



The route to the top for Australian and New Zealand food and agribusiness CEOs, now and on to 2030

As the role of the food and agribusiness CEO in Australia and New Zealand evolves and grows more complex, early succession planning is critical in finding the next generation of leaders for the sector.

The food and agricultural sector is on the cusp of a major transformation driven by a shift in consumer preference for healthier and more sustainable products, technological and scientific breakthroughs, and the increasingly urgent need to figure out how to feed a growing population. A recent UBS report estimates that, by 2030, food innovation could increase fivefold and become a \$700 billion market, the plant-based protein segment could grow 28% to reach \$4.6 billion, and smart farming and online food delivery could each grow 16%.¹

Given these developments, companies will require their leaders to have a very good understanding of these transformation factors. Leaders must cater to diverging consumer-demographic requirements in a more agile fashion—including digitally—as well as factor sustainability metrics and approaches into both their long-term strategies and their current operational models.

Other Heidrick & Struggles research has found that while CEOs are still expected to meet the traditional requirements of running the day-to-day business and delivering on quarterly dividends, more recent responsibilities are in areas such as organizational purpose, sustainability, and diversity and inclusion.²

This study provides an analysis of the profiles of the top 100 CEOs at Australia's and New Zealand's leading food and agribusiness companies in order to understand what their backgrounds and experience are now, as well as where the critical skill set gaps are. We have paid particular attention to the CEOs' backgrounds, including their functional or international experience, tenure, diversity, and education.

¹ Jean Chua, "Welcome to the future of food," UBS, August 27, 2019, [ubs.com](https://www.ubs.com).

² *Route to the Top 2020*, Heidrick & Struggles, November 19, 2020, heidrick.com.

As the profile of the CEO keeps evolving to mirror the changes driven by technology, sustainability, and new ways of working, each organization will tailor its ideal CEO's profile depending on its purpose, size and outreach, digital readiness, and level of maturity. However, we believe that there are four capabilities fundamental for any successful CEO: the ability to build inclusive and diverse leadership teams, a purpose-driven mindset, strategy and foresight, and the ability to shape organizational culture.

Today’s food and agribusiness CEOs

Our analysis of the top 100 CEOs in the sector found that the aggregate profile of the role is fairly similar to ASX 100 leaders overall (see the snapshot on the next page). However, they are slightly younger than their ASX counterparts and were appointed to their current role two years earlier, on average. The biggest difference is that only 20% of food and agribusiness CEOs had held the CEO role before, compared to 50% of the ASX cohort. Following are the key highlights of our analysis.

There is a clear lack of diversity

Only 4% of the CEOs are women, even lower than the figure for the overall ASX. While the percentage of female CEOs is low in most markets, the situation in Australia and New Zealand is of particular concern. Three out of four women CEOs are non-nationals, two from the United States and one from the United Kingdom; only one out of four was an internal appointment. Clearly, gender diversity has not been a strong consideration in succession planning over the past decade.

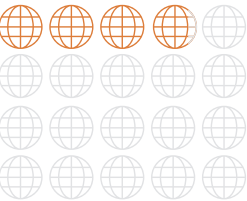
That said, only 19% of CEOs are not nationals of Australia or New Zealand. When looking at exposure to other countries and cultures, only 37% of CEOs have worked and lived outside Australia and New Zealand at some point in their careers; those that did so worked predominantly in Southeast Asia. The figure for non-nationals is similar to that for ASX 100 CEOs, but the percentage of CEOs with cross-border experience is well below the 52% in the ASX 100.

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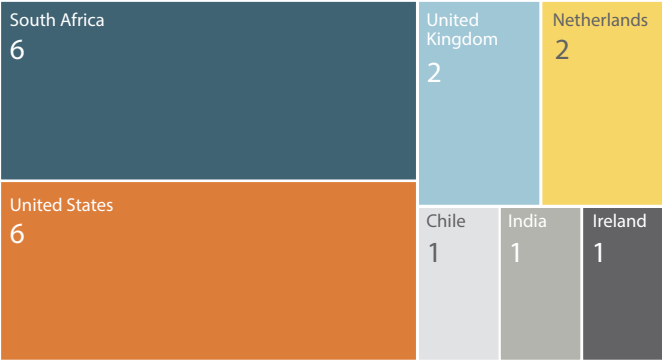
Non-national CEOs in Australia and New Zealand’s food and agriculture sector

Non-nationals

19%



They are from: (%)



There is a balance of internal and external appointments

Fifty-two of the current 100 CEOs were appointed to their roles from inside their companies, and 48 were external appointments. To bolster their leadership pipeline, many companies in our study hired executives at the level below CEO. Fifty-nine percent of the CEOs were previously promoted from within the organization, and 41% were brought in from outside the organization.

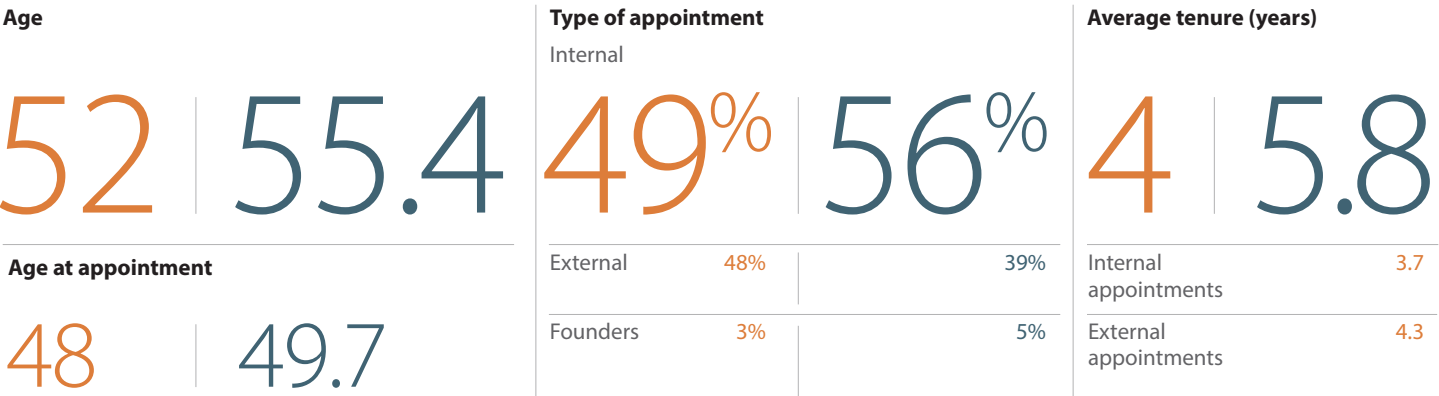
CEOs have a wide spectrum of backgrounds

Only 20% of the CEOs have prior CEO experience; 39% were either a COO or divisional general manager, and 14% were in a regional managing director role prior to becoming CEO. Eighty-six percent had worked within the food and agribusiness sector prior to becoming CEO. While most CEOs have spent the majority of their careers in P&L roles, 19% of CEOs have held at least one non-P&L position in the past 15 years, which could indicate that companies value a more holistic background in their leaders.

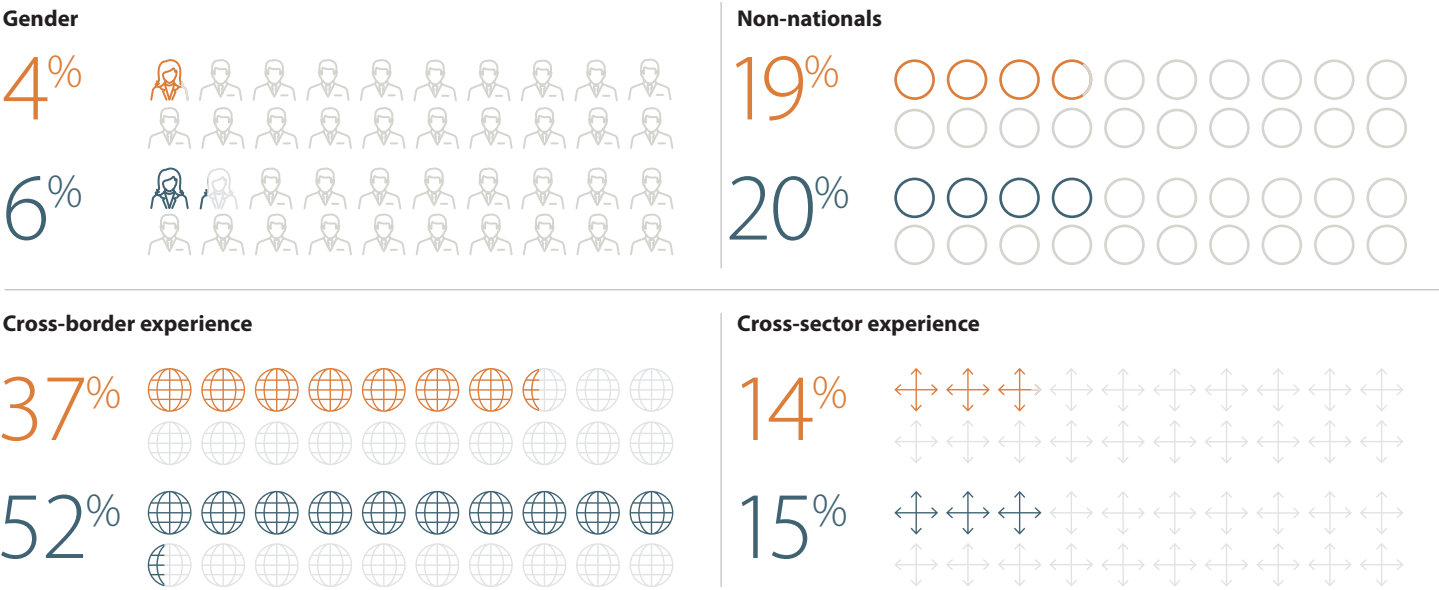
Snapshot: Top 100 CEOs in food and agribusiness

Top 100 food and agribusiness ASX 100

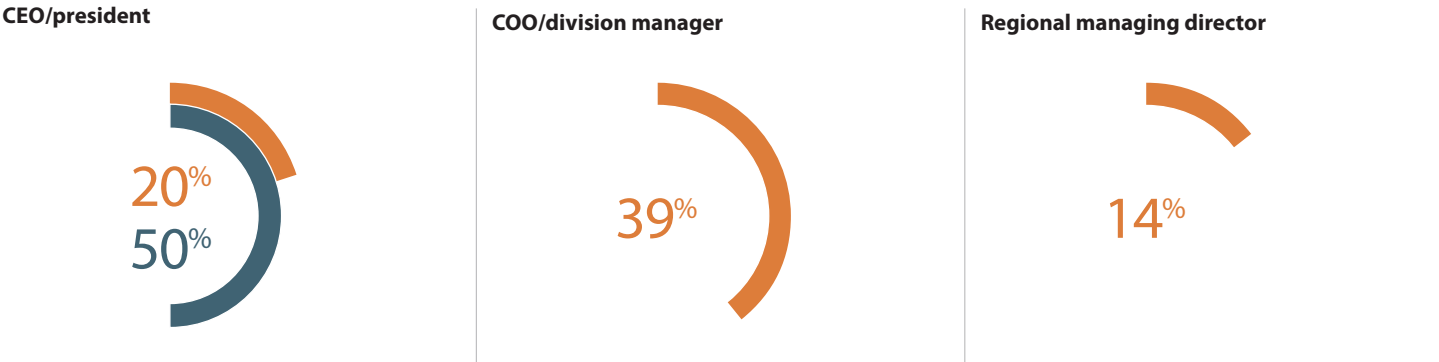
CEO demographics



Diversity



Previous C-suite experience



The CEO of the future

So far, 2020 has been a catalyst for innovation in the food and agribusiness sector, driving a refocusing on organizational purpose and creating an opportunity for companies and leaders to demonstrate greater compassion and social responsibility. The most resilient companies are those that are reinventing themselves.

Looking ahead, CEOs who can authentically communicate a meaningful purpose for their company and use it as a compass to guide strategy, talent, culture, and operational decisions will be the most able to lead their organizations to a prosperous future.

We see four essential leadership attributes that are fundamental for a successful future food and agribusiness CEO.



Ability to build inclusive and diverse leadership teams

As the new digital agenda is changing talent requirements to better understand customer preferences, future CEOs need to understand the values and behaviors of different generations both as customers and employees. Age diversity is an important dimension of building an inclusive leadership team, as are gender, race, and ethnicity. All enable a forward-looking glimpse into future consumption patterns. Accurate market representation of the critical dimensions of a company's consumer base in both the workforce and the leadership team is essential for any product strategy. Internally, an understanding of the intergenerational dynamics in an organization's workforce will help leaders ensure their employees perform at their best.

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Purpose-driven mindset

Many companies have recently been taking a hard look in the mirror to make sure that their organizational purpose stands following a tumultuous 2020, and a large number of those companies have been redefining their purpose to bring it more in tune with the current social landscape, including (particularly in agribusiness) an increasing focus on sustainability. A rapidly developing requirement for leaders in the sector in Australia and New Zealand is an understanding of how best to incorporate the increasing environmental, social, and governance (ESG) issues into their strategies, particularly environmental initiatives. However, redefining purpose is just the beginning of the journey. In order for an organization to see clear benefits, purpose has to be activated, led from the top, and lived through all employees of the organization.³ Authentic leadership is critical to engaging both customers and employees.



Strategy and foresight

The ability to anticipate future trends, understand how they will impact the business, and the capability to plan for multiple scenarios has been a constant skill set in a CEO's required profile. In the context of continuous, rapid change, agility is a key skill for leaders who must constantly keep an eye on multiple horizons, deliver on short-term objectives, and pivot strategy when the situation requires it.

³ Alice Breeden, Rose Gailey, and Duncan Wardley, "Activating organizational purpose," Heidrick & Struggles, June 29, 2020, heidrick.com.



Ability to shape their organizational culture

Through research and experience, we have seen that, over time, organizations tend to adopt characteristics similar to those of their leaders, a phenomenon we call the shadow of the leader. Desired behaviors must therefore be continuously shaped and reinforced by aligning employee responsibilities, ways of working, training and development, and performance evaluation. Reward strategies should be aligned with the organizational purpose, value proposition, strategy, and business model. CEOs set the tone on how their organizations embrace change, and lately they have had to communicate more often and be more present than ever in the lives of their employees. Clarity, authenticity, humility, and visibility are critical to building unifying values and are all leadership qualities that CEOs and their teams should demonstrate.

Companies should carefully assess how their high-performing talent benchmarks against these four capabilities and should have a clear picture on where their strengths and gaps are at each level, both from a skill set and experience perspective, and also from a diversity perspective.

Finding leaders who embody all these capabilities will be a challenging endeavor, and the competition for this new breed of talent will only intensify. With almost half of the CEOs in our study coming from other companies, an early succession planning strategy that starts a few levels below the CEO role is essential. Companies should carefully assess how their high-performing talent benchmarks against these four capabilities and should have a clear picture on where their strengths and gaps are at each level, both from a skill set and experience perspective, and also from a diversity perspective, in order to make sure their talent pool is as wide as possible. The same lens applies to the external talent pool: the wider the net they cast, the more chances they will have to find the talent they are searching for.



About the author

Michael Thomas

is a partner in Heidrick & Struggles' Melbourne office and a member of the Consumer and Industrial practices.

mthomas@heidrick.com

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Global	Bonnie Gwin New York bgwin@heidrick.com	Jeff Sanders New York jsanders@heidrick.com	
Europe and Africa	Sylvain Dhenin Brussels sdhenin@heidrick.com Nicolas von Rosty Munich nvonrosty@heidrick.com Frank Halborg Copenhagen fhalborg@heidrick.com Aysegul Aydin Istanbul aaydin@heidrick.com Flavio Zollo Milan fzollo@heidrick.com	Will Moynahan London wmoynahan@heidrick.com Jamie Page Amsterdam jpage@heidrick.com Stafford Bagot Dublin sbagot@heidrick.com Veronique Parkin Johannesburg vparkin@heidrick.com Vladimir Kochukov Moscow vkochukov@heidrick.com	Sharon Sands London ssands@heidrick.com Pascale Simon Brussels psimon@heidrick.com Tuomo Salonen Helsinki tsalonen@heidrick.com Luis Urbano Madrid lurbano@heidrick.com
Asia Pacific and Middle East	David Hui Hong Kong dhui@heidrick.com Gauri Padmanabhan New Delhi gpadmanabhan@heidrick.com	Linda Zhang Shanghai lzhang@heidrick.com Alain Deniau Singapore adeniau@heidrick.com	Fergus Kiel Sydney fkiel@heidrick.com Aya Iinuma Tokyo aiinuma@heidrick.com

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