

## Insights on Leadership in the Food & Beverage Industry from Marianna Carbonari

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**Insights from Marianna Carbonari, CEO Value for Talent Executive Search and IMSA Search Global Partners Consumer Practice Leader**

For those leading Food & Beverage companies, the only constant is that nothing is constant. Many forces are driving change – evolving consumer demand and values, societal and cultural shifts, exponential advances in technology, climate change, global economic and political upheaval. Add in persistent inflation, high interest rates, supply chain disruptions, and workforce skill gaps. Today's corporate leaders must make long-term strategic decisions in the face of overwhelming uncertainty, all the while remaining flexible and ready for a short-term pivot.

### The Changing Consumer:

#### Authenticity, Knowledge, Trust

Consumers demand authenticity. They care about ingredients and how products are made. They want to know companies support sustainability and equity, all of which affects product selection, trust, and brand loyalty. For example, awareness about processed foods is increasing due to media and advertising, as well as government requirements about on-pack labeling. While processing is not necessarily a negative, consumers want transparency and understanding. When processing enhances nutritional value, protects the environment, or ensures food safety, processing itself becomes an advantage.

#### Healthy Aging for Gen X'ers+

What you consume impacts how well you age and how long you live. Gen X'ers and Boomers are concerned with products that promote healthy sleep, joint and bone health, energy and strength, emotional well-being, and brain and memory health. Brands can appeal to consumers for their own health as well as in the role of caregivers for aging parents. Convenient nutrition is a driver among this aging population.

#### Convenience vs. Creativity

There is a tension in trends among younger adults. Juggling jobs, families, post-COVID stresses during a time of economic uncertainty, these consumers want to save time in the kitchen, but they also crave creative time through cooking. They embrace new technologies for convenience but also for the innovation. They want new ingredients, recipes, and cross-cultural food experiences. Taste continues to be a primary motivator.

#### Cautious but Willing to Splurge

Today's consumer remains cautious, reflecting ongoing economic uncertainty about inflation and interest rates, possible recession, and post-COVID slowdowns in hiring and layoffs seen in major industries such as tech and finance. Consumers continue to prioritize essentials but are willing to "splurge" selectively. (McKinsey.com 12/15/2023) Brands must be careful about passing along cost increases, raising prices on those "splurges" for which consumers will pay more, such as sweets and sushi.

#### CEO Profile and Leadership Team Imperatives

For CEOs and their C-Suite teams, navigating amidst uncertainty and a constantly shifting landscape is inherently problematic. Food & Beverage commerce is complex, including brick and mortar, online/internet, and even some metaverse outlets and experiences. A major Food & Beverage Industry tracker called 2023 "a year to remember" with nearly 4,000 new menu and limited-time-offers at top chains and convenience stores. (Dataessentials.com 12/2023)

In 2023 IMSA Search-Italy/Value for Talent analyzed 100 profiles of CEOs in leading global Food & Beverage companies:

- Average age is 57 years; only 4% are women.
- Most common functional background is Sales and Marketing (48%) followed by Finance (23%).
- Vast majority are "loyal executives" – 72% have been at their companies for 10+ years.

The skillset needed to manage through periods of change: To drive short- and long-term growth, leaders must be agile, flexible, adaptable. CEOs must build inclusive teams with well-defined roles. There must be collaboration and shared accountability across departments and throughout the organization to allow for quick decisions and shifts in strategy.

#### Adding the CSO

Many companies are adding the role of Chief Sustainability Officer (CSO) to their executive teams. The CSO is responsible for transforming the business to be sustainable and well-situated for the future. Consumers are demanding action by companies addressing climate change in a significant, demonstrable way, and will reject brands that do not place sustainability as a key focus of their mission. On the supply side, environmental issues affect the availability of resources, potentially impeding production, delivery, and ultimately sales.

Environmentally conscious and committed, clear strategic communications internally and consumer-facing, passionate about technology, experienced brand innovator, agile decision-maker and Master of Change – these are the characteristics required by today's leaders to drive success in the fast-paced, constantly evolving Food & Beverage industry.

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