

OPINION

Mindset vs skill set: redefining retail talent for the digital age

The route to the top of retail is changing and today's executives need to adapt their leadership style to attract the best talent, writes **Fran Minogue**

Today more than ever, chairs and chief executives are seeking our advice about structuring their organisations to compete in the digital age and what the right leadership model should look like in future.

Increasingly it's about behaviours, not just skills and experience.

Historically retail has been an industry driven by ruthless efficiency, both at head office and in stores, and typically candidates for chief executive succession came from buying and merchandising or from operations.

Now the most likely contenders are a new breed of data-driven, customer-centric marketeers.

Disrupt or be disrupted

Companies need to continuously evolve – disrupt or be disrupted – and structures must be more fluid, moving from functions to centres of excellence, and from siloed departments to collaborative teams working together to fulfil the customer mission.

In many ways mindset has become more important than skillset; creating a learning organisation which is flexible and responsive and able to deal with ambiguity.

This is where the leadership style of the chief executive is critical.

Retail is hardly the career of choice for millennials, unless it's a sexy pureplay, and the old 'command and control' approach has to give way to one that is visionary and strategic.

Pace and agility are key to success, and empowerment and engagement of the internal as well as the external customer is a must.

Structures need to be flatter and more inclusive, with a sense of purpose and fulfilment that goes beyond work/life balance to truly win hearts and minds.

I asked a couple of more evolved chairs for their views.

Tony Denunzio, chair of Pets at Home and deputy chair at Dixons Carphone,



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says: "The focus now must be on customer and digital.

"Going forward, data analytics, ecommerce and CRM will be more relevant than commercial or retail operations.

"Today's leaders need a complex set of skills. They still have to be able to make tough decisions and be directive when necessary, but it is primarily about engagement and empowerment.

"Young people want to be inspired by a vision and millennials will gravitate towards brands they can associate with,

where they are given early responsibility and can grow with the business."

Richard Pennycook, chair of The Hut Group, Howdens and Fenwick, agrees. He says: "Marketing and data analytics are the key skills now and could mean that the next chief executive doesn't even come from retail – and that may present specific leadership challenges.

"Alex Baldock at Dixons Carphone and Henry Birch, his successor at SDG, are good examples of this."

Structure diversity

Pennycook adds: "If the business model is omnichannel, with the majority of sales through stores, then an understanding of the operational disciplines in the form of a really strong chief operating officer may be needed.

"We will have to take a more open approach to organisation design structures.

"Above all, tomorrow's chief executive must be a visionary with high EQ, who is really good at putting together a team that is collegiate and includes all the skills and talents to win in an increasingly complex and demanding world."

The message is clear – the route to the top in retail is changing and so must the leadership style.

And an increasingly fickle and demanding workforce is more likely to identify with a brand that champions collaboration, inclusion and engagement as its core values. **RW**

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