousins) who give their interpretations of what their adult companion does at the business, before the grown-ups step in to clarify some of the finer details.

The short films are the brainchild of Petit Bateau's recruitment and development manager, Natalie Monjo, and creative agency Adesias. Natalie, a long serving customer service and recruitment specialist within parent company Group Rocher, was on the verge of leaving the business in 2015 after 12 successful years when the Petit Bateau challenge came along. It was an opportunity she couldn't resist as she explained to Nigel Wright: "After helping set-up international call centres, running corporate induction

programmes and, for the last five years, leading the student recruitment strategy for Yves Rocher, I felt my next challenge would be outside the Group. But, I wanted to work on human capital innovation projects and I immediately recognised the huge opportunity for Petit Bateau to grow its talent through effective employer branding."

Her first year was spent benchmarking Petit Bateau's employer brand with its competitors and brainstorming ideas with colleagues of how to raise awareness of careers. These investigations highlighted one main issue. In Natalie's words: "Petit Bateau products are famous, but its reputation as an employer didn't match the great affection the public had for its brand. Yes, our reputation for careers in traditional marketing and specialist technical roles in textiles was good, but in other disciplines such as finance, HR, business development, digital and data analysis, Petit Bateau wasn't considered an obvious choice."

To change this perception in the market, the HR team established the Petit Bateau Employee Value Proposition (EVP) and four core values (authentic, complicit, agile and intrepid) which help reinforce it. The EVP intends to deliver confidence, autonomy, balance and sense to all employees in return for their collaboration; and the values capture the essence of what it means to work for Petit Bateau, as Natalie explains: "All employees demonstrate an authentic passion for our products. Complicity shows 'we're in it together' and proud to represent Petit Bateau and the wider Groupe Rocher business. Agility relates to our fast-paced, innovative, spontaneous and audacious style; and we have intrepid ambitions to grow our brand."

With these tools, Natalie sought to generate interest in careers at Petit Bateau. Rather than use "bland corporate language," however, it was her vision to bring the values and EVP to life in a way that would make an emotional connection with viewers. After an external process to acquire a creative agency, Adesias was selected to lead the project. They came up with the concept of using real employees and their young relatives, in an unscripted scenario, where the children would lead viewers to discover something about the employees.

> "It was her vision to bring the values and EVP to life in a way that would make an emotional connection with viewers."

This, as Natalie highlighted, was a perfect way to capture a combination of spontaneity, authenticity and complicity, giving viewers and potential employees the chance to see if they "identify with Petit Bateau's DNA."

The messages are honest too. Finance Director Stéphanie Le Maoult, for example, tells how she often has a short lunch break and admits sometimes arriving home at 9 pm after her son reveals this aspect of his Mum's job. But Natalie claims this shouldn't put people off: "It reflects the reality of what it can sometimes be like working here and shows our employees are intrepid and committed to the cause. It's not a nightmare, it's our life. If you want to be part of our journey you must accept that lifestyle. She added: "The key message is that our employees are everyday people, just like you, and that together we're one big extended family."

The short films are all adapted for social media and have been widely circulated via Petit Bateau's YouTube, Facebook, LinkedIn and email marketing channels. Natalie explained how employees across all Groupe Rocher subsidiaries worldwide have been encouraged to share content and the business has been overwhelmed by the campaign's success: "Some of the videos are now the most watched on Petit Bateau's YouTube channel, overtaking those which showcase our products. We've also had lots of applications, so far, from people who have made a connection with the messages and want to join our growing team." The videos will be supported by a print campaign (flyers, posters, etc.) targeted at universities and

> "Interview questions were created, aimed at teasing out examples of how candidates demonstrated an affinity with our core values."

business schools and posters will also appear across all Petit Bateau's locations, including its factory at Troyes where 80% of the production still takes place.

The project doesn't stop there though. As well as identifying ways to better attract talent, Natalie has also sought to "raise the bar" of the recruitment process in general. Targeting graduates through business and engineering schools with strong international, digital and textiles programmes was a key aspect of this and senior appointments also benefited from a more "professionalised" approach: "Interview questions were created, aimed at teasing out examples of how candidates demonstrated an affinity with our core values. Managers were then trained on being less influenced by someone's personality or technical skills during interviews, and more attuned to candidates' broader qualities beyond those narrow parameters."

Furthermore, training and development have also taken precedence during the last two years. While attracting new talent was important, Petit Bateau needed to retain technical knowledge and expertise, as well as ensure its new employees chose to stay long-term in the business. To do that, Natalie emphasised a need to provide opportunities for people to demonstrate their skills: "Now, graduates are given responsibility for projects as soon as they start and gain visibility of the broader strategy of the business while meeting different people across Group Rocher." In addition, Petit Bateau runs a Manager Academy, which provides managers with the tools and best practices they need for getting the best out of their staff.

Natalie noted that this "intrepid" mindset can sometimes be stressful, but the business believes that working under a small amount of pressure is good for development: "It helps people become high performers, quickly, and by having a real impact on the brand they feel encouraged and motivated to stay on at the company."

In addition to entry-level training and development, Petit Bateau also leverages a non-traditional co-development management practice. Managed by Natalie's team, this takes the form of group sessions consisting of up to ten managers from different areas of the business who come together to share their day-to-day issues in an honest and transparent format. The group, which meets once per month for 8 months, must then find collective solutions for one problem shared by each manager: "It's a great way to build understanding and collective action across the business."

She added, "All these efforts will ensure Petit Bateau remains an iconic French brand and a company of the future."

Case Study

EMEA GENERAL MANAGER FOR WAHOO FITNESS

wahoo
FITNESS

Founded in 2009, Wahoo Fitness creates hardware and software for cyclists, triathletes and general fitness enthusiasts.

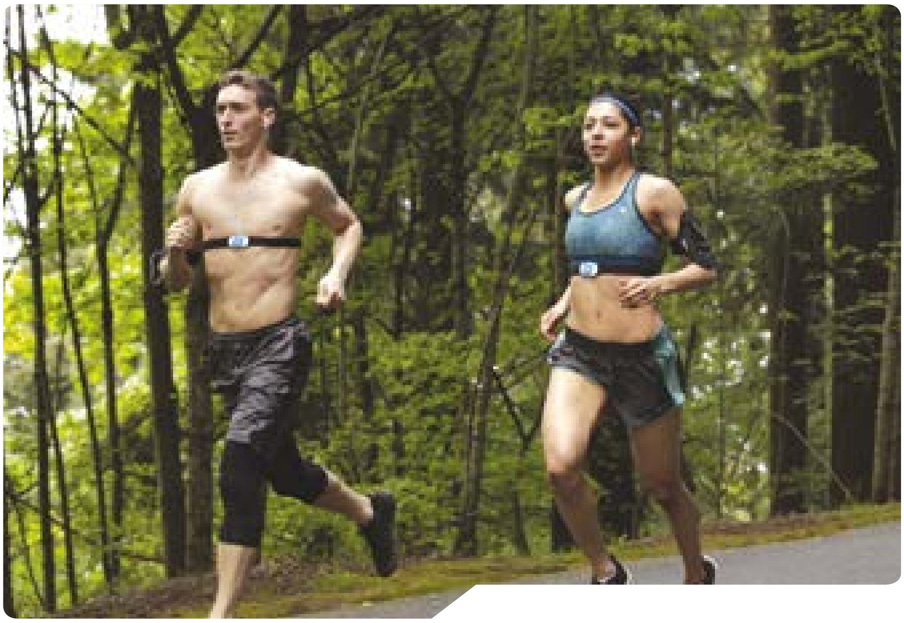
The client

- Wahoo's devices connect wirelessly to smartphones and work with the best apps in the market;
- Its brand is a key sponsor to British professional cycling's 'Team Sky';
- Based in Atlanta, Georgia, it has 75+ employees across operations in the USA, UK and Germany;
- Wahoo distributes to over 97 countries worldwide.

Background

- Wahoo Fitness attributed 26% of global sales to Europe in 2015;
- Despite this, its start-up 'challenger' brand and products are still largely unknown in the European market;
- To increase brand awareness and facilitate additional growth in the region, in 2015 the business established a European subsidiary headquartered in London, UK;
- Wahoo launched an online advertising campaign to identify a strategic leader with knowledge of the European market to manage the European subsidiary, based in the UK;
- This individual would grow teams in the UK and Germany, with a longer term objective to expand Wahoo Fitness across Europe, the Middle East and Africa;
- Following a six-month online advertising campaign, Wahoo failed to attract the necessary volume and variety of candidates to make a confident hire;

- Nigel Wright was subsequently appointed to lead a global search to identify the best talent in the market.



The Challenge

- Persuading candidates to consider working for a relatively unknown North American start-up, making its first foray into the European market;
- Providing a wide variety of high-quality candidates from inside and outside of the sports technology and broader fitness and outdoor industries;
- Due to the six-month delay it was imperative to hit the ground running, using our networks and expertise to make quick progress.

Nigel Wright Solution

- We undertook a thorough brief taking care to understand Wahoo's vision, values, strategy and all aspects of the GM EMEA role;
- This information helped our internal marketing team to create a branded Candidate Pack, giving a detailed overview of Wahoo Fitness, its products and the role specifics;
- This aided candidate engagement by articulating the Wahoo story, enabling us to sell the opportunity and extend its reach beyond our own networks;
- Working collaboratively with Wahoo's HR Manager and International Sales Director, we compiled a list of 49 target businesses where candidates could exist;
- Using our extensive consumer sector networks and the lead consultant's 18+ year relationships in the global sporting goods industry, we identified a number of 'strong-fit' individuals within these and other relevant organisations;
- Our research team conducted discreet analysis of these individuals to verify their interest, experience and overall suitability;
- A series of confidential discussions helped create detailed profiles of each potential candidate;
- We sent reports containing these profiles and any feedback received on Wahoo's brand and the role (salary etc.) each week to Wahoo's leadership team.

The Result

- In total, we engaged and vetted 100 candidates in the initial search process;
- Market research provided Wahoo with perceptions of its brand and the role (salary etc.) from individuals within and on the periphery of their industry;
- Wahoo received a strong longlist, outlining 16 individuals each demonstrating a good mix of skills and experiences from a variety of relevant industry sectors;
- 12 candidates were shortlisted for the final interview stage. Nigel Wright provided Wahoo Fitness with a 'shortlist pack' containing in-depth candidate reports along with CVs and a business case study on Wahoo;
- Wahoo was confident that three of the final 12 candidates could fill the GM EMEA position giving them a 'positive problem';
- The successful candidate was hired within the agreed timeframes.

Client Testimonial

"Appointing an EMEA General Manager was Wahoo's most important hiring decision of the year. Using an established firm like Nigel Wright gave the opportunity a 'stamp of legitimacy' in the European market. They provided us with the necessary breadth of expertise and reach to ensure a customised, rigorous and extraordinarily professional process. The diverse set of high-calibre candidates gave us peace of mind that no stone was left unturned."

Kevin Abt, International Sales & Business Development, Wahoo Fitness.

European overview:
Employment benefits and satisfaction levels

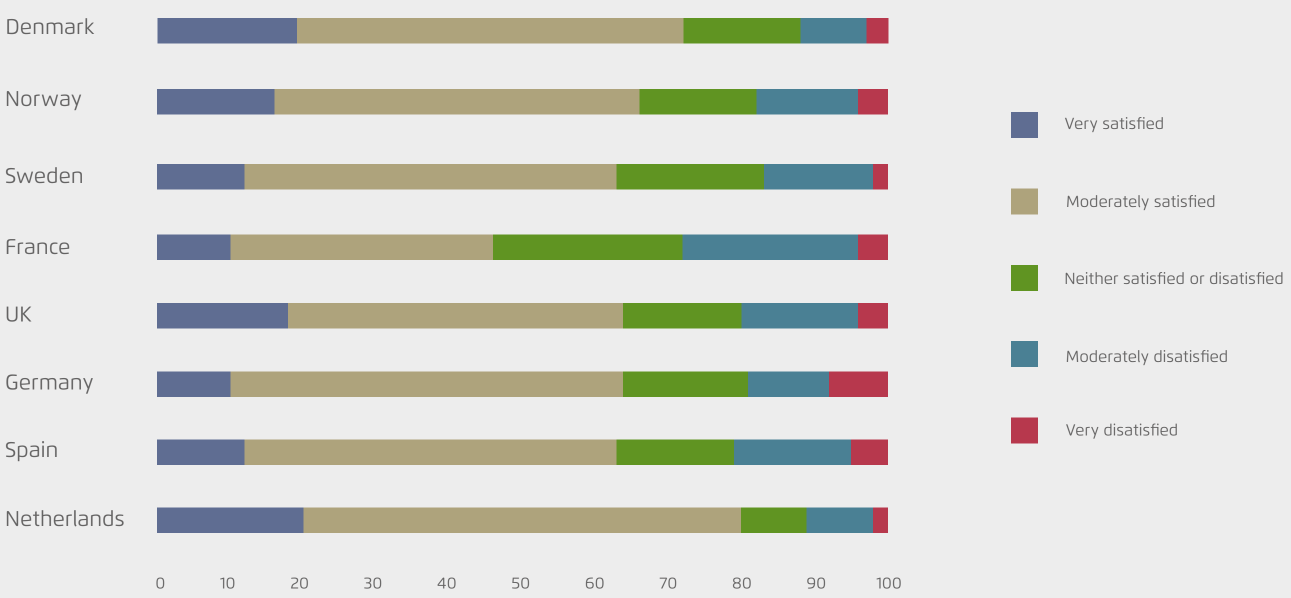
Nigel Wright Group's annual Salary Surveys are specifically designed to provide insight into the salaries commanded by professionals across Europe.

The 2017 Salary Surveys are available for download on the Nigel Wright country websites at www.nigelwright.com and the information was gathered from over 2,000 respondents who completed an online survey. The results show that Europe is not a homogeneous market when it comes to satisfaction with salary levels and pension provision, the number of hours people are actually working and the length of holidays they can take.

Who's unhappy with their salary?

The French and the Spanish are the least happy with 28% and 21% respectively saying that they were moderately or very dissatisfied. The Dutch and the Danish are most satisfied with 80% and 72% respectively.

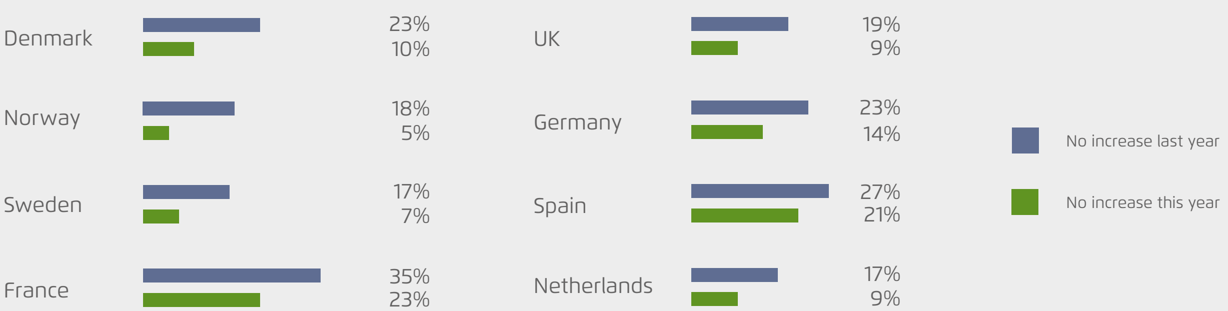
Satisfaction with current remuneration



Who didn't get a pay increase last year?

It can't be unconnected that the countries least satisfied with their pay show the highest number of people who didn't get a pay increase last year – the French and the Spanish.

Percentage of people receiving no increase to their salary



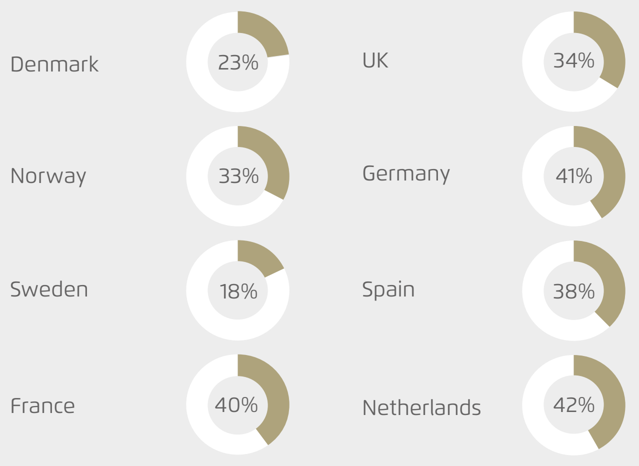
Who works longest in Europe?

42% of our Dutch respondents said they work over 50 hours a week compared to only 18% in Sweden.

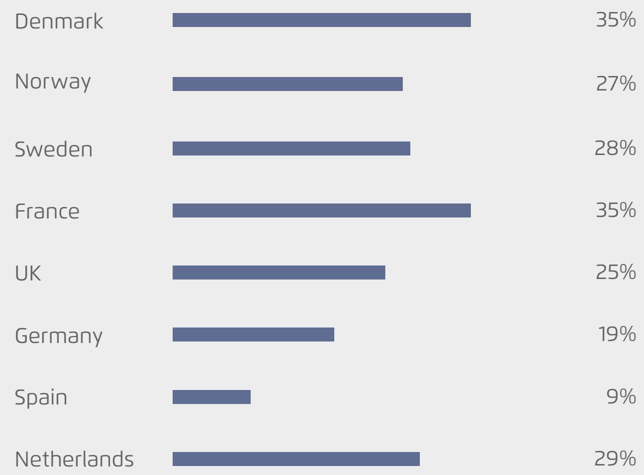
Which country has the best pension?

35% of our French and Danish respondents said they had no concerns about their pension pot compared to just 9% in Spain.

Percentage working 50 hours a week or more



Not concerned about their final pension's value



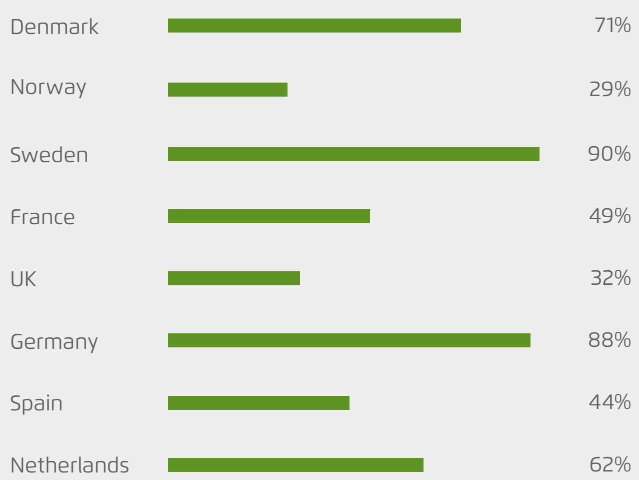
Who gets the most holidays?

90% of Swedes have 26 or more holidays per year, followed by 88% of Germans. In comparison, just 29% of Norwegians and 32% of UK workers are entitled to this number.

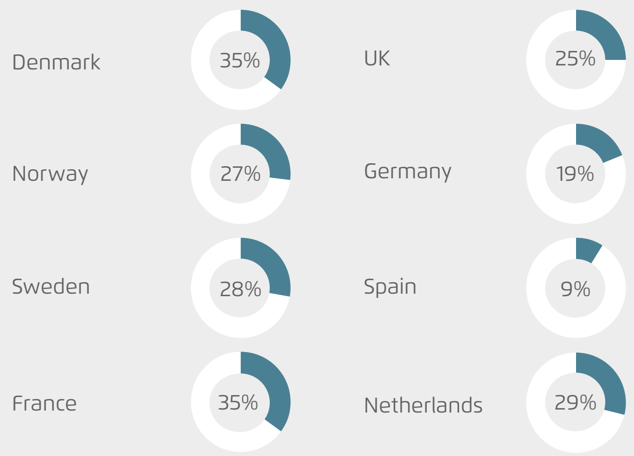
Who would keep working if they won the lottery?

Not the Spanish. A third of the Dutch, Danes and Norwegians would keep working even if they won the lottery, compared to just 9% of Spanish respondents.

26 days holiday per year



Percentage who would keep on working if they won the lottery



Visit our News & Insights area for the full results and salaries analysis for each country, via www.nigelwright.com

Featured interview

MANFRED JUS, MANAGING DIRECTOR WESTERN EUROPE AT BEAM SUNTORY

Merging and decentralising closer to buyer behaviour

"I've never known acquisitions where the two cultures match so well – our companies belong together." Says Manfred Jus, Managing Director Western Europe at Beam Suntory, which formed in 2014 following the acquisition of American spirits maker Beam Inc, by Japanese brewer and distiller Suntory.

And Manfred would sense this affinity more so than anyone, having worked at Beam since it joined the portfolio of Fortune Brands (later Beam Inc.) in 2005. Since then he's enjoyed a successful career within the European division, moving from Marketing Director to Managing Director of Germany and Austria – Beam's largest European market – before his appointment as Managing Director Western Europe in 2016.

Of course, cultural differences exist between the US and Japan and Manfred admits that the ongoing discovery of affinities between the two firms is surprising given their divergent East-West origins. Suntory however, Manfred explains, has unique characteristics amongst Japanese firms, which facilitates a compatible alignment with Beam. This in part hinges on one of Suntory's core values – Yatte Minahare or 'go for it' – which fits well with Beam's attitude of giving employees the freedom to set ambitious goals, develop innovative solutions and focus on beating competitors. Significantly for Frankfurt based Manfred and the Western European division, however, is the joint appreciation, he argues, that Japanese and Germans have for detail and quality. In Manfred's words: "The way the companies have combined assets, resources and cultures is refreshing and progressive; they've slotted their identities together to create

> "The ongoing discovery of affinities between the two firms is surprising given their divergent East-West origin."

something new but also the same. And Suntory's thorough approach and emphasis on delivering a perfect product have made for seamless transition."

It's embedding organisational "attention to detail" which has dominated Manfred's first twelve months as MD, as he's sought to build the necessary infrastructure to achieve growth in "historically underrepresented" Western Europe. It's a journey, he explained, which began in earnest for Beam 12 years ago, following Fortune Brands acquisition of Allied Domecq in 2005: "Previously, most of the Beam business existed in North America but overnight its interests became global because it now owned established international brands, in addition to Jim Beam, such as Laphroaig, Maker's Mark and Courvoisier." Despite this sudden growth of Beam's presence in international markets, Manfred noted that creating the required processes and tools to leverage the more complex operation has been an incremental process – with the Suntory merger the key catalyst to propel the business forward.

With the necessary investment now in place, Manfred and his team have implemented various operational improvements, complimented by large scale talent acquisition, to capture growth and achieve success. As well as hiring country managers in each territory, they have introduced new processes including performance partnership models to incentivise distributors, and brand and commercial guidelines, which have simplified and improved its approach in different territories. He explains the rationale behind these changes: "The move from a centralised approach – with commercial managers based out of Frankfurt – to a decentralised approach was part of natural evolution for the company. Having commercial leaders in-country gives us a better understanding of culture, trade environments, legislation and consumers and helps us build stronger and more profitable relationships with distributors."

As of July 2017, Manfred confirmed most of the resources needed to begin implementing strategies and executing plans are now in place, but what are the priorities moving forward? While retaining a market leading position in Germany and Austria remains high on Manfred's list, building momentum in other key territories such as the UK, Scandinavia, the Netherlands, Spain, France and Italy is important too, he confirmed. Different markets require different solutions, however, and the business intends to exploit opportunities across on and off trade and as well as e-commerce and Global Travel Retail (GTR), with each channel offering diverse programmes for different brands.

> "The move from a centralised approach – with commercial managers based out of Frankfurt – to a decentralised approach was part of natural evolution for the company."

While solutions are multifarious, general market trends across the region, Manfred explained, are on Beam Suntory's side, with consumers investing in premium spirit brands as they continue to "drink less but better." Premium whisky is Beam Suntory's key strength with a combined portfolio of American, Scotch, Irish, Japanese and Canadian whiskies; but whisky is only a part of its large portfolio, which covers several other categories – including cognac and vodka – allowing the business to target different countries with different brands depending on local tastes. In Manfred's words: "Only with portfolio breadth are we able to create such specific country plans. Our ambition is to become the fastest growing premium spirits company in the world. To achieve this, we need to establish ourselves in all key premium categories."

Solutions in part, as discussed, are operational. Much of the people investment, for example, is aimed at bolstering Beam Suntory's presence on the ground in key markets, driving growth through building close partnerships and working much deeper with customers, co-developing and executing plans. The other aspect is acquisition and in Sipsmith Gin, Manfred explains, the business has made a shrewd move into a burgeoning craft market: "Gin is a high growth premium category and for several years, Sipsmith has been voted as one of the hottest brands in bars. It's a craft gin, and the purest made this century. It is distilled using traditional copper pots and with 100% juniper berries. This old-style

> "Much of Beam Suntory's marketing activity is still based around its core brand, Jim Beam."

process justifies the premium price-point and a key reason as to why it's a favourite with bartenders."

Joining forces with Sipsmith and allowing the business to maintain the 'craft' production of its gin while leveraging Beam Suntory's distribution muscle is a fantastic idea. The obvious question which arises, however, is will associating with Beam Suntory in any way dilute the authenticity of the Sipsmith challenger brand? Manfred states that it won't, and explains how both Beam and Suntory have a track record of preserving the heritages of smaller brands: "Preserving the roots and the authenticity of brands is in our DNA. Both companies have retained links with their family founders which go back over two hundred years. Jim Beam, for example, is run by Fred Noe, a seventh-generation relative of Jacob Beam who founded the distillery in 1795." Similarly, Manfred added, Maker's Mark is still managed by the latest generation of the Samuel's family despite being owned by Beam Suntory since 2005. Also, Cruzan Rum, made in the US Virgin Islands, retains its ties with the Nelthropp family, who founded the brand in 1760.

In Western Europe, much of Beam Suntory's marketing activity is still based around its core brand, Jim Beam, and complemented by campaigns promoting other products. Manfred noted how understanding specific preferences is always paramount before building a strategy and revealed the detail of new operational approaches to targeting consumers – between countries and within countries too – to ensure maximum returns. "Germany provides a classic example of how one territory can have diverse alcohol tastes. For example, we've learnt how consumers are still divided by the zonal demarcations established post-World War II, with those in the south preferring bourbon first introduced by US soldiers, while in the East, Vodka consumption is higher because of the Russian influence." Unearthing 'under-the-radar' trends such as those introduced by the on-trade is another critical factor to success, as is finding the best ways to engage millennials, whose shopping behaviours continue to challenge companies across the FMCG spectrum.

Manfred admits targeting consumers is more complicated than it was twenty years ago and this is particularly the case within Beam Suntory's core category of whisky. Where once Scottish Malts were dominant in premium segments, during the last few years their power has been diminishing, replaced by new world whiskies such as those distilled in Japan, England and Germany. This could be perceived as bad news for the Beam side of Beam Suntory which has, for several years, owned iconic Scottish Malts Laphroaig and Bowmore, though Manfred sees things differently: "In Europe, whisky is a popular drink – it's 'on trend' – and Scottish malt whisky brands still have a strong reputation in consumers' minds. Many of these new distillers are selling whiskies at a young age and can't yet offer consumers 20 or 25 year-old liquids. Consumers decide what quality is and Scottish malts have defined quality for generations and we don't expect that will change anytime soon."

Emerging distillers, therefore, in Manfred's view are a good thing because they're driving people into the whisky category and creating new consumers who, he argues, will discover the older established whiskies as their appreciation for quality grows. Interestingly, Manfred added, because Suntory has won several awards in recent years, the business is currently struggling to produce the quantities of its whiskies needed to meet consumer demand. To capitalise on this heightened activity in the category, Beam Suntory is utilising various innovative campaigns to promote Laphroaig and Bowmore, emphasising their unique tastes and age. Bowmore, for example, has the oldest maturation warehouse in Scotland. Manfred emphasised his confidence with the German phrase 'Wettbewerb belebt

aktiviert das geschäft' which translates as 'competition activates the business' – 'If people are talking about the product, it will benefit the brands.'

Since the Suntory acquisition, Manfred highlighted a renewed CSR drive across the global business. While commercial strategies differ depending on the territory, responsible communications to consumers are standardised: "We use a clear marketing code with guidelines on how to communicate with customers and impose restrictions on our marketing to ensure we act in a responsible way. These include only advertising via media where it's certain at least 70% of users are above the legal drinking age; using actors at least 25 years and older, and not leveraging multi-buy promotions in bars." Furthermore, Manfred explained, Beam Suntory is now rolling out the 'Growing for good' campaign across the Group, donating a percentage of its annual profit towards social and sustainability projects such as 'clean water' initiatives and encouraging and supporting employees to dedicate their time participating in activities beneficial for "nature, communities and society in general."

One of the reasons it has taken Beam Suntory 12 months to hire the talent it needs to achieve growth is ensuring those who join have the requisite skills and experience, but also fit into its culture. Manfred highlighted that, across all levels, people must demonstrate agility, be driven, comfortable with change and have an entrepreneurial spirit. In testing for these qualities, the business will sometimes find people: "perfect on paper, but lacking the cultural affinity we seek and which will allow them to succeed here." He added, "Getting the right people on board is important to us, because we know that executing a strategy is easier if you first get the people side of things right." Honesty is also key during recruitment processes, with Manfred admitting he's open about difficulties which exist in the business, before utilising several interview questions to assess how people will react in challenging environments.

Three years since Beam Suntory formed, the two firms have become closer and in Germany Manfred highlighted, the team is regularly in touch with their colleagues in Japan, thanks to several forums for exchanging ideas and learning from each other. Furthermore, in 2016, 100 employees (almost the whole German division) visited Osaka to learn about Japanese culture, as well as gain better insight into Suntory's products, which now form part of Beam's portfolio: "It had a huge impact on the two organisations, enabling us to get a tangible sense of who our new mother company was and helped us to appreciate each other better." The Suntory Ambassadorship Programme is another initiative, where each quarter selected people are invited to go to Japan to learn about the unique Suntory culture. They then return to Beam and share with colleagues all they've learned.

As Beam Suntory grows Manfred anticipates further recruitment across the Group. In conclusion, he re-emphasised why people should consider joining the business: We're an attractive organisation with a strong team spirit, pride for our products, great brands, consumer love, a great culture and a rewarding environment with the freedom for anyone to make their mark and influence direction. We foster people's ideas, and provide fantastic support and development."

To learn more about Beam Suntory, please visit www.beamsuntory.com

> "People must demonstrate agility, be driven, comfortable with change and have an entrepreneurial spirit."

Professional executive interims:
a different breed of talent solution

sambridger CONSULTING
Re-Energizing Brands and Business

In March 2017, Sam Bridger celebrated ten years as a freelance Marketing Director and Consultant.

The former UK Head of Marketing for Mercedes-Benz Smart Cars had enjoyed a successful 20-year corporate career before making the jump and setting up her own business. She explained to Nigel Wright it was something she never imagined doing until it happened: "I was a corporate woman and the idea of leaving permanent employment and losing my company car, laptop, health insurance, pension, etc. was inconceivable."

After five "amazing" years working at Mercedes Benz, following a restructure in 2006, Sam was offered redundancy. Having reached a fortunate point in her career where she could step back and wait for the right opportunity to come along, Sam chose to work as a freelancer until she found the right role: "It had to be a director level position, and the location and the brand had to be right. It was up to me; I was under no pressure to compromise."

An ex-colleague secured Sam a six-month Head of Marketing contract at a London advertising agency, and upon completion of that assignment, Sam was offered her first "proper" interim role as Assistant Director of Strategy and Marketing for NHS Blood & Transplant. By this point, she explained it was clear to her that being an interim director was, in fact, the right next step: "It was accidental when it happened, but made perfect sense. My area of specialism is re-energising brands and businesses; I don't tend to do 'keep the chair warm' roles, which are just about maintaining the status quo. As an interim, the opportunity to introduce fresh commercial thinking into different sectors

means I can make a material difference in a short space of time."

When Sam took on the NHS assignment, she established Sam Bridger Consulting Ltd. and never looked back. Now, with 10 years under her belt, it was interesting to

> "An interim director can be viewed as a threat by some in the business."

learn her perspectives on how the interim market has evolved during that time, as well as her views on why more companies should consider making a senior interim appointment.

First, Sam highlighted, it's important to understand the difference between a temporary worker, a consultant and a professional or "career interim", as they each offer companies different types of short-term talent solutions. An interim, for example, is introduced into an organisation to cover a role and deliver against certain objectives, as well as manage an existing team. Temporary workers and consultants are usually project focused and less restricted by a job description. While an interim normally commits to an organisation for six to twelve months and doesn't usually have any extra professional commitments alongside that contract, consultants will manage many briefs simultaneously. Temporary workers are more likely to re-enter permanent employment when a suitable vacancy emerges.

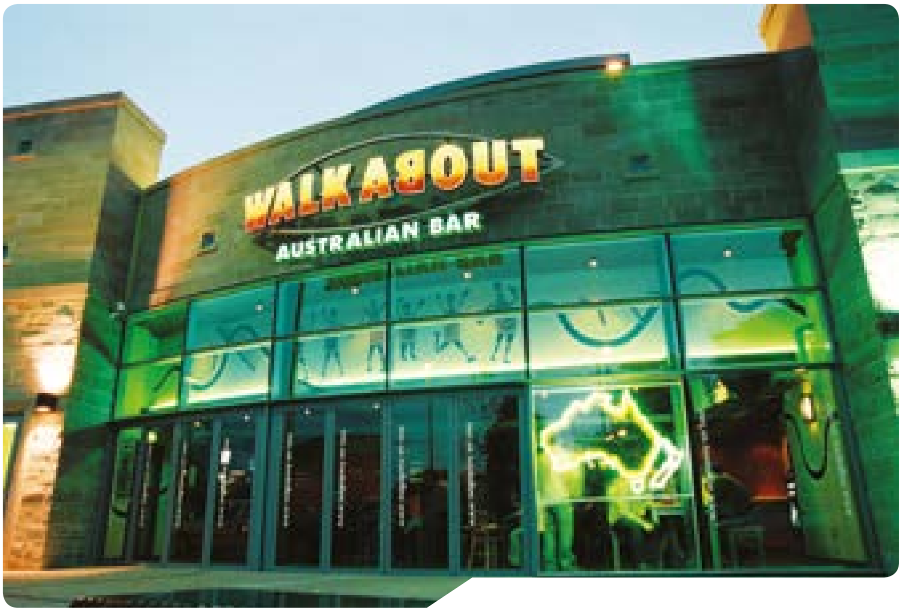
Sam noted that the circumstances of the last decade, beginning with the great recession in 2008, have helped clarify the role of a professional interim as being different to that undertaken by other kinds of consultancy: "My interim career started at a time when the employment market was suddenly flooded with people. Businesses realised they could take advantage of this flexible resource to fulfil project-specific needs and maintain momentum through difficult times. She went on to explain how, when the economic environment improved and most of those temporary workers returned to permanent employment, companies acknowledged that professional or career interims – i.e. the ones who chose to set up their own business and chose to remain outside of the permanent talent pool – could offer a different, broader and more strategic temporary solution.

Whilst many organisations now recognise the value of an interim, Sam argues that companies could further utilise their potential when an 'empty chair' scenario arises – especially at the executive level. Empty chairs can appear for a variety of reasons; resignation, long-term illness or maternity leave or when a new department or strategy is required and the search for the permanent postholder may take a while.

In addition, Sam believes it's critical that the organisation makes the interim's objectives and remit crystal clear to the existing team – especially when it differs from that of the permanent post holder: "An interim director can be viewed as a threat by some in the business; maybe they're worried their work will be criticised, or they're uncomfortable that an 'outsider' is suddenly in a position of authority. A professional interim knows it's important to keep focused on the business challenges and ensure there is no personal criticism – therefore minimising conflict and getting everyone working together to find solutions rather than facilitating a culture of blame."

Sam added how sometimes internal politics are unavoidable and interims must learn to "walk in and get on with it." In her words: "When a vacancy arises, people are often jockeying for position and you must learn to deal with internal conflicts. If an interim's remit is clear and agreed by everybody from the start, however, it's easier to hit the ground running, understand the issues and identify the opportunities – making sure everyone is aligned and focused."

Describing it as the "proudest moment "of her career to date, Sam shared her experience as interim Marketing Director at Australian bar chain Walkabout. The business had lost its 'Aussie' authenticity, and its young and "unruly" student clientele was damaging the brand, and in some cases the venues. Walkabout was



struggling to attract the new investment critical to its survival. The executive team were aware of many of the issues, but their focus on keeping the business running day to day meant that they hadn't had the chance to face the facts and make the material changes the business needed.

Her strategy was to improve the complete guest experience and attract a broader, more female and more responsible customer base. It involved identifying new customer segments, how they interacted with, and what they needed from, the venues; developing a new brand position and generally improving all aspects of marketing. The strategy was implemented in a short timeframe and resulted in an increase in daytime trade, food sales and dwell times and secured the business new investment from partners who offered "a virtually open chequebook."

The Walkabout case study, Sam noted, is an example of good practice for using an interim solution: "Walkabout didn't need a permanent Marketing Director, but recognised that by hiring me for six months I would introduce new skills, a different perspective, more seniority and indeed more diversity to its all-male executive team. These were all qualities that went beyond the basic duties of the day-to-day role, helped generate fresh thinking and challenged the whole team to step up and embrace change."

While most of Sam's contracts involve her covering a role or creating a new strategy for the permanent post holder to implement, she is hopeful that more organisations will start to think about ways to introduce new skills and fresh insight on a short-term basis, regardless of whether a vacancy exists – to view interims in a more 'consultancy' capacity. There's a misconception in her view that hiring a consultant requires a huge investment involving companies like McKinsey or KPMG. Her argument is simple: "Senior interims offer a high-level service but in a cost-effective and flexible way. It's not a cheap option, but an interim will deliver from the word go, and contribute a lot in a short space of time."

> "Senior interims offer a high-level service but in a cost-effective and flexible way."

Recruiters, in Sam's view, can help promote the benefits of interim solutions. Those with long term relationships with, and a deep understanding of, their clients can advise them on the types of interim skills they may need. When seeking a new opportunity, besides her own network, Sam explained how she will only work with specialist recruiters who are proactive in recommending interim solutions and suggesting the value add services available: "Recruiters I speak to who ask me to keep an eye on their website don't get called back. It's about building relationships and for that recruiter to know when there is a fit between me and their client."

Companies who want to appear attractive to senior interim candidates can be more mindful of what motivates people to pursue an interim career. Operating at a senior level, Sam explains, means you can choose the organisations that best suit your needs and values: "At this stage, it's not really an interview process, more a discussion about whether the two parties can work together."

For Sam, embracing flexibility and diversity are two areas which she believes attracts the best interim talent. With regards to flexibility, she highlights, the tendency for companies to fill a role in a 'like for like' way doesn't always secure the best talent: "Those companies that are open to more flexible working arrangements are always more attractive to interims and consultants, as we often no longer work an

office-based, five days a week, nine to five routine."

Similarly, with diversity, Sam is enthusiastic that more employers are seeing the benefits of using interim appointments to introduce diverse thinking into their business. This is especially important, in her view, when the senior management team are unrepresentative of their target audience, for example, female consumer brands with male-led boards. Yet, she warned that introducing an interim to boost diversity shouldn't be a 'tick box' exercise: "It should act as a trigger to analyse the diversity of the whole organisation, as well as the senior leadership team."

When asked about the advice she would give to other people considering embarking on an interim career, she emphasised that there's never a right or wrong time to set up your own business. However, she felt there were certain qualities and attitudes necessary to make it a rewarding choice. Sam explained that any self-employed person must understand the value of building and maintaining a good network. Getting good at selling yourself is important too, as is staying current in your area of expertise.

> "Have a clear and consistent position and point of view."

She noted how blogging and using social media can be a good way to cover all these areas. If an interim does choose to use these tools to promote their services, however, Sam's advice was simple: "... have a clear and consistent position and point of view; commit to doing it regularly and try to achieve a balance of being relevant and consistent and not bombarding people with the same content as everyone else."

Sam further revealed how those who enjoy seeing the results of their hard work might not be cut out for an interim career: "Often you leave a job before the impact of your actions are realised and success may even be attributed to others. You can't take that personally; you've got to move on, accepting that although you've worked hard to produce something amazing, someone else will take care of it now." Multi-sector experience is another valuable string to an interim's bow, and if an employer is ever concerned that Sam hasn't worked in their sector before, her message is clear: "If you keep employing the same people, you'll keep getting the same results."

Having recently completed a six-month Head of Customer Marketing assignment with travel rewards business, Avios, Sam is currently focused on consultancy projects, tackling multiple briefs and enjoying the flexibility to manage her own time: "I think it's important to take a step back after a major interim assignment to take the time to absorb new ideas, learn new skills and get back in touch with your network."

Sam admits it can be challenging managing a business while giving your full attention to clients, but is very happy she chose to move into a professional interim career: "The ability to choose your brief, manage your work-life balance, and constantly meet new people is incredibly rewarding. I wouldn't dream of going back to a permanent role now!"

Case Study

NEW CEO FOR CASALL AB

Founded in the early 1980's, in Sweden, Casall is a premium training brand active in the sports industry.

The client

- A family owned business, Casall's owner is still operationally active in decision making and setting the direction of the firm;
- Its product portfolio includes training equipment and a clothing range for men and women;
- The business has a team of 70 employees and an approximate turnover of €30 million;
- Casall is currently present in 17 markets with subsidiaries in Finland, Denmark, Norway and Germany.

Background

- The health and fitness trend continues to have a positive impact on the sporting goods industry across Europe;
- In Sweden, the industry has doubled in size during the last 10 years;

- Despite this, Casall's domestic and international growth has been comparatively disappointing in the past two years;
- Casall retains a strong brand position in Sweden thanks to new distribution channels in sports gyms, for example;
- Neglecting key markets such as the UK and Germany, however, has created issues with distributors;
- Casall's founder, seeing untapped potential in domestic and international markets, restructured the business in mid-2016;
- Hiring a new CEO to strengthen Casall's position as a leading premium brand and expand the business into new markets, formed part of the restructure.

The challenge

- Finding a proven commercially driven entrepreneurial leader with an outgoing and enthusiastic personality;
- Identify structured thinkers able to work an unstructured environment;
- Effectively communicating the culture of Casall and the active role of its operationally active owner;
- Maintain the interest of candidates during a lengthy recruitment process;
- The initial phase of the process was confidential, which required a discreet approach to the market;
- Identify a broad range of candidates from the sporting goods industry, as well as the wider consumer sector.

Client testimonial

"We are very happy to have a new CEO we are confident will lead and strengthen our segment towards end consumers. With a solid background from our product categories and a long experience in leadership and strategy work, we believe that he will raise the bar and take Casall to new heights. The process to change and renew the company structure began in the spring of 2016 and culminated in a thorough recruitment process from the leading search and headhunting agency Nigel Wright Group."

Owner and founder of Casall, Carl-Axel Surtevall

ANDY BROWN, MANAGING DIRECTOR AT TAYLORS

Brewing growth
stirs overseas markets

Founded in 1886, C. E. Taylors & Sons, a Yorkshire based tea and coffee merchants, would have faded into history like countless other small regional tea and coffee importers – but for the fact that in 1962 it was purchased by Bettys, the iconic Yorkshire Tea Rooms.

Since then – and renamed as Taylors of Harrogate – it has grown to become a national treasure. With turnover tripling in the last decade, profits increasing and its flagship brand Yorkshire Tea securing a place amongst the UK's best-loved brands, the business continues to prove that doing things 'proper' leads to success. But what does 'proper' mean to the Harrogate headquartered company? Taylors Managing Director, Andy Brown, says it's simple: "A combination of making great products, creating consumer love and doing the right thing for the long term. Through sticking to these principles, our business has gained a reputation for compelling brands and great tasting products, being a great place to work and for really caring about what we do in relation to people and the planet."

A veteran of the FMCG industry, Andy swapped a 'blue-chip' career following roles at P&G, Mars and Asda to join Bettys & Taylors as Group Finance Director in 2001, becoming Taylors of Harrogate Managing Director in 2009. And it's under Andy's helm that the business has made significant inroads into a UK beverage market for years dominated by iconic staple brands. His priority early on, he recalls, was building a team to create a strategy for growth and to develop best practice: "I've always been a strong believer in recruiting the best people and building a strong team. From the start, it was a top priority

> "His priority early on was building a team to create a strategy for growth and to develop best practice."

for me. I sought to form a team with a mixture of experienced members and some key new appointments – notably new marketing, sales and HR directors. Together we then developed a strategy for Taylors centred on growth across several different platforms, whilst strengthening our business's capability."

Those senior appointments enhanced and, in some cases, brought new skills into the business; introducing better agencies and forming external partnerships along the way. The result, as Andy highlights, was a significant step change in performance: "I believed that getting the right people in place would give us the foundation we needed to deliver our objectives. As we strengthened capability in the business and our brands gained greater prominence, so our results started to improve. And bigger brands with a stronger reputation allowed us to be more influential, accelerate growth and attract even better people. We built confidence and created momentum that allowed us to do more significant things and deliver even stronger results."

"Bigger brands with a stronger reputation allowed us to be more influential."

Taylors growth has principally been driven by Yorkshire Tea, which accounts for one in six cups of tea drunk in the UK, making it the joint second black tea brand alongside Tetley, behind market leader, PG Tips. It has also ranked in YouGov's Brand Index of the UK's top 10 most loved brands for the last two years, and is the only FMCG brand to make the cut. Investment has been focused on brand building as Andy explains: "We've produced some engaging and compelling campaigns that have given the brand a strong personality. It's seen as being fun – not taking itself too seriously." He's adamant, however, that while brand affinity is important, the product must taste great and in the case of Yorkshire Tea, the quality has remained the best: "When someone drinks a cup of Yorkshire Tea for the first time, we want them to appreciate how good it tasted and to come back for more. Our advertising and promotions help to make this an easy choice for them the next time they're in the supermarket – even if it means paying a little bit more."

Taylors of Harrogate coffee is also the UK's leading filter & cafetiere ground coffee brand with a third share of the market and best-selling products such as 'Lazy Sunday', 'Rich Italian' and 'Hot Lava Java'.

What's most impressive about the meteoric rise of Taylors is that its core brands have grown in shrinking markets. Consumption of black tea has been declining in the UK for several years. And while coffee consumption is increasing on the high street, growth at home is being driven by new formats like coffee capsules and pods, and not in traditional ground coffee which had been Taylors' mainstay. Andy and his team recognised their main markets were offering limited returns and set about investigating in new strands to complement them. Their solution was threefold: launch a range of speciality fruit, herb and green teas in supermarkets; start producing coffee capsules and bags; and grow international sales.

The first two, Andy explained, are UK focused and about delivering Taylors' superior quality to consumers through different formats: "At home, people are experimenting with different flavours of tea, as well as using more equipment, especially when making coffee. Not so long ago, you had a box of black tea in your cupboard and some instant coffee. Now consumers often have an array of speciality teas, coffee capsules and filter coffee too. We need to ensure that we satisfy these changing tastes and avoid being too narrow in our focus." He added that the trend in North America for iced tea and chilled coffee is spreading to the UK and Taylors has recently established an R&D function with a newly appointed Head that will seek to drive high-quality technical innovation across different product formats to meet diverse tastes.

The main opportunity for growth, however, is international. Taylors, Andy explained, has long had a small international export business, but since targeting new markets and creating new distribution agreements for Yorkshire Tea, sales have tripled. In Andy's words: "A breakthrough occurred four years ago when Coles and Woolworths, the biggest grocery retailers in Australia, started to sell Yorkshire Tea." Other markets followed and Taylors now export to over 20 countries. A newly appointed International Director will now focus on growing these markets as well as developing business in new ones.

> "Maintaining the sense of 'connection' and building strong relationships is also something which extends to the business's supply chain."

While growing Taylors brands internationally will be a priority for the next few years, closer to home Taylors is focusing on building greater awareness of the Taylors of Harrogate brand. Although the market leader in the ground coffee category with a presence in speciality tea, the brand is relatively unknown. "We want Taylors of Harrogate to be more widely recognised as a quality brand with a creative portfolio of products developed through our passion for extraordinary flavour" said Andy. "We're currently relaunching new packaging designs, range extensions and advertising to support this."

The family business is also building capacity and infrastructure for the future, with plans in place to invest in IT, new buildings, machinery and facilities – as well as people – over the next two to three years. Investments in new tea blending and packing facilities are planned at Taylors manufacturing base in Harrogate, with work due to start next year. As Andy explains: "One of our aims is to have a manufacturing site beyond compare." A new Operations Director has been brought in to support this development.

Bettys & Taylors Group employs 1,400 people across Yorkshire, 400 of which work for the Taylors business based at its Harrogate factory and nearby distribution warehouse in Knaresborough. As Andy highlighted, having most employees based on one site facilitates a highly collaborative and engaging culture – something that is very important to the family shareholders – the descendants of Bettys founder, Frederick Belmont. And while Taylors uses a limited number of co-manufacturers, there's a long term commitment to the manufacturing base in Harrogate.

Maintaining the sense of 'connection' and building strong relationships is also something which extends to the business's supply chain, where a strategy of working in partnership with farmers and producers has led to recognition by various bodies including the Rainforest Alliance and a prestigious Queen's Award for Enterprise for Sustainable Development. In Andy's words: "We're committed to working collaboratively with farmers and suppliers to promote long-term sustainability of supply. Our supply chain embraces 1 million workers and farmers in 24 countries, mostly developing nations facing mounting challenges such as the impact of climate change, decreasing productivity and quality, and rural poverty. Our aim is to establish partnerships with suppliers, underpinned by the belief that 'we're both in this together'. In practice this involves working with them to identify and address sustainability challenges and establishing long-term contracts that provide suppliers with security."

Just one example of the business's impact is its work in Kenya. Here, the family business has worked with suppliers to install rainwater harvesting and filtration systems in 50 schools and community centres, bringing fresh water to 27,000 people, and supported secondary school children with educational bursaries. While many of the projects are funded solely by Taylors, the business also works in partnerships with others, such as an initiative in India with UNICEF and other tea companies to address the issues facing adolescent girls. A significant, long-term project in Rwanda to help rebuild the tea and coffee industry following the 1994 genocide, with funding from the Department for International Development, has allowed Taylors to significantly increase purchases of quality tea and coffee from Rwanda, whilst improving standards and working conditions.

These activities, however, are not restricted to the business's activities overseas, as Andy revealed. "We've been promoting environmental protection and supporting our communities since 1990 when former chairman and CEO,

Jonathan Wild, established our Trees for Life campaign. During the last 25 years, the business has enlisted the support of customers and employees to plant more than three million trees worldwide." A current partnership with Woodland Trust is supporting tree planting in schools and getting children interested in the environment. Andy confirmed Trees for Life is also extended to Kenya, where the business is working to plant a further million trees: "The trees will provide tea smallholders and farming communities with fruit and additional income, as well as deliver environmental benefits such as soil conservation and carbon sequestration."

A strong consumer brand and reputation for high ethical standards, Andy claims, improve your employer brand and makes attracting the best people easier. The business has also worked hard to create a culture which reflects the personality of Yorkshire Tea – open, friendly, warm, informal but professional, where everyone is encouraged to take pride in 'doing things properly' while at the same time enjoying their work, having some fun and 'not taking ourselves too seriously'.

When asked if the Harrogate base was ever an issue for recruiting staff, Andy admitted that attracting city based 'blue-chip' talent can be a problem in some disciplines, though on balance, the location seems to be an advantage for Taylors: "People often want to get away from city life, particularly if they have families. Harrogate is a nice place to live and offers a great quality of life." The scale of the Taylors business, he highlighted, is also attractive to those who want to develop their career away from a big corporate as it's "...small enough for individuals to have real influence and impact on the business, whilst large enough to do meaningful things in the world, with sizeable household brands and international reach."

The most impactful aspect of the Taylors of Harrogate culture, however, is the emphasis on collaborative and cross functional working, something, which Andy noted, is modelled from the top: "We don't have one Group CEO. The job is shared between myself and four of my executive colleagues, forming what we call our 'Collaborative CEO'". This unique model provides leadership and oversight of the strategy and development of the Group, whilst supporting the businesses in delivering their independent strategies. Leaders at all levels of the business are encouraged to influence decisions across functions rather than 'just because they're the boss' and as Andy explains, this allows people to have a better understanding of how the whole business operates "from bean or leaf to the cup." Team and personal development focuses on individual needs as well as those of the business, with Andy asserting the importance of ensuring employees have "fulfilling roles in which they are able to be themselves and show their full potential." This, he says "is the key to a happy workplace and a successful business."

> "This unique model provides leadership and oversight of the strategy and development of the Group."

Featured interview

NICOLAI HANSEN, MANAGING DIRECTOR AT KMC

Emerging middle class fuelling KMC's international growth

Established in 1933, KMC is a Danish farming cooperative owned by three independent potato starch factories based in Toftlund, Brande and Karup.

The business has enjoyed remarkable growth during the last seven years thanks to its innovative food solutions all cultivated from the "humble and unglamorous potato." An acronym for Kartoffelmelcentralen which simply means 'potato starch company', KMC has ambitions that far exceed its rather modest name as Managing Director Nicolai Hansen explains: "The cooperative was established to sell potato starch in Denmark, but since then its proposition has evolved. Today, 95% of turnover comes from export markets, half of which are outside of the EU. And while commercial activities are still the main component of our operation, we also now add value to the product."

Annually, KMC produces more than one billion kilos (one million tonnes) of potatoes, from September until the end of the year. From this yield, it creates 250,000 tonnes of starch as well as 20,000 tonnes of flakes and granules, which it sells to 80 countries worldwide; including the US, Germany, UK, Russia, Japan and China.

'Adding value,' refers to scientific and technological advances in recent years, which has enabled KMC to develop considerable in-demand expertise in the global food industry. By substituting common proteins used in dairy based and confectionery products with potato starch, KMC's solutions enable food manufacturers to make cheaper, healthier and less controversial products: "Essentially, we break food down to its basic components and then rebuild it again, substituting animal proteins like

milk, egg and gelatine with plant based raw materials."

KMC focuses all its resources on re-imagining foods, and with its solutions

used in a growing range of "on-trend" vegan cheeses, mayonnaises and sweets such as wine gums and liquorice, turnover in 2017 is expected to reach circa 190 million, a 15-20% increase from the previous year.

But what is causing this upsurge in demand for vegan products? Health is a driver, suggests Nicolai, as is awareness of animal agriculture's impact on climate change and people's concerns about cruelty and safety in food supply chains. He claims, however, that these are only indicative factors of a much broader development: "The global middle class will treble in size between 2009 and 2030 – from approximately 1.8 billion to 5.5 billion people. This is significant not only because of aggregated wealth and spending power, but also because middle-class consumers are more educated and concerned about what they eat.

As well as health, factors such as convenience, taste and price come into play; as do 'softer' elements like sustainability, transparency, corporate social responsibility and food safety."

While the growth in demand for plant based foods is currently a Western trend, within the next decade KMC expect it will be a global phenomenon. Nicolai emphasised though that the cooperative's role isn't to educate the market about the perceived benefits of a plant based diet, but rather to serve the interests of their farmers and then customers: "We ensure as much value as possible is gained from the potatoes to maximise dividends and offer effective solutions to the food industry. There is an element of education in that we show manufacturers how food can be made in a different way – sometimes it's healthier, often there are ways to make it more sustainable or cheaper – but we're reacting to demand and serving the needs of consumers rather than instructing them."

Nicolai admits it's been profitable to grow potatoes during the last seven years, and with farmers receiving high dividends for raw materials, they're willing to invest in land and grow more potatoes. KMC currently employs 180 people – 300 if you include those working in the factories – and its efficient processes means average turnover per employee is high. Investment is currently directed at rebuilding and modernising all three factories and when the project is complete in 2019, Nicolai confirms they will be the most modern potato starch factories in the world.

Nicolai highlighted how KMC's customer focus also extends to R&D. Done in collaboration with its food manufacturing partners, this approach ensures a transfer of knowledge about the various properties of starch and how they apply to different

> "The global middle class will treble in size between 2009 and 2030 – from approximately 1.8 billion to 5.5 billion people."

product types. Solutions are designed with customers and made using their production facilities; KMC then works alongside its partners to conceive ways to increase product marketability and achieve scale. The market insight offered by Nicolai and his team is invaluable is analysing cultural considerations regarding what constitutes mayonnaise, confectionery, cheese, etc. in different regions of the world, leading to varied marketable solutions. In his words: "Insight must be detailed and accurate, and processes flexible, to ensure the solutions are the best they can be to meet consumer needs."

The Danish food cluster is one of the strongest in the world, and KMC will play a major role in shaping the industry's future, offering its expertise to a new national food research strategy – a collaboration between the Danish Food Association, the Agriculture and Food Council and other companies from the domestic food industry.

The aim is to define future research for the Danish food cluster by addressing common challenges and opportunities and facilitating a circular economy by promoting market driven innovation. An aspect of the discussion, Nicolai confirms, will be the issue of plant versus animal diets, as well as broader nutritional topics: "It's all about encouraging 'outside-in' thinking and approaches; listening to the market, seeing what's happening around the world, bringing ideas back to Denmark and then using our collective strengths to benefit our industries."

Cutting edge 'era-defining' solutions and a central role in the Denmark's food future must mean people are queuing up to join KMC? Not quite, according to Nicolai, but the situation is improving. The strong Danish economy means it's competitive and difficult to recruit talent at a rate to match KMC's growth and, although its

reputation is good, with a different and unique proposition to other ingredient companies, it has sometimes proven difficult for the business to attract certain types of specialists. One of Nicolai's key initiatives since being appointed Managing Director is working with universities to attract graduates who can be trained in the competencies it needs. He explains: "Students write papers for us to gain experience, and we're establishing a training academy to teach a variety of specialist skills that will match our needs as we grow. By targeting younger people, the average age of our employees has lowered during the last five years."

> "It's all about encouraging 'outside-in' thinking and approaches."

While there may be a low interest in studying the natural sciences, Nicolai is confident that a growing appreciation for raw materials and 'back to basics' food will further benefit KMC. The ingredient industry in Denmark is strong, and with an already healthy talent pool of people with relevant skills within the cluster and a beneficial rotation of talent, Nicolai claims KMC's proposition will be increasingly of interest to those in the ingredients industry seeking opportunities to work with alternative 'vegan' food solutions: Working with potato starch doesn't sound interesting, but when people see the outcome of the work we're doing, their opinion soon changes."

KMC's mission statement has two parts: 'let's take food forward' is an open invitation to potential customers and employees to join KMC in helping create the future of food; and 'humble origins, global capabilities' refers both to the humble life of the farmers as well as the humble potato, while reinforcing its aim to compete in international markets. Nicolai states that these slogans inspire employees and customers alike: "They help people recognise our history and heritage, but also provide a reminder that we're not afraid to take on the world."

Changing minds: a key step towards a flexible future

During the previous 12 months, people-power has come to the fore across the world. Unlikely voices have risen-up to affect unexpected changes, challenging historical rules and destabilising traditional centres of authority. Now the People want to shake things up at work too, a world for so long tied to rigid indefatigable ways.

Office environments and working hours are under scrutiny as workers seek to be released from the associated constraints of employment. Emotional phrases such as 'Avoid paid imprisonment' and 'Open the door of Cell Block 9 to 5' – taken from some of the current research on the subject – are helping to fan the flames of revolution.

But does the increased demand for variable working times, patterns and locations mean employers' must simply give up the tools and rules that enable them to monitor and control their staff? Or is it a chance for greater employer-employee collaboration; the natural evolution of practices, facilitated by smarter leadership and technologies? In this article, we consider the pros and cons and latest developments in the flexible working debate.

Two steps forward

Flexible working is undoubtedly the employment buzz-phrase of 2017. Experts claim demand has now reached a tipping point as employees seek a greater sense of control over their working lives. There are currently around a third of UK employees with the ability to either work at different times, or in different locations. Those who have experienced all or some variation to their hours, shift patterns or location are regularly reported as feeling more trusted and happier at work, enjoying better health and wellbeing and having an overall improved work life balance. These outcomes are a consequence of factors such as fewer distractions, reduced travelling times, and the ability – through having more time during their day – to eat healthily as well as exercise.

Companies too, that have conceded to workers' calls for greater ownership of the working day say they experience increased productivity and better overall engagement; in addition to talent attraction successes, higher staff retention, reduced absenteeism and improved customer service and innovation.

Such is the compelling case for flexible working, that in 2014 the right to request it was extended to include all UK employees, whereas previously only those with childcare or other caring responsibilities were eligible. The law stipulates that each request must be dealt with on an individual case by case basis. It is then at the employers' discretion whether to accept the request. Almost three years since regulations were introduced, however, and even though studies consistently demonstrate that demand is higher than ever, the increase in the number of people making requests has been relatively small.

What does this mean? Could it be that employees don't expect to get their requests accepted? Or maybe it's that they are not satisfied with the arrangements offered and therefore don't bother asking for changes they deem to be unbefitting of their needs?

One step back

Let's deal with rejection first. The law provides seven categories which allow employers to reject requests for flexible working. They include factors such as an inability to meet the burden of additional costs, to reorganise work or recruit cover; or a fear that customer needs will not be met if changes are made. These perceived issues are linked to various assumed barriers to implementing flexible working.

For example, research has highlighted that most HR managers expect implementing flexible working will cause added bureaucracy and will prove too challenging for their teams. Another major barrier to change includes a lack of trust, being that it's difficult to oversee work which isn't taking place within the 'normal parameters.' Process related problems like inadequate management practices i.e. managers can't provide the necessary support or guidance to make flexibility work for the whole team; and technological obstacles in that a company's technology assets are perceived as being insufficient to enable, for instance, remote working.

Although these are all valid reasons to reject an individual request, it seems unlikely that such a high number of people – the demand for flexible working outstrips those currently enjoying it by 50% – would be put off from making an application based solely on these formal objections. So, what else is going on?

One emerging issue reveals that employers are avoiding having to dish out rejection anyway. Earlier this year it was reported some companies still tacitly treat flexible working as the sole privilege of women with children. This is despite the policy being inclusive to everyone for reasons covering religious commitments to medical conditions. 'Informal arrangements' to allow for childcare responsibilities exist instead of official changes to contracts, therefore negating the need for employers to acknowledge a need for formal changes to be made.

Another and seemingly more common problem averting people from requesting flexibility at work, however, are its various associated stigmas. A 2017 survey revealed that regardless of its popularity amongst workers, the perception is that employers regard those who want some form of flexible working arrangement as being uncommitted, unambitious and lazy. Worried that moving to a flexible arrangement would negatively impact their career, employees are reluctant to push for change. Furthermore, other reports talk about job insecurity caused by an unstable economy as being a key detractor.

If it isn't fear of rejection and ridicule that is putting people off from pursing their flexible working rights, then maybe it is that they're not satisfied with the arrangements offered and therefore don't bother making them. To consider this angle, we need to first look at how flexible working is defined.

A step too far?

In some respects, the official terminology and associated process of flexible working legislation is built upon an oxymoron.

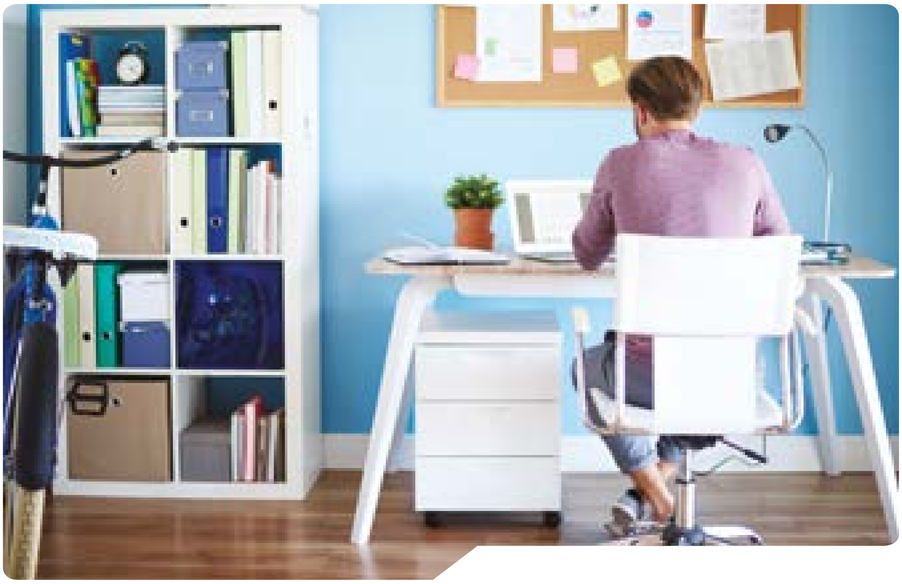
> "Another major barrier to change includes a lack of trust, being that it's difficult to oversee work which isn't taking place within the 'normal parameters.'"

'Flexibility' within the context of work simply means moving from one 'fixed' arrangement to another; be it a contractual change to your hours, location or shift pattern. Agreements are also designed specifically for individuals and are therefore exclusive rather than inclusive. In addition, the legal angle is positioned as being unfavourable to the employer because of the implicit cost incurred to allow flexibility to take place.

The scenarios described in the section above depict an ongoing battle between employers and employees over the issue of flexible working. Yet, as alluded to at the beginning of this article, there are calls for a different approach, one that is more aligned to the modern world and which encourages smarter leadership and the leveraging of technology.

The phrase 'agile working' is starting to trickle into the world of management literature. This model is considered as the natural evolution of flexible working and proposes to empower all employees to work where, when and how they choose. The argument is that agile-working future-proofs a business by making it "more responsive, efficient and effective." It turns flexible working legislation on its head by suggesting companies effectively ignore it, and instead make agility the rule for everyone, rather than creating another layer of rigidity and control that only appeases certain individuals.

Firstly, customers today demand a more tailored and flexible service. In our global 24/7 world; the importance of speed, knowledge and relationships have surpassed those of time, location and presence. Not only that, global warming is urging people to think about how they can be more sustainable by finding ways to reduce their carbon footprint. Although cars are usually pinpointed as a great cause of this, in the UK it is actually offices that are the biggest source, accounting for



around 40% of overall emissions. Plus offices are expensive, under occupied and require people to waste time travelling to them. UK workers currently average the longest commutes to work in Europe and there are a range of studies which confirm a link between long commutes and stress.

"The model of 'agile working' is considered as the natural evolution of flexible working and proposes to empower all employees to work where, when and how they choose."

And is technology not now the great enabler of a truly flexible life? Yes, it can be an obstacle for some firms; yet the increase in the use of laptops, smart phones and other devices, VPNs, enterprise social networks, video conferencing, etc. shows that as more innovative technology emerges, the potential to remove the traditional limitations of how and when people work will be a reality for every business eventually. It could be that those businesses claiming technology is a detractor rather than an enabler of flexibility are still being short-sighted about how they can use the tools available.

So, with these emerging social and commercial factors driving the need for change, why don't more companies start investigating possibilities and making necessary investments?

Walk before you can run

Perhaps because the biggest barrier of all is a cultural one. To drive wholehearted transformation like this requires a complete change of mind-set to make it happen. Therefore, as with any transformation, most businesses will benefit by making incremental changes over time.

The key thing is to make sure that the People are at the heart of the process. So far we've only considered barriers from an employer perspective but there are issues reported by employees already enjoying flexible working arrangements. These

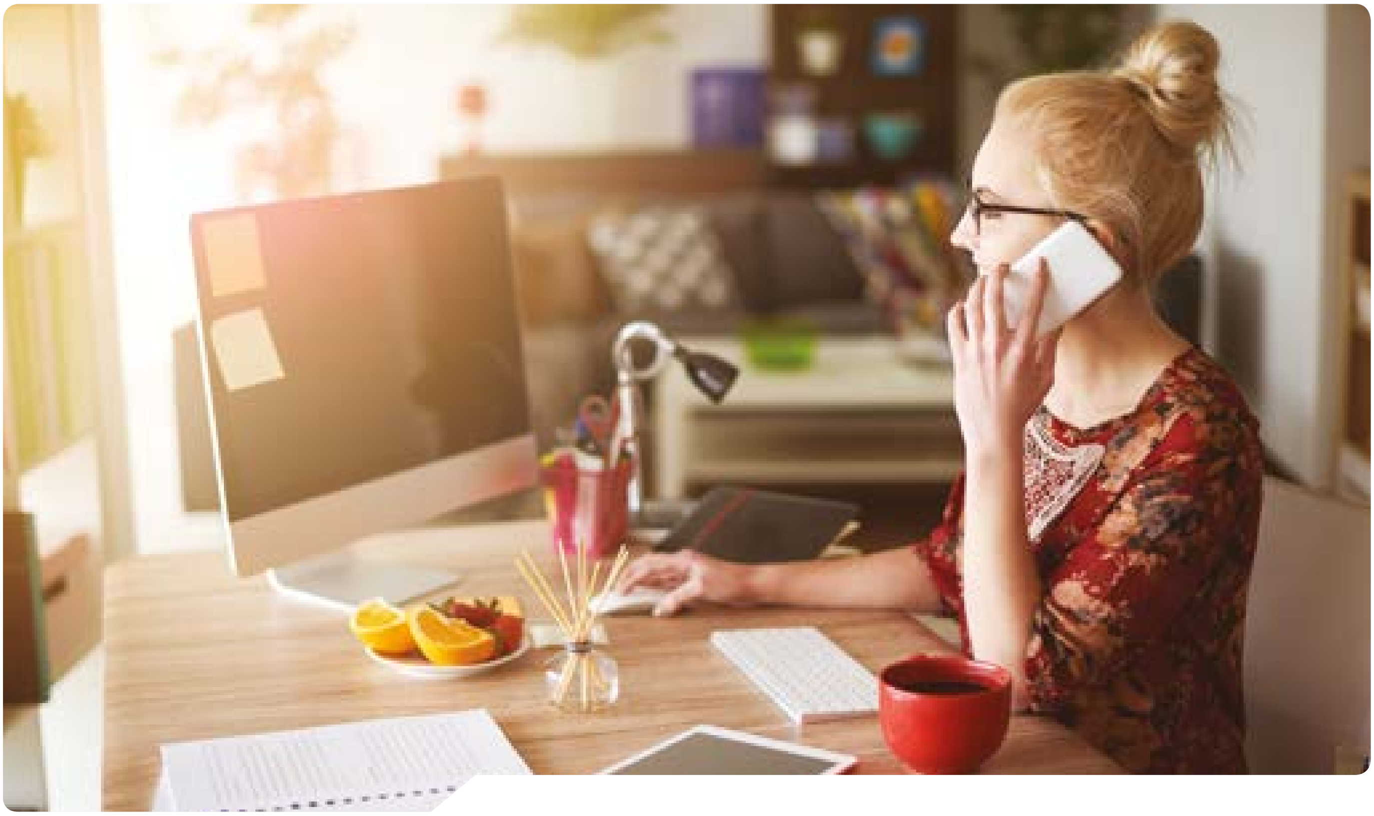
> "'Presenteeism' has been confirmed as a bigger cost than absenteeism to employers and still exists in a fixed, flexible working context."

include feeling disconnected from their teams or from the company in general, and a perceived need to work long hours. The cause of these problems is the result of factors highlighted earlier – namely the fixed nature of flexible working contracts leading to workers becoming isolated because they are now 'permanently' based offsite or working outside of normal office hours; or because there is a lack of trust behind the arrangements forcing people to work longer hours as a way of proving rules are not being flaunted.

The most successful approaches to flexible working must therefore be developed with staff, rather than driven from the top down. Business leaders should be seen to lead by example, though, and conduct themselves in ways of flexible working that they want to encourage. Good practices in this regard are actively discouraging working longer hours and measuring and rewarding output rather than visibility. 'Presenteeism' has been confirmed as a bigger cost than absenteeism to employers and still exists in a fixed, flexible working context – e.g. being logged-on, always available by phone, active on email and company intranets, etc. Those expected to be present in this way can suffer stress and be less productive.

In addition to ensuring the right technology is in place, making flexible or mobile working a rule rather than an exception can lead to smarter and more productive working habits. Research has shown how mobile workers create their own personalised routines and effectively self-discipline themselves. Putting trust in People to manage their time properly can avoid negative outcomes and behaviours like those described above.

The People's demand for flexible working isn't going to go away and those companies that don't embrace a flexible future risk putting themselves at a competitive disadvantage. Removing stigmas and inherent prejudices that surround flexible hours and mobile locations, and adopting a collegial approach where different methods are tried and tested with employees until the best and mutually beneficial solutions are found, will be the ones heralded as the true revolutionaries, and which future talent will flock to.



Featured interview

CARSTEN OLESEN, GM & VP AT HARMAN LIFESTYLE

Harman:
Revolutionising change in audio equipment markets

In 2012 Carsten Olesen was appointed GM & VP of Harman Lifestyle in Europe, the Middle East and Africa. A dedicated and passionate leader; Carsten had already served the global manufacturer of audio systems across Scandinavia, France, Germany and India during the previous 13 years.

This challenge, based at Harman Lifestyle's EMEA headquarters in Amsterdam, he explained, was his biggest yet.

Although a world leader in connected automotive audio solutions, Harman's consumer lifestyle brands were struggling. Iconic names like JBL, AKG and Harman Kardon attached to CD players, Blue Ray and DVD players and loudspeaker enclosures – renowned for their superior sound quality – were intrinsically stuck in what Carsten termed "the loudspeaker age." He continued: "The company was caught in the past. Lifestyle audio had entered a new era and we were falling behind."

During the last six years, as Carsten explained, streaming has become the preferred way to consume music. Audio products that meet this need are those that consumers can use at home as well as 'on the go' and which have wireless internet connectivity giving you access to online music streaming services. Significantly, in Carsten's view, with this change, came a change in attitudes towards music too. "It's no longer about how many CDs you have, or how many songs are available on your iPod. What's important now is accessibility and how you're engaging with new technologies."

In addition to the imperative for instant access over ownership, Carsten also explained that the accessory factor is another feature demanded by consumers today, especially Millennials. "Elements that allow customers to express their personality; so, colour, shape, etc." Harman has since developed products that match these criteria, but in the fast-paced consumer electronics industry, has acknowledged there is no time to rest.

Enthused by the enormous growth opportunities on the horizon, but aware of the deep organisational restructure and repositioning needed to achieve that

growth, Carsten set out his vision for the division. Defining what made Harman successful and what its future role in the industry should be; it included substantial investment in new operating structures, talent acquisition and training.

The key factor was turning the sales force to face the new market. Armed with a strong portfolio of new 'on the go'

Lifestyle audio had entered a new era and we were falling behind."

audio products, transforming Harman's approach to strategic key accounts was of paramount importance. After reviewing cost structures and how the division positioned its resources relative to market trends, Carsten acknowledged deep change was necessary to accomplish growth potential: "I went into the project with a cost perspective, but soon realised it was more about achieving scale. So, it became a cost repositioning rather than costs cutting exercise."

Two major issues needed to be dealt with. From a database of 12,000 customers, only a small number generated 80% of turnover. Furthermore, only a fraction of Harman's huge portfolio of lifestyle audio products still contributed to sales. Internal knowledge of newer products was also lacking and operating profit was in negative double digits.

His biggest challenge? Yes. But in Carsten's words: "The kind of challenge I like because you can only do better." His first actions included reducing the customer database from 12,000 to 3,000 as well as SKUs (stock keeping units) from 15,000 to 500. Highlighting this wasn't a cost-cutting exercise, Carsten did compare the process with "heart surgery" as it involved various office moves, the consolidation of subdivisions and hiring and embedding new talent while saying goodbye to several long-serving employees. "Overall it was a rough but productive process. We gained a better oversight of activities, became better at business development and completely refocused our efforts on streaming and audio on the go."

Once the right infrastructure was in place, it was time for Carsten and his new team to secure and maximise opportunities with a select number of integrated distribution partners. He explained how, while streamlining the customer database was important, understanding the true "growth partners" for Harman Lifestyle was vital as these hand-picked few would be where the business would "first and foremost launch new technologies."

An immediate success in this area was signing a long-term innovative partnership agreement with Europe's biggest consumer electronics retailer, Media Markt/Saturn. Harman Lifestyle was selected as the "audio captain" for Media Markt's 1000 stores across Europe. Furthermore, in the UK, Harman's most underdeveloped market, further agreements were secured with Argos and John Lewis as well as Dixons Carphone, which owns Currys.

As Carsten explained: "Currys is particularly interesting as it gives us a solid foundation in which to expand in the UK. We have established a strategic account team to develop and maximise all our partnerships within Dixons Carphone which also owns various other market leading retailers in Northern and Southern Europe." Tying things up are additional arrangements with Darty Group, recently acquired by French retailer FNAC, which has a major presence in France, Iberia and the Benelux; as well as Amazon.

The scale of the success of these developments in under five years is phenomenal. Between 2013 and 2016 Harman Lifestyle's annual turnover increased from circa $150 million to $400 million. Average quarterly revenue is higher than the division's overall revenue when Carsten took the reins in 2012 and consumer lifestyle audio equipment is now second only to automotive audio equipment, when it comes to overall sales within the wider Harman International group: "It's been a unique and exciting journey and in some respects, we're just getting started. We're now the market

"We gained a better oversight of activities, became better at business development and completely refocused our efforts on streaming and audio on the go."

leader in portable audio devices in five European countries and we're using this position to elevate the audio experience for the educated listener."

High turnover, Carsten highlighted, brings bigger promotional budgets to the table and in 2017 the business will be ramping up its marketing and advertising activities. Harman, Carsten explained, has historically been engineering led and relied too much on technical quality as a key selling point, to the detriment of telling great stories about its products. "There's only so much tweaking you can do to make products better than competitors. When I joined the business, there was little investment in marketing, now we have a global marketing strategy and some exciting initiatives planned."

At the heart of this strategy is understanding the customer journey and the importance of referrals and recommendations. Carsten indicated that increased investment in what he called "street-level marketing and social media tie-ins" is a key focus: "In the UK, we will soon be announcing a new partnership with a leading omnichannel retailer. The partnership is aimed at giving UK customers easy access to the best-connected home, portable audio and headphone products. To coincide with the launch, we will also be announcing our collaboration with a top UK performer/artist who will promote and endorse our brands. Consumers should expect to see various promotional tie-ins such as the opportunity to win tickets if they buy Harman technologies."

Currys and Harman will also be doing co-branded events at this year's V Festival. This is as part of Harman's wider 100 days of the summer program, which will see their brands showcased at other major European events including the Montreux Jazz Festival and Tomorrowland in Belgium. "It's all about engaging with people on the spot as opposed to traditional above the line marketing techniques."

As well as music personalities and events, Harman is partnering with sports stars and fashion brands, which they consider to be other major influencers of their target customer base. They include sponsorship deals with Footballer of the Year Jerome Boateng of Bayern Munich and French international footballer Rafael Varane of Real Madrid which will help raise their profile in Germany, France and Spain. Carsten also highlighted Harman's alliance with the US sports brand Under Amour (one of the fastest growing sports brands in the world) to develop high-end, cutting edge equipment for endurance sports and general fitness: "These amazing products, which have gone through over 1000 hours of testing by leading athletes, will appeal to a growing consumer segment."

While getting messages out is driving greater awareness of Harman's Lifestyle offering, under no circumstances has the business let its engineering prowess slide. Harman, Carsten explains: "...is a technology company with more than 6000 patents and 12,000 software developers, deeply engaged in the connected world."

The wider business, most well-known for its market leading position in the connected automotive space where it provides market-proven navigation and infotainment solutions for the world's

> "There's only so much tweaking you can do to make products better than competitors."

car consumers, is also renowned for technology applications in a variety of other areas. For example, JBL is the number one brand for pro-audio and studio equipment, stage sound and movies (70% of all cinemas in the world are equipped with JBL professional cinema loudspeakers). In addition, Harman also develops enterprise and AMX technologies and has even created algorithms to improve the sound in flat screen TVs, an innovation that led to a co-branded collaboration with LG.

In terms of its Lifestyle brands, Carsten revealed Harman will be bringing to the market several new and innovative wireless audio devices at premium prices over the next few years. Streaming, he argued, has up until now been focused on relatively inexpensive, though well made, products. Harman anticipates an increased demand for more powerful high-quality audio products with wireless connectivity. These products, which will come in different shapes, colours, materials etc. will also be combined with advanced signal processing allowing users, for example, to move sound around to suit their position in a room: "They are essentially replacing products from the loudspeaker age. With average prices climbing in this category, wireless devices with the same audio quality and capability as component devices is an emerging market worth paying attention to."

Voice and AI, Carsten confirmed, are other big areas of investment. With Google, Microsoft, Amazon and Apple all active in these markets, Harman sees plenty of partnership opportunities forthcoming. The business is already an early integration partner of Google, supplying audio add-ons and solutions built especially for the Google Home platform. "Voice is the next generation of browsing and consumers will soon choose voice products in the same way they select Yahoo, Bing, Google or Baidu, etc. when they browse online."

Generally, IOT (Internet of Things) is expected to play a major role in many areas moving forward and Harman aims to be at the cutting edge of this technology. With a leading European retailer, discussions are already ongoing about how Harman can supply embedded audio for robots, which will be used to guide

customers around stores. "Customers will be able to talk and interact with these robots, therefore, voice and acoustics quality is important." Augmenting the immersive experience of virtual reality devices and creating entertainment suites for self-driving cars is a further glimpse of what's to come: "We offer a full technology palette providing innovation that drives the connected world."

It was perhaps no surprise therefore when, in November 2016, the technology press reported that Harman International was to be acquired by Samsung for $8 billion. Carsten explained how competition in connected technology and AI is already fierce with Apple and Google, etc. and even with the scale of Harman, when it comes to the development and integration of artificial intelligence algorithms and machine learning the business would likely struggle to match these companies. While Harman enables Samsung a foot into the soon to be explosive connected car market, Harman will benefit through its ability to build great sound into many of Samsung's lifestyle products.

> "Customers will be able to talk and interact with these robots, therefore, voice and acoustics quality is important."

With the transaction in the process of being completed, Carsten revealed his personal excitement about the merger: "Samsung is one of the most admired companies in the world and together we can accelerate our growth through combined resources and synergies. The much-anticipated Galaxy Tab S3, which uses AKG tuned quad stereo speakers, as well as Samsung's Galaxy S8 smartphone introduced on March 29th which comes with AKG in-ear headphones, are just the tip of the iceberg when it comes to future potential collaborations."

He added: "It's an incredible time to work at Harman."

THE BOSTON CONSULTING GROUP

Digital Insurgents, Emerging Models, and the Disruption of CPG and Retail

Authors:
Bob Black, Senior Advisor & Gabrielle Novacek, Partner & Managing Director

This report is on the "winner takes all" world in consumer-packaged goods, cosponsored by BCG and the Grocery Manufacturers Association (GMA).

It examines some of the changes in the CPG industry and presents strategies that companies can pursue in response. It is based on research conducted collaboratively by BCG and the GMA, as well as on BCG client experience.

This report provides the following:

- A description of the most significant digitally influenced business models and their impact
- An assessment of the expanding options in the handover of purchases to consumers
- An examination of how consumers are responding
- The key conclusions for retailers and manufacturers

It's a whole new game in consumer-packaged goods. The combination of digital technologies, new competitors with vastly different economics, and consumers who enthusiastically incorporate multiple shopping approaches into their everyday lives is disrupting, disaggregating, and dislocating the industry's once straightforward business model, long based on strong brands and mutually beneficial retail partnerships. Winning in a "winner takes all" digital world is becoming exponentially more difficult, and it requires rethinking longstanding approaches and traditional business models.

The dynamics of the CPG industry are a far cry from the "good old days," when consumer behavior was reasonably predictable and the retail environment was competitive but orderly. Consumers are no longer online or offline. They integrate multiple channels all along the purchasing pathway, and they do so in new and different ways as their particular needs and real-time circumstances dictate. They are also using digital sales channels as primary information sources, moving beyond simple price comparison into information on ingredients or content, packaging options, ease of use, and convenience. (Amazon is the most popular search engine for product-related information.)

The biggest single driver of disruption—on both the retail and supplier sides—has been Amazon, and now others are instigating further disruptive change. Amazon itself continues to innovate and expand its plethora of new business models and services, including most recently making new forays into traditional brick-and-mortar retail. At the same time,

> "Winning in a 'winner takes all' digital world is becoming exponentially more difficult."

> "Nimble new competitors (and a few established players) are identifying and exploiting better ways to serve consumers."

click and collect is not only becoming a reality, it is well on its way to becoming one of the biggest changes ever in the US retail landscape. The number of new business models and entrants is on the rise, including direct-to-consumer (DTC) business models that are reinventing traditional value propositions and new entrants that are pursuing personalisation at scale, using approaches pioneered by the likes of Facebook and Netflix. The options for how goods are "handed over" from manufacturer or retailer to consumers are exploding and include new methods (such as storage lockers), new locations ("dark stores," for example), and increasingly affordable and ever shorter availability windows (same-day or even one-hour delivery).

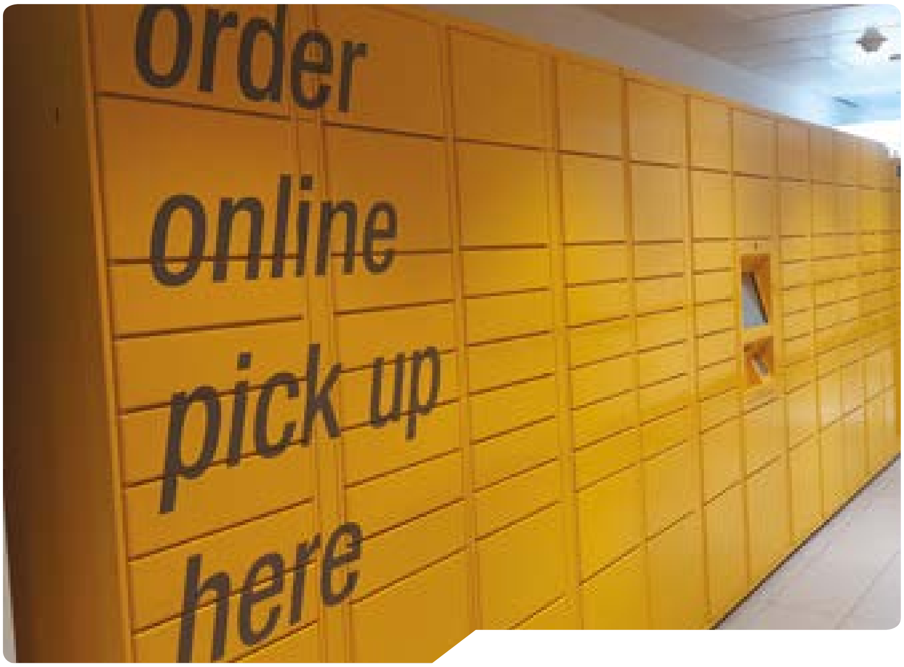
Manufacturer and retailer leadership teams are now dedicating more resources to developing strategies and launching experiments. They are embracing e-commerce and the broader need for digital transformation throughout their businesses, recognising that the digital game requires entirely different skills, organization, culture, and approaches across all of their business functions and systems. But they need to go further. Specifically, they must develop a much deeper understanding of both current and emerging business models, anticipating possible iterations and new options. They must determine not only how they will respond to today's challenges but also how their companies can lead disruption in their core segments. In the winner takes all world, companies that are not victors will most likely become victims.

New Business Models

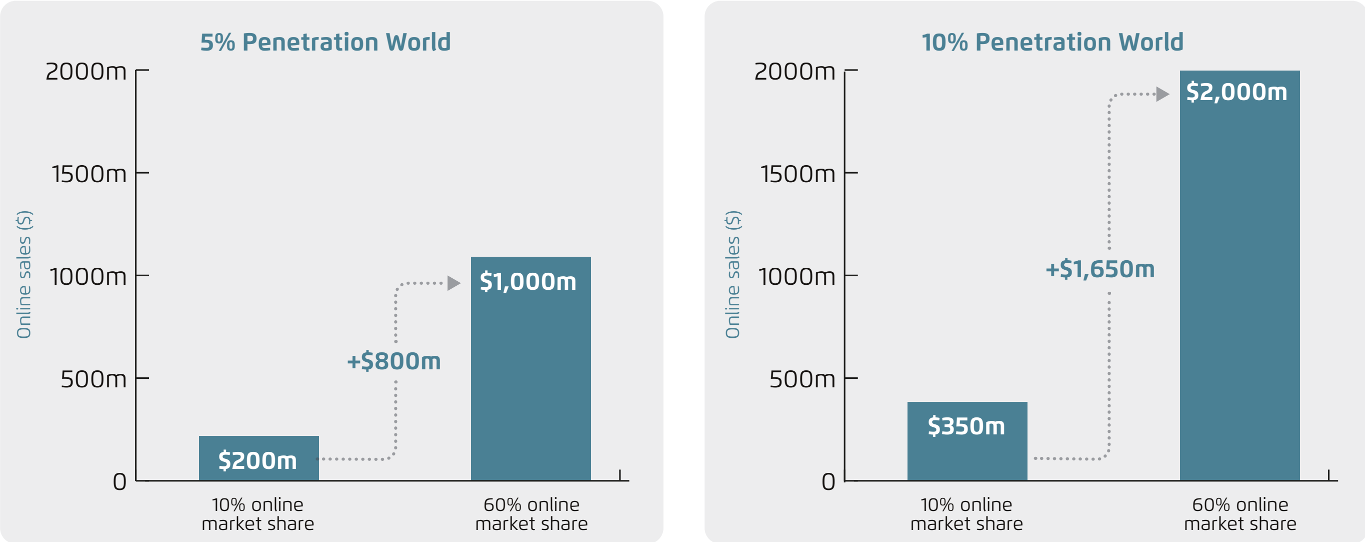
It's still early in the game, but digitally driven trends are taking shape that will determine the direction in which different CPG and retailer models evolve as they both influence and adapt to changing consumer preferences, as well as redirect industry economics. In a world where about half of all CPG growth is online (more in certain categories and markets), nimble new competitors (and a few established players) are identifying and exploiting better ways to serve consumers. As a result, they are disrupting market segment after market segment and staking out leadership positions that are hard to dislodge. For incumbent players, brick-and-mortar market share and shelf space prominence do not translate directly into digital success. Without forward-looking strategies that encompass new models rooted in digital capabilities, long-successful companies risk stagnation, share loss, and even shrinking sales.

Amazon

Amazon is a phenomenon unto itself, and it continues to innovate and experiment with multiple models that are all aimed at capturing a greater share of its customers' household budgets. In the past few years, the e-tailer has added to its Amazon Marketplace, Subscribe & Save, Prime, and Fresh models an array of new options for consumers that includes Dash, Prime Now, Handmade at Amazon, Home & Business Services, and Amazon-owned specialty sites such as Diapers.com and Zappos. Its delivery options have increased and windows are getting ever smaller—now just one to two hours with Prime Now for most orders in more than 25 cities. Amazon is also entering click and collect with its own brick-and-mortar stores, and it is testing other convenience and pop-up formats. Amazon Go stores, which offer convenience shopping with no checkout counters, represent yet another innovation as the company continues its quest to reduce friction in purchasing—and further blurs the line between digital and traditional retailing.



The impact of a Winner Takes All world



It is no coincidence that Amazon is also attempting to establish itself as the digital nerve center of the home with Echo, its voice recognition device, and Alexa, its cognitive-computing platform.

Traditional Retailer Click and Collect

Click and collect is rapidly moving from the experimental stage in the US to an integral aspect of digital commerce strategy for many, if not most, traditional major brick-and-mortar retailers. Numerous large supermarket chains and mass-market retailers—including Walmart, Target, Kroger, and Whole Foods—are quickly building out click-and-collect services. Whole Foods launched its click-and-collect offering through a partnership with Instacart, a third-party grocery delivery service, and is testing other models. Target recently began remodeling those stores that do the most e-commerce business, adding more pickup space, signage, and dedicated registers. Target already offers free same-day order pickup at its stores for the vast majority of its online grocery SKUs. CVS has expanded click and collect nationwide, using a third-party startup that allows shoppers to place online orders for free pickup in about an hour, with packages carried to the shopper's car. Grocery pickup is now available at more than 400 Walmart locations in 60 markets.

New Pure-Play Digital Retailers

Even with Amazon's significant scale advantages, there appears to be sufficient space for new digital startups and approaches. For example, Boxed.com and Jet.com are two digital pure plays that have turned consumers' and competitors' heads. These new entrants tend to fall into three categories: price based, convenience based, and category focused.

Price Based. Many industry observers were surprised when Jet.com surfaced, offering a conventional product selection and low prices. How could a new entrant compete with Amazon's selection and still be competitive enough on price to persuade consumers to switch? Yet Jet.com's "smart basket" technology, which connects the shopping experience with fulfillment—as well as not charging membership fees—was soon generating 350,000 new customers a month. Using sophisticated pricing technology that provides further discounts based on order sizes, and reducing prices by pulling out supply chain costs, gave customers strong incentives to add more items to their shopping carts.

Convenience Based. While price is always a factor, some new digitally influenced retail models are combining value and convenience to serve a particular market niche. For example,

> "Even with Amazon's significant scale advantages, there appears to be sufficient space for new digital startups and approaches."

Boxed.com serves consumers and small businesses that want basic products in bulk quantities but don't have the time or access to necessary transportation to shop at warehouse stores. Boxed.com has focused on being mobile first and offers a wide range of categories (including grocery, beverages, cleaning supplies, home and office, bath and body, health, babies and kids, and pet supplies) in bulk, with many items priced comparably or well below Amazon—and without a membership fee.

Category Focused. Perhaps the strongest and potentially most sustainable independent digitally influenced retailer business models involve companies that concentrate on individual categories with which targeted consumers personally identify and tend to use heavily. Examples include NakedWines.com, Babyhaven.com, and petco.com, all of which are among the top 25 fastest-growing e-tailers.

DTC from Incumbent CPG Manufacturers

While this model will likely never be a very significant factor in most categories, it can be an important one for some manufacturers. A number of large multicategory CPG companies maintain DTC e-commerce sites, but traffic volumes and sales tend to be modest. Aggressive marketing of a DTC capability can also lead to friction with retail partners. That said, in categories where consumers have strong brand connections, such as pet supplies, some companies have put together multiproduct online offerings that generate significant traffic and sales, and they can be both profitable and a source of growth. They are also a way for companies to use their well-loved brands to stay connected with high-volume users. While individual companies' models differ, they share common elements such as product subscriptions and autoreplenishment, as well as offering multiple options for taking possession of the products ordered.

New Digitally Influenced DTC Models

These may be some of the most interesting, as well as most problematic, business models for both retailers and CPG manufacturers because they restructure the value chain, building high-power brands with far less time and money than traditional marketers can, and competing directly with the full slate of existing CPG players, traditional retailers, and digital retailers.

Expanding Handover Options

For any e-commerce operation, getting the consumer's order into his or her hands—the handover—is the trickiest, as well as the most expensive and scale dependent, part of the equation, one reason why handover options keep proliferating. Amazon, the market leader and lead innovator, either employs or is experimenting with at least half a dozen alternatives including home delivery, click and collect, storage lockers, on-demand same-day delivery, package shipping of regularly ordered items, and Amazon Go. It is also working with other retailers to jointly use their physical networks as distribution points.

Multiple Permutations and Combinations for Consumers

Consumers are increasingly blurring the lines between online and offline shopping. They make choices about not only what to buy but also where and how to buy it depending on circumstance—the situation that gives rise to the need or demand. So, for example, having to buy a quick gift is a different situation from being on lunch break and having to shop for dinner, which is distinct from wanting

> "Aggressive marketing of a DTC capability can also lead to friction with retail partners."

to take advantage of a wholesale club for bulk purchases but not owning a car. Consumers take different actions—and use different models and handover options—depending on:

- Their need and the specifics of the situation
- Category characteristics
- Selection and availability
- Ease of access and ordering (including both convenience and lack of friction)
- Handover urgency (which can involve where customers are located at the moment and where they are going to be shortly)
- And, of course, price (although this will be less of a primary consideration as digitally influenced shopping evolves)

How Retailers and CPG Manufacturers can respond

Both retailers and manufacturers must adapt current business and operating models if they are to successfully engage consumers across all (or at least most) of their shopping needs. A prerequisite is developing a full understanding of how all the current and prospective business models engage consumers, as well as of each model's strengths and vulnerabilities.

It's a daunting challenge, one that relatively few companies are well prepared to meet. CPG companies must think in terms of owning the customer across channels and models, and overcommitting resources, talent, and management attention to the future, which is much more complex and faster moving than the environment most executives cut their teeth in.

Featured interview

PERNOD RICARD IBERIA HR DIRECTOR AITOR RUEDA

Digital Transform-Action:

HR and Digital unite for great results at Pernod Ricard Spain

Is digital another fleeting trend? A fancy word that sounds good but means little? Or is it a necessity; a critical opportunity to drive growth? These were the types of questions being raised at Pernod Ricard Spain in 2014, as the leader in the Spanish spirits market began its digital journey.

Pernod Ricard Spain's **digital transform-action** started with the marketing department and after 18 months the Executive Committee decided to expand it to the rest of the organisation. A digital vision with a robust transform-action strategy and a clear roadmap was established. The ambitious project encompassed three digital battlegrounds: Processes, Customer & Consumer Touch Points and Data; a fourth area, creating a Digital Culture, underpinned the whole plan.

As the business enters the third year of this companywide digital transform-action process, Pernod Ricard Iberia HR Director Aitor Rueda explained to Nigel Wright Group that getting the backing and belief of the Executive Committee was essential to drive the project forward: "It raised digital transform-action to the top of the agenda, giving it the necessary momentum to make short, medium and long-term goals achievable." Recognising that a process of this scale wouldn't happen in one day, Aitor emphasised how calling the transform-action a "journey" and clarifying the different areas of the business it encompassed was important: "We're not just talking about technology and systems, we're talking about mindset, culture, new ways of working, moving from training to a self-learning philosophy and challenging everyone to adapt and embrace the digital opportunity in each department."

Once backing was achieved, the process started with the definition of a digital culture roadmap, developed by Aitor and his team in Spain, together with the "early adopters" in marketing. This allowed the two departments to share experiences and key learnings, and leverage best practices. The digital culture roadmap comprised five pillars including Communication & Awareness; Digital Skills & Knowledge; identifying and leveraging Pernod's Digital Champions, Change Management and Work Environment.

Communication & Awareness, Aitor highlighted, was a key lever underpinning the implementation of this roadmap: "Creating awareness of how digital will

play an important role in our business and in all employees' future success at Pernod was critical. For many people, the concept of digital can be intimidating. Sometimes there is a false belief that digital is only relevant for those working in marketing or R&D. So, it was critical to demystify the concept, explain what it's all about and show everyone in the business that digital tools are there to make our working lives (not only our personal lives) easier and more efficient."

Furthermore, all employees, Aitor highlighted, completed an assessment. Delivered by Foxize, a digital training consultancy, the assessment tested the **Digital Skills & Knowledge** of Pernod Ricard's staff. Reports were also generated which enabled Aitor and his team to benchmark results internally, as well as externally with other businesses. Aitor noted that it's easy to make assumptions about someone's capability using digital tools: "Who doesn't use Whatsapp, Instagram or Facebook at home? We had to discover, though, how well digital skills translated from home and from our personal lives into the context of work, and to the digital needs and projects that existed in each department." Aitor explained this is where the results from the digital assessment came in useful, and together with specific departmental workshops, made it possible for HR to identify the main digital training and development opportunities that existed in each department. In line with the second pillar of the digital culture roadmap HR then planned and delivered a 'digital fundamentals' training program to improve digital knowledge and skills ensuring the right people gained appropriate knowledge to fulfill business and departmental digital needs.

Some people, and especially those Aitor refers to as "digital natives" with tacit digital knowledge and skills, got to grips with new tools and ways of working and made progress quickly. Those individuals, Aitor explained, were selected as **Digital Champions**, the third pillar of the digital culture roadmap: "By leveraging employees considered as 'early adopters' or 'digital natives', getting them to participate in workshops, digital projects and share knowledge with their colleagues, we can accelerate the transfer of knowledge across the business."

The fourth pillar of the digital culture roadmap is **Change Management**. Aitor emphasised how a company-wide transform-action process like this needed the right level of support from managers and employees. He explained how a member of his team established a Change Management Office, and gained the support of most of the HR department as well as an external HR consultancy, to run this.

The final pillar, **Work Environment**, represents the amalgamation of all the core features of the broader digital transform-action project. Aitor revealed that in February Pernod Ricard Iberia relocated its head office to a new 4,000 square metre complex in central Madrid. The move was inspired by the businesses desire to transform the design of all its physical environments to reflect the digital environment, culture, and ways of working. Referring to the "transversality" of digital and its ability to unite people in homogeneous and barrier-free spaces, Aitor highlighted how the new Madrid headquarters has a layout conducive to collaborative, interactive, transparent and less hierarchical relationships:

> "We had to discover how well digital skills translated from home into the context of work."

"With an open and flexible layout, more than 70 meeting rooms and shared spaces, high-tech facilities, a paper free philosophy, and an Innovation Hub in development, our (almost) 200 employees enjoy more interaction, cross-functional teamwork, efficient ways of working and communication in their working day."

This ambitious and exciting project, Aitor explained, involved moving away from a building consisting of seven floors each occupied by a different department, and which contained several closed offices used by the executive team and various managers. Now, no one has a private office and the company promises to ensure all future building renewals across the Spanish business have an environment designed to facilitate this culture and ways of working.

Now the office move is complete, we asked Aitor what else is on the HR agenda. He explained how **embedding a digital culture** remains a major focus for the business. "Pernod Ricard is already the market leader in the Spanish spirits industry, now we want to lead by example in digital too. And not because digital is a new trend, but because it is a requirement for further business growth and to sustain our position as market leader in the long term."

Another key HR priority, however, is the ongoing development of initiatives aimed at boosting Pernod Ricard's **Employer Value Proposition** (EVP). This, Aitor explained, is reflected in what the business refers to as its EVP cocktail, consisting of six core ingredients: Premium Brands, Passionate People, Entrepreneurial Spirit, Local and Roots/Global Reach. The sixth ingredient, A Great Place to Grow, is representative of the organisation's diversity and the unique qualities each person brings to their role: "Working at Pernod Ricard is special; it's an exciting place where you benefit from all the opportunities associated with working for a multinational, but without losing the close relationships, fun and conviviality typical of a local business with a family feel."

Maintaining Pernod's **high employee engagement** score is also something Aitor keeps on the strategic HR agenda. Pernod Ricard already enjoys an 87% staff engagement ratio – seven percent above average for FMCG employers – thanks to its highly rated culture, values, empowerment and product innovation. In Spain, however, engagement is at a staggering 93%. In addition, Aitor proudly revealed that 96% of employees recommend the business as a great place to work and 100% say they are proud to work at Pernod Ricard Spain. "With high scores come high expectations. We will continue working hard to ensure these results are kept or even improved in all future engagement surveys."

> "Ricardo is a development mobile application used for management and people development training."

While digital training is ongoing, Aitor and his team are also working to improve **talent management and development** practices, ensuring they attract and retain the best people while also developing the intrinsic qualities of everyone at the business. For example, all employees hired during the last four years, regardless of their level within the organisation, have attended a local development centre.

Furthermore, an innovative and award-winning gamification tool called 'Ricardo' has helped Pernod Ricard Iberia achieve excellent results. Developed in-house

> "HR risks falling behind if it too doesn't embrace big data."

together with the support of an external partner, Ricardo is a development mobile application used for management and people development training. Aitor explained how all team leaders, managers and senior managers across the business play the game as a 'manager' in charge of 'Ricardo', a new employee at Pernod Ricard: "During his first few 'virtual' months, Ricardo asks his manager questions, and the user must then respond to score points and progress through the game while competing with other users." The app won two Gamification awards in 2015 and Aitor confirms they are currently developing other Gamification initiatives to continue embedding HR practices in a "fun, digital and different way."

In his concluding remarks, Aitor shared his belief that HR must play a key role in the **Digital Journey** of any company. His view is that data, specifically, HR analytics and projective data represent a huge opportunity for HR teams to have a greater influence and act as a more effective business partner. Commercial and marketing departments already take advantage of this, and, Aitor argues, HR risks falling behind if it too doesn't embrace big data: "Analytics specialists will, I expect, increasingly become a core part of the HR team. Someone who analyses trends and projective data, combining multi-sourcing information – such as review metrics for talent and performance, learning and development and compensation and benefits, the core competencies of high performers and high 'potentials etc.' – all of which will support the wider decision making agenda for the business, ensuring that HR processes are aligned with business needs."

He added; "This is powerful information which will further strengthen HR's critical role in the strategic agenda of an organisation."

About Aitor Rueda

Aitor joined Spain's largest wine producer Bodegas & Bebidas (currently Pernod Ricard Bodegas) in 2002 as HR Manager and played a key role in supporting the business and HR function transition through two major takeovers. The first by UK-headquartered No. 2 global spirits and winemaker, Allied Domecq, and then again by Pernod Ricard in 2005, as part of its global acquisition of the Bristol based corporation.

Over the following years, Aitor gained valuable experience in the development and implementation of HR leading policies and practices across the Spanish wine affiliate, while participating in global HR projects. In 2011 he relocated to Sydney, as HR Director of Pernod Australia where he developed HR strategies targeting Employee Engagement & Talent Management while strengthening Pernod Ricard's employer value proposition in Australia's highly competitive talent market.

After three years, he was appointed HR Director for the Pacific region, which incorporated over 1,300 staff in production, commercial and corporate functions across multiple sites in Australia and New Zealand. This regional role involved uniting the disparate HR processes across the two countries, establishing a single operating HR structure and common ways of working across the region and within the different HR teams.

In 2015, an opportunity emerged for Aitor to return to Europe and take his current role as HR Director for Pernod Ricard Iberia. The role covers the full HR remit of Payroll, Compensation & Benefits, Learning & Development, Internal Communications and Business Partnering.

About Pernod Ricard

Pernod Ricard is the world's second largest producer of wines and spirits, with a global workforce of approximately 18,500 people. Established in 1975 following the merger of Ricard and Pernod, it holds one of the most prestigious brand portfolios in the industry with premium brands such as: Absolut Vodka; Ricard Pastis; Ballantine's, Chivas Regal, Royal Salute and The Glenlivet Scotch whiskies; Jameson Irish whiskey; Martell cognac; Havana Club rum; Beefeater gin; Kahlúa and Malibu liqueurs; Mumm and Perrier-Jouët champagnes; as well as Jacob's Creek, Brancott Estate, Campo Viejo, Graffigna and Kenwood wines.

Pernod Ricard Spain is the leader in the spirits market, with Spain a 'top five' market for Pernod Ricard globally and the number one market for Beefeater gin. The Spanish business encompasses a workforce of over 450 people across two production sites, two administrative head offices, eight regional sales offices and one logistics centre. Since 2014, the business has led a major digital transformation process with involvement from all areas across the organisation.

Are your employees **brand advocates?**

In his 1981 short story, Johnny Mnemonic, the Canadian author William Gibson first envisaged a near future where communication via computer networks has become the dominant form of human interaction.

Participation within a ubiquitous global net – an environment which Gibson later termed cyberspace – has made it '...impossible to move, to live, to operate at any level without leaving traces, bits, seemingly meaningless fragments of personal information.' Yet rather than creating a society of unconstrained corruption from the traditional centres of authority, this fictional cyberspace has led to a greater dispersion of power, where access to the infinitude of information held therein means that 'Fragments... can be retrieved, amplified' by anyone proficient in the tools of manipulation.

Sound familiar? Fast forward 35 years and Gibson's imaginary future seems very real. Mass online surveillance and data collection by powerful elites is commonplace, yet widespread knowledge of the questionable practices of governments and corporations exists due to the actions of a diversity of dissident voices – from whistleblowers and WikiLeaks to the more esoteric Anonymous – all of whom offer us free and unlimited access to confidential information which is regularly released into the multitudinous digital matrix, becoming part of our ever expanding encyclopaedia of awareness.

In today's information saturated world, power is intangible and can be wielded with great affect by anyone with the right skills and access to the global web. This new reality can prove to be very damaging. Individual crusades against products, services or employers can quickly spiral into international events thanks to a plethora of social media tools. And review sites such as TripAdvisor, Yelp and Glassdoor have enabled disgruntled silver-tongued consumers and employees to harm long standing reputations with scathing non-deletable opinions. But... companies are slowly discovering that there is an easy defence against this march of unruly hostility – **use employees to spread positive messages about the brand.**

The 2013 Trust Barometer report, published by global PR firm Edelman, confirmed that public trust in the opinions of employees far outweighs that of a company's PR department, CEO, or Founder. Yet, despite this well publicised fact, the concept of employee

advocacy – getting employees proactively engaged in the promotion of your business – is widely misunderstood and underutilised. According to various sources, there are essentially two core elements to any successful employee advocacy programme – engagement and empowerment.

First of all, employees can't be forced to say nice things about their employer. They have to want to. In order for that to happen, companies must work hard to instil a sense of pride in their personnel. While factors like attractive remuneration and benefits packages are sure to create a degree of contentment amongst workers; it is initiatives that support personal growth, health and wellbeing and workplace culture, for example, that encourage genuine feelings of respect and dignity among staff. Embedding company values and aligning the organisation with perceived 'positive impact' causes, such as those linked to charitable or environmental affairs, also helps to boost beneficial reciprocity through tying people into a larger common purpose.

Secondly, once people are engaged, the most successful employee advocacy programmes seek to empower employees by giving them the freedom and tools to participate in brand building online. An excellent piece of research by MSL Group, part of global advertising agency Publicis, attempted to demonstrate how powerful employee opinion can be, when directed online. Its 2014 study highlighted that social media posts by employees reached 561% further than company posts. This demonstrates that, alone, marketing departments can only do so much, but more impactful exposure can be achieved if multiple channels across the business are collectively utilised.

Education, therefore, is paramount. All employees should be confident in their use of social channels as well their knowledge of their company's history, products, services and plans. Nokia, for example, has a well-established employee advocacy programme, at the heart of which is staff education. Every employee knows the history of the brand and where it's going and are given access to a tool called Socialcast, which enables them to freely share their workplace stories across social media. Software company, Adobe, actually goes a step further and tests their employees' company and product knowledge to ensure consistent and accurate messages. And at online fashion retailer, Zappos, staff are all given extensive Twitter training and also ranked and rewarded if they demonstrate expertise across different social channels.

> "...Embedding company values and aligning the organisation with perceived 'positive impact' causes... also helps to boost beneficial reciprocity through tying people into a larger common purpose."

Other companies utilise sophisticated intranets, appoint employee advocacy leaders and send weekly updates to all staff, highlighting the latest sharable marketing content. These activities again make employees feel like they're part of a bigger community and help facilitate active participation in the promotion of the business.

The late French philosopher Michael Foucault famously wrote: 'Where there is power, there is resistance' and this age-old dichotomy seems more acute in today's information economy, where battles for the world's myriad of truths undoubtedly manifest by the hour. At their disposal, businesses have an army of employees which they can easily tool-up and send forth into the fray to flood the information superhighways with a propulsion of positivity – whether it's promoting products and services, raising brand awareness or highlighting how much they enjoy their jobs – this all helps firms wrestle power back from potentially quarrelsome critics and offer some proactive resistance in today's never-ending info-wars.

Featured interview

MATILDA JAKOBSSON, NORDIC DIVISION LEAD AT EOS

Skin care brand eos aims big after Nordic re-launch

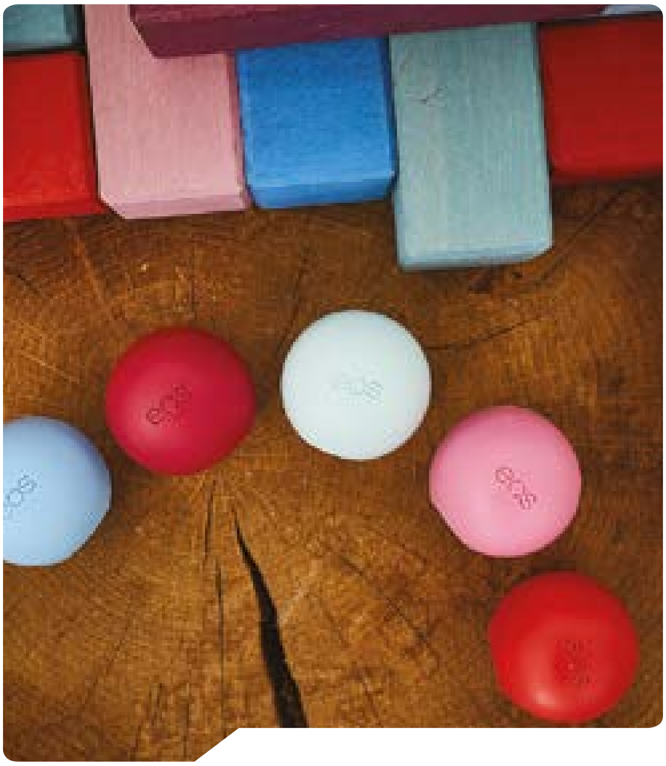
With over 50 million consumers worldwide, eos – an acronym for Evolution of Smooth – has taken the health and beauty industry by storm. Founded in 2007, its journey began with a desire to avoid the traditional narratives of the beauty industry.

Extensive consumer research led to the development of a spherical lip balm, slickly designed and colourfully packaged, aimed at bringing joy and celebration to a traditionally functional category.

It was a strategy that paid off; the product quickly gained fans around the world including a flurry of celebrity endorsements from stars such as Kim Kardashian and Britney Spears. The business conquered the US first before securing various international distribution partnerships to grow the brand overseas. Since then, eos has sold over half a billion units of its lip balms worldwide, while successfully launching women's shaving cream and hand and body lotions that share the same innovative thinking.

In 2010, eos launched in the Nordic market using local distributors and the brand has enjoyed strong incremental growth, driven by its growing global popularity. The company, however, takes a long-term view on brand building and international expansion. While continuing to expand internationally, between 2010 and 2016, eos chose to reject further distributor requests from over 150 countries and grow in a more measured manner with significant investments in its own offices, organisation and marketing. Recognising

> "The product quickly gained fans around the world including a flurry of celebrity endorsements from stars such as Kim Kardashian and Britney Spears."



> "Adapting to the local market means we need to engage local key influencers."

that in the long term the Nordics would need strong marketing, product focus and sales discipline, in 2016 the business acted to change the situation, taking over all marketing, as well as sales and distribution in Denmark and Sweden.

In May that year, Matilda Jakobsson joined to lead the new Nordic division; she explained to Nigel Wright what steps are needed to build eos to be a leading beauty and skincare brand in the region: "On the back of the hype surrounding eos, the distributors built a broad network of retail distribution across the region. eos's strategy is to put strong brand support in place to maintain momentum after the early success. Now we have an experienced and highly energised team in place, eos can build a reputation in the Nordics through establishing a long-term brand, channel, price and communications strategies."

One of the first challenges the new eos team is tackling is brand perception. Rather than appealing to a broad cross-section of female consumers – ranging from age 15 up to mid 40s in other countries – the bright colours and playful shape of eos products, and therefore the eos brand in the Nordics, are strongly associated with younger trend-seeking consumers. The brand's organic ingredients, high quality, product benefits and value for money were not being effectively communicated to consumers. Matilda strongly believes that a clear brand guide and channel strategy is critical to ensuring the intended message doesn't get lost.

The tools which have helped eos achieve global success will play a major part in the repositioning process, as Matilda explains: "Social media and PR are important areas for us and that's why appointing a Marketing Manager, strong in these areas, was my priority. Adapting to the local market means we need to engage local key influencers – and a major focus for the team so far has been reaching out to our desired target market and finding out the most appropriate influencers to engage."

Understanding the minutiae of the situation is vital and eos's new approach in the Nordics is adapted to "...four markets, four currencies, four cultures, four languages" comprising brand position, channel strategy and launching new categories. With the overall objective of establishing eos as a leading beauty and skincare brand in the region; during the last year, Matilda and her team have focused on repositioning the brand and raising awareness of eos's other qualities beyond its unique shape and colour.

A key aspect of the approach within the context of the region has been to place greater emphasis on eos's 100% natural and organic ingredients in communications: "We are adding the EcoCert organic certification on our packaging. This is a European classification, whereas previously we'd only used US labels. EcoCert is well known in the Nordics so it sends a clearer message to local consumers." The organic ingredients in the product are also important to the brand because it's based on the brand's belief that consumers care about what's in their beauty products. eos is the largest organic lip balm in the world. This is increasingly relevant in the Nordics where consumers are more health conscious. In Matilda's words: "We want people to know that eos has superior products which make you smile."

Underpinning these messages is a targeted channel and partnership strategy. While Matilda is grateful for the work done by eos's Nordic distributor in building a broad network of retail partners, she admits that coming into the role it was clear a more "selective, deeper and reciprocal approach was needed." Key Account Managers were hired early on, and efforts were made to strengthen relationships with retailers: "We are working close to the retailers to drive the beauty and skincare categories forward; using joint marketing and in-store activation strategies that benefit both parties, building trust and demonstrating that eos can deliver results."

Online, a channel that Matilda acknowledges will be important to eos's future growth, also needs developing. She described this ongoing process as a "clean-up job" to reposition the channel in a way that fits with the eos brand: "eos products appear on a variety of sites, but the Nordic division aims to establish partnerships with only those online retailers who want to represent our brand, rather than just sell our wares."

With the necessary steps in place to build eos in the Nordic market, the business is set to start a "step-by-step" process of introducing/reintroducing consumers to the products it is known for worldwide. Matilda noted how the division is privileged to have access to a strong portfolio, which it can select from when ready to take on new categories. She explained how it's the team's mission to deliver each product in the best way possible for the eos brand, continuing the journey which started with lip balm: "eos is only established in the lip balm category in the region, but we want to change that. All our products will have a clear go-to-market strategy, and we will aim to drive value in the category by delivering something different."

When asked about the inevitable rise of copycat brands, Matilda was adamant that eos view all competition as an opportunity more so than a threat. This attitude is a testament to the business's confidence in its brand and its ability to stay relevant and up-to-date. The advantage, Matilda explained, lies in a team that is highly experienced combined with eos's small, collegial and entrepreneurial set-up and mindset. The leadership team work as a tight unit. Co-founder Sanjiv Mehra regularly visits the regions and country heads also get together in New York for business reviews, discussions around R&D and strategy planning: "There's a strong understanding of the unique challenges of the different regions and collective input and sharing of ideas of how each market can adapt to win."

Looking beyond 2017 Matilda says she hopes to see the Nordic division utilise local celebrity endorsements in the same way the global business has, as well as form collaborations with "big sophisticated brands" that fit with eos's vibe. In April eos Germany announced a joint venture with the Austrian designer Marina Hoermanseder, launching co-branded limited edition eos lip balms supported by a PR campaign tied into the Berlin fashion week. Matilda commented: "She's very 'on trend' and it allows eos to associate with, and be recognised, as a fashion brand. Finding local partnerships like this are part of the plan moving forward."

"There's a strong understanding of the unique challenges of the different regions."

With an aim to grow the Nordic business over the next 12 months, Matilda is already weighing up how she will strengthen her team to facilitate this rapid growth. eos's approach to talent acquisition is cautious, where only the best and most suitable people are hired. And she noted how employees must have the right knowledge in addition to a mentality which enables them to "adapt to and perform in a small entrepreneurial company." She added: "The entrepreneurial culture will be a constant as eos grows. Yes, some structure and process will emerge, but the mindset won't ever change."

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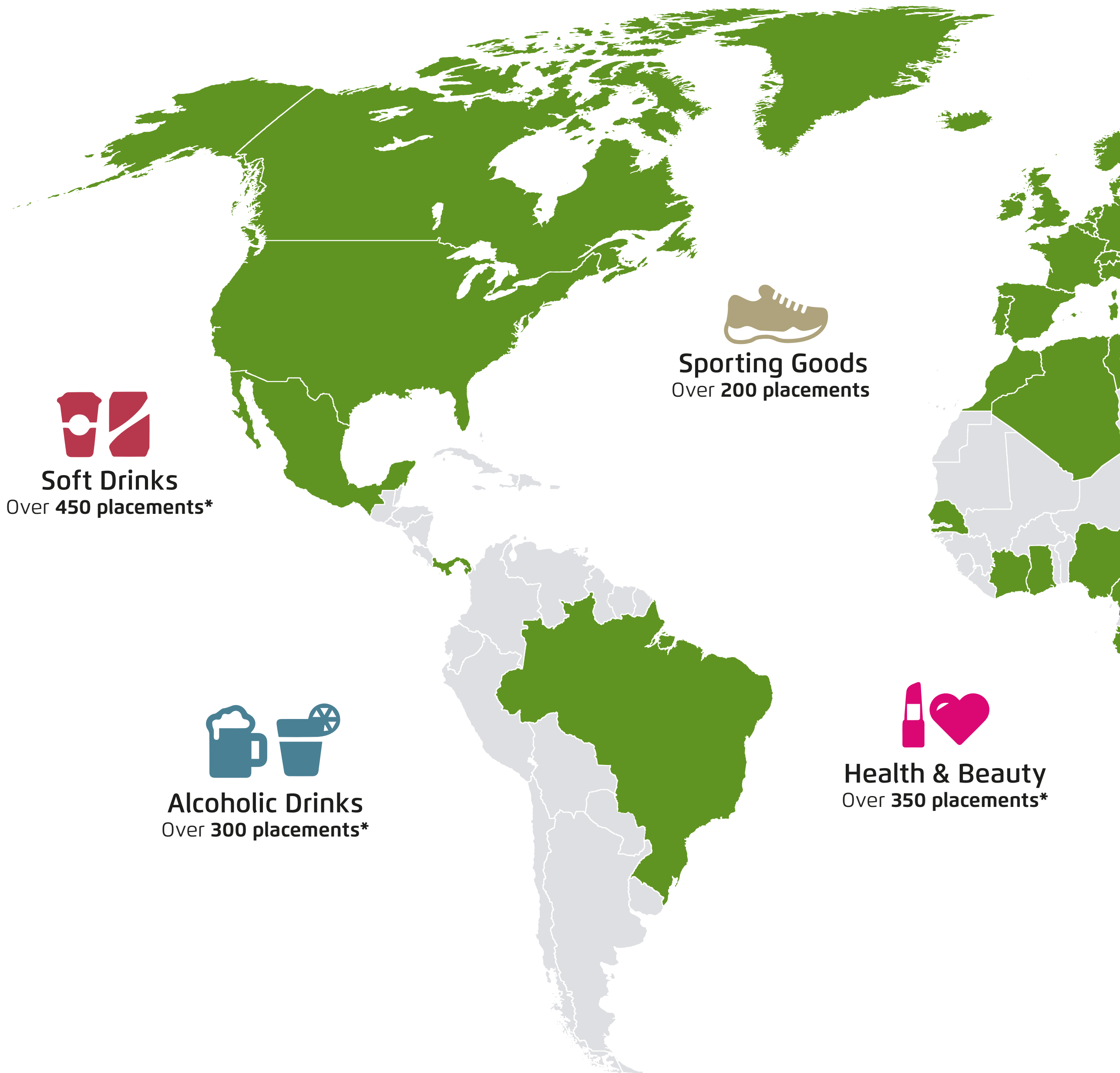

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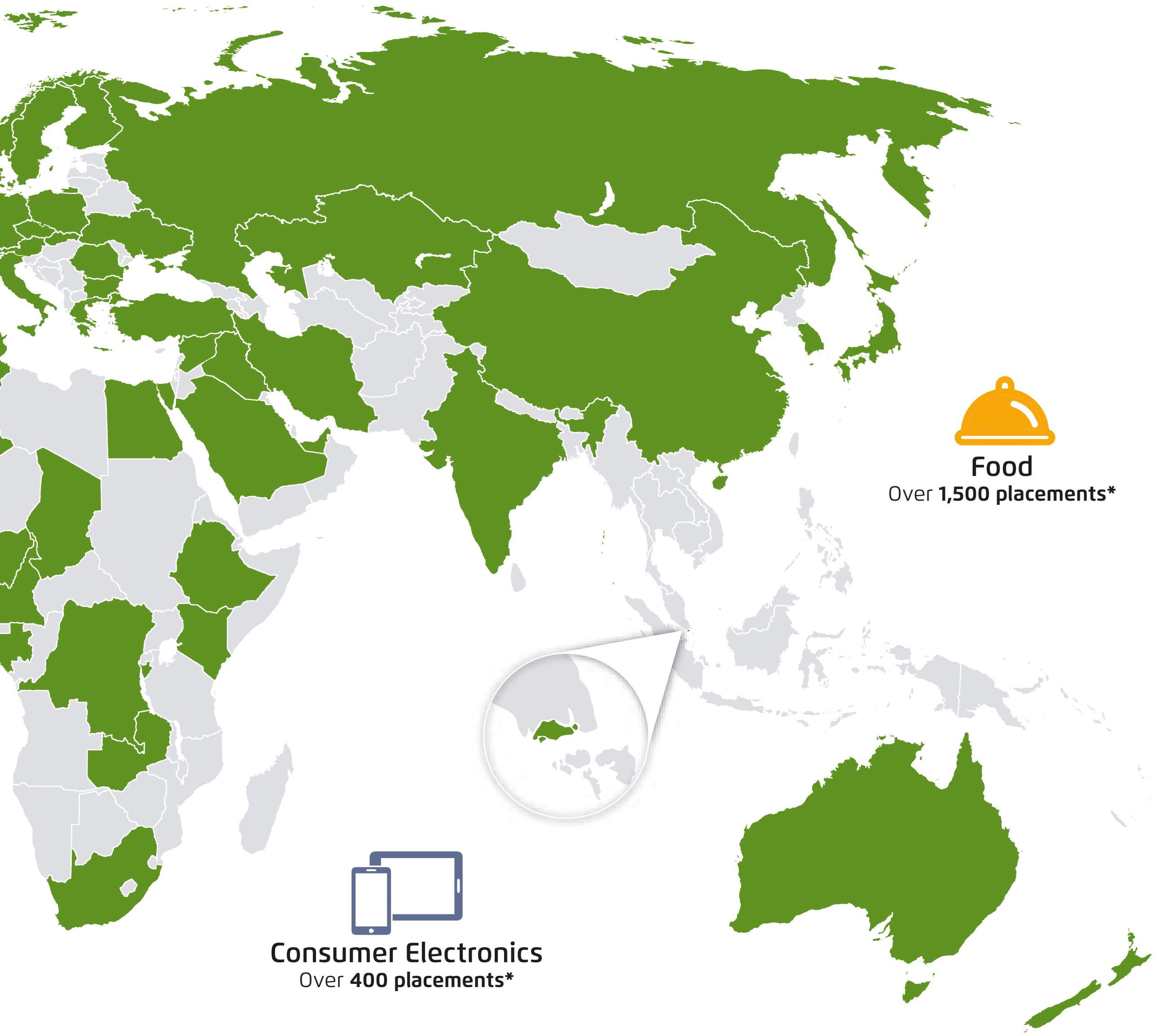

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