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TRANSFORMING THE PRACTICE OF MANAGEMENT AND LEADERSHIP
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INSIGNIAM QUARTERLY
THE RELENTLESS GROWTH ISSUE
Volume 9 Issue 3 Fall 2022 insigniam.com/quarterly-magazine

THE RELENTLESS GROWTH ISSUE

Authentic Leadership

"WHEN PEOPLE START TO INVESTIGATE NEW SOLUTIONS AND THINK DIFFERENTLY, THEY MOVE BEYOND THEIR CONVICTIONS ABOUT WHAT IS TRUE OR POSSIBLE."

—Andrea Montagna,
CEO, Bonduelle Fresh Americas

***IQ Insigniam Quarterly* is a thought leadership publication committed to transforming the world of business by offering content relevant to the C-suite and their executive teams at large, complex global enterprises.**

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LETTER FROM THE EDITOR

READY FOR RELENTLESS GROWTH?

Perhaps it's the byproduct of having three sons, but golf is big here in the Bina household. A recent topic of discussion amongst our ranks revolved around the unprecedented ascendancy of Scottie Scheffler into the top ranks of the PGA Tour.

Mr. Scheffler has been in the golf world since high school; in fact, he and my son played in the U.S. Junior Amateur Golf Championship together. He's currently the No. 1 player in the world, according to Official World Golf Rankings.

The big question I found myself asking as I watched his meteoric rise: What is it about Scottie Scheffler that propelled him to the top of the golf world while my wonderful, talented son—who also had aspirations to play professional golf—has moved in another direction?

And what is it about Mr. Scheffler that helped him stick to the rigorous, demanding schedule and lifestyle of a professional golfer, despite finishing tied for 19th and 18th in his first few Masters tournaments—only to show up this year and claim the biggest prize of all, the Masters, along with several other big wins?

"I always wanted to be out here, and I never expected it," Mr. Scheffler said after winning the Masters in April. "You know, you don't expect things to come to you in this life. You just do the best that you can and with the hand you're dealt and just go from there."

His relentless drive to be the best golfer he could be and his consistent, unrivaled dedication to training harder and longer helped him master the mental game—and produced one of the best golfers in modern times.

"I never really thought I was that good at golf, so I just kept practicing and kept working hard," Mr. Scheffler said. "And that's just what I'm going to keep doing."

Relentlessness is funny that way. It emboldens those willing to make difficult decisions and sacrifices for the greater good, and it attracts others toward those people because the desire to win and succeed is so deeply ingrained in all of us—we can recognize greatness when we see it. The same is true of leading enterprises around the globe: Like Mr. Scheffler, many companies and executives aspire to deliver relentless growth, but for most organizations and executives it remains elusive.

Consider that between 2010 and 2019, only one in eight companies achieved more than 10% revenue growth annually. In this issue of *IQ*, we'll identify the drivers needed to generate sustainable growth over the long term, as well as insights and lessons from those who have been able to achieve it quarter over quarter and year over year. Like Mr. Scheffler, they also subscribe to the idea of relentless progress.

As always, I welcome your feedback and invite you to join the conversation on our website and across our social media platforms. **IQ**

Shideh Sedgh Bina
Founding Partner, Insigniam

Fall 2022

THE **RELENTLESS GROWTH** ISSUE

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"My **biggest lesson in life** is that you can only be happy if your personal purpose and values are in sync with those of the company and teams you work for and with."

—**Nigyar Makhmudova,**
Chief Growth Officer, Danone

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ON THE COVER
Myriam Cohen-Welgryn, President, Active Cosmetics Division, L'Oréal. Photography by **Thomas Baltes**

THE TICKER

WESTEND61/GETTY IMAGES

DIGITAL ADVERTISING'S 'PERFECT STORM'

—*Liz Willding Robbins*

Are tech giants, including many that rely heavily on digital advertising revenue, in trouble? Barclays recently declared that a "perfect storm is here"—a rare combination of adverse factors including "increased competition and structural headwinds." To this point, Barclays lowered the price target on Alphabet (GOOG) (GOOGL), from $3,200 to $3,000; Meta Platforms (META), from $370 to $280; Pinterest (PINS), from $24 to $20; and Snap (SNAP), from $42 to $20. Barclays cited increased competition from ByteDance's (BDNCE) TikTok and Apple (AAPL), with TikTok estimated to grow this year from $4 billion in 2021 to $12 billion or more and Apple estimated to generate $7 billion.

As reported by CNN Business, Meta CEO Mark Zuckerberg told analysts during a recent earnings call that "We seem to have entered an economic downturn that will have a broad impact on the digital advertising business. ... It's always hard to predict how deep or how long these cycles will be, but I'd say the situation seems worse than it did a quarter ago."

Impending economic uncertainty, along with growing inflation and recession fears, may have caused companies to reduce their ad budgets. The war in Ukraine also might have taken a bite out of earnings; companies dropped Russian advertisers in response to the war. Meta may be feeling the squeeze, predicting its revenue for the third quarter of 2022 will be $26 billion to $28 billion—a second year-over-year quarterly revenue drop.

As troubling as the near-term economic challenges are, the implied "structural headwinds" may prove even more problematic longer term, especially for the largest tech players. It is no secret that current digital

WESTEND61/GETTY IMAGES

"For too long, Google and Facebook have dominated the digital advertising marketplace ... It is past time for a transparent ad technology industry where the best interests of customers are prioritized and companies of all sizes are able to compete."

—Amy Klobuchar
U.S. Senator

advertising practices face intense scrutiny over invasion of privacy, as does the power wielded by tech giants, who are seen as monopolistically controlling the market.

In response, **the following regulatory actions have been introduced in the U.S. and Europe,** with other countries expected to do likewise:

- **The Banning Surveillance Advertising Act** would block advertising networks from using so-called surveillance advertising, or targeted advertising based on users' personal data. It also would outlaw using protected class information, like race, gender and religion, to target ads.
- **The Competition and Transparency on Digital Advertising Act** is an attempt to regulate the biggest online advertising companies in the world. Many of these companies are vertically integrated, owning multiple parts of the digital advertising supply chain—from the apps and websites that show ads to the exchanges that sell them—leading to predatory behaviorial targeting.
- **The Digital Markets Act**, introduced by the European Union, addresses what is seen as an imbalance of power that benefits a small number of mega technology companies. The act would require these companies to open their "walled gardens" and share autonomized data with other advertisers, ad tech companies and publishers.
- **The Digital Services Act**, also introduced by the European Union, sets standards for content moderation, platform accountability, illegal products and risk management for all companies operating in the European digital single market.

While most of this legislation has yet to be enacted into law, it sends a strong message to digital advertising giants that change is coming.

Apple already has taken steps to allow users to opt out of some tracking, eliminating some of the data that platforms use to target ads. Google's deprecation of third-party cookies is slated to go into effect by 2023. **IQ**

THE TICKER

What's [Still] Killing Growth?

Beware the danger zones.
—*Liz Willding Robbins*

Most growth stalls, characterized by an abrupt or lasting drop in revenue growth, are, in fact, preventable. A seminal study, ***When Growth Stalls***, published nearly 15 years ago in *The Harvard Business Review*, probed more than 500 corporations to identify root causes, such as faulty management decisions on strategy, organizational design and economic downturns. Perhaps unsurprisingly, these factors are still the primary inhibitors of growth a decade and a half later.

What should leaders look out for to head off a potential stall? **Here are three key areas that deserve consideration:**

1 **Premium Position Captivity**
Having a strategy to respond is key, along with monitoring how customers value your product features.

2 **Innovation Management Breakdown**
If product innovations are inefficient, it can produce systemic issues that may take years to correct.

3 **Premature Core Abandonment**
Jumping into a competitive terrain too soon by misjudging core market saturation can be costly, creating operational issues that impact revenue.

Additionally, Insigniam consultant Greg Trueblood recommends empowering a group of new leaders to make intentionally bold proposals that inject new thinking. "Waiting for market to shift means that organizations must move quickly to adjust—something few excel at," he says. "Instead, leaders can deliver breakthrough growth by proactively disrupting themselves and incubating innovation." **IQ**

Meet the Metaverse

Curious about the internet's next incarnation? Here is what you need to know. —*Mark Jost*

Talk of the metaverse seems to be everywhere. Retailers, online game developers, tech stalwarts and many others—sensing a growth opportunity—are investing billions in this new virtual frontier. According to a report from Verified Market Research, the metaverse market was worth more than $27 billion in 2020 and is projected to reach more than $800 billion by 2030, though other studies put the 2030 figure even higher. Jensen Huang, CEO of metaverse player Nvidia, expects the economy of the virtual world to someday exceed the economy of the physical world.

But if you are not sure what all the talk is about and why you should care, here's a primer on possibly the biggest thing since the internet.

What is the metaverse?

No, it is not where the Marvel superheroes hang out. The metaverse is a collection of virtual worlds, available via augmented and virtual reality (AR and VR)—perhaps through a browser, smartphone or headset—that allows users to interact with the internet and each other. Imagine connecting on Facebook, meeting with your co-workers, gaming on Fortnite, attending a virtual concert and earning (or spending) non-fungible tokens (NFTs) in a variety of digital stores, all within a seamless 3D experience.

Who are some of the players in the metaverse (and what are they playing at)?

Alphabet/Google: Although Google Glass failed to meet expectations when it made its way to consumers in 2014, the concept of AR- and VR-capable eyewear is very much alive. Google has also invested nearly $40 million in a private equity fund for metaverse projects, and its YouTube, Google Earth and Maps platforms could become important spaces in the metaverse.

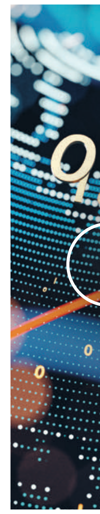
Epic Games and **Roblox:** The video game and software developer Epic is known for its hugely popular online video game Fortnite. But what may be its real strength is its Unreal Engine, a commercially available game engine for developers. Roblox, another game platform and game development system, allows players to buy, sell and create virtual items.

Meta (formerly Facebook): As the metaverse evolves, Facebook must change with it or risk irrelevance. Meta CEO Mark Zuckerberg has apparently gotten the message: He has renamed his company, invested up to $10 billion in developing and improving its VR offerings, and invested in AR technology as well.

Microsoft: The technology behemoth announced in early 2022 its intention to purchase video game company Activision Blizzard for nearly $70 billion. But Microsoft's metaverse plans do not stop at gaming. Teams, the company's business communication platform, and LinkedIn, its business and employment-oriented platform, provide more entry points to the metaverse.

Nvidia: This company is behind many of the graphic processing units (GPUs) that go into consoles, PCs, laptops and other devices, and its business touches cloud computing, data centers, artificial intelligence and more. It will likely be a key player in metaverse infrastructure.

Unity Software: The Unity game engine powers more than half of all mobile, PC and console games across the world, and in 2021 the company acquired Weta Digital, a digital visual effects (VFX) company, for $1.6 billion.



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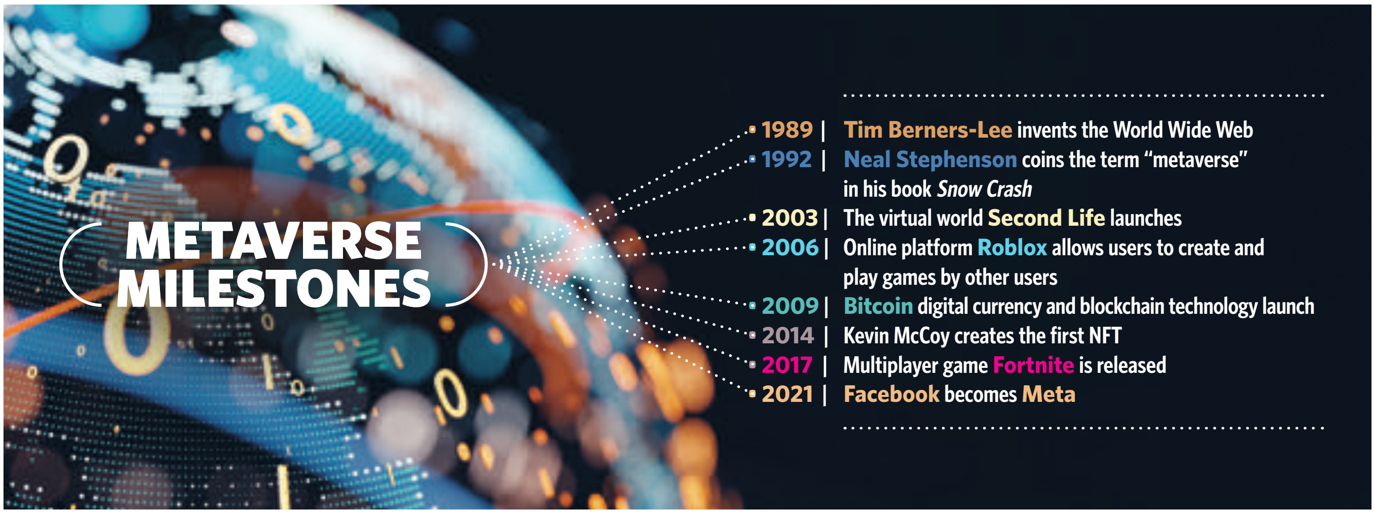

METAVERSE MILESTONES

- **1989** | **Tim Berners-Lee** invents the World Wide Web
- **1992** | **Neal Stephenson** coins the term “metaverse” in his book *Snow Crash*
- **2003** | The virtual world **Second Life** launches
- **2006** | Online platform **Roblox** allows users to create and play games by other users
- **2009** | **Bitcoin** digital currency and blockchain technology launch
- **2014** | Kevin McCoy creates the first NFT
- **2017** | Multiplayer game **Fortnite** is released
- **2021** | **Facebook** becomes **Meta**

If it looks to you like businesses are approaching the metaverse from a variety of directions, you would be correct. No one knows exactly what the metaverse will look like—literally or figuratively—which suggests both opportunities and challenges.

If it looks to you like businesses are approaching the metaverse from a variety of directions, you would be correct. No one knows exactly what the metaverse will look like—literally or figuratively—which suggests both opportunities and challenges.

What near-term opportunities do businesses see for the metaverse?

The fully realized metaverse does not exist yet, but we have the beginnings of it—a proto-metaverse. Some businesses are providing a glimpse of how the metaverse might take shape.

Gaming and NFTs: Nike has partnered with Roblox to create Nikeland, a virtual world where players can make friends and play games. Users can customize their avatars with Nike-branded sneakers and apparel. These products may be virtual, but that does not make them any less valuable: The company is protecting them legally by filing for trademarks.

Entertainment: Pop star Ariana Grande performed via Fortnite, an event that garnered a million viewers at its peak. More than 12 million concurrent viewers watched a concert by rapper Travis Scott.

Medicine: Medical practitioners are looking at virtual reality (VR) applications for improving telemedicine, and medical educators are tapping virtual and augmented reality to simulate patient and surgical interactions that allow students to practice new techniques.

Onboarding and training: According to TechRepublic, 42% of business leaders want to use the metaverse for onboarding and training—the top use case of those surveyed. Several major companies have already integrated VR into their training practices, including Walmart, Porsche and Boeing.

Digital twins: Nvidia and Siemens Digital Industries Software have partnered to create photorealistic models of manufacturing facilities that enable businesses to make real-world improvements based on simulations within the facility’s digital twin. The applications go beyond manufacturing: Amsterdam’s Airport Schiphol is researching operational failures by simulating them using its digital twin.

What challenges remain to be tackled?

There are plenty. Here are just a few.

Computing power: Billions of people simultaneously accessing 3D virtual worlds will require far more computational efficiency than exists today.

Privacy: With users spending more time and resources in the metaverse, the amount of data being collected will increase too—as will the potential for that data to be misused.

Safety: Issues could include heightened user addiction, virtual crime and virtual harassment. And in virtual worlds, whose laws apply?

Platform interoperability: Moving easily from one virtual world to another requires unifying standards and frameworks.

Equal access: The digital divide between the haves and have-nots is already wide. The increased infrastructure demands that come with the metaverse may increase the gap.

Blockchain: Cryptocurrency will likely play an important role in metaverse transactions, but digital currency has challenges of its own. **IQ**

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NUMBERS

THE REAL COST OF COMPLACENCY

How disengagement can torpedo your balance sheet.

Complacency in the workplace can have a devastating effect on growth, with Gallup estimating in its *State of the Global Workplace: 2022 Report* that **low engagement costs the global economy US$7.8 trillion and accounts for 11% of GDP globally**.

The Gallup findings cite a strong link between engagement and performance outcomes, such as retention, productivity, safety and profitability, noting that business units with engaged workers have 23% higher profit compared with business units whose employees are disengaged.

Ultimately, Gallup notes that the reasons for poor engagement and resulting burnout have one thing in common: **a bad boss who ignores, disrespects and fails to support their people**. While many companies focus on creating work-life balance to improve engagement, the real fix is better leadership, with managers becoming better listeners, coaches and collaborators.

What can organizations do to improve engagement and reduce burnout?

Organizations should **focus on the whole person, not just the person's work**. A well-rounded awareness of how a person is doing can help alert managers to warning signs when someone is becoming disengaged or burned out. **IQ** —*Liz Willding Robbins*

COMPLACENCY PERCENTAGES IN THE WORKPLACE

WHAT DO THE Gallup numbers reveal about the **worldwide state of employee engagement** today?

21% **OF EMPLOYEES** are actively engaged at work.

33% **OF EMPLOYEES** said they are thriving.

60% **OF EMPLOYEES** are emotionally detached at work.

19% **OF EMPLOYEES** say they are miserable.

Of the 19% who say they are miserable:

59% **OF EMPLOYEES** said they are stressed.

56% **OF EMPLOYEES** said they feel worried.

33% **OF EMPLOYEES** report feeling physical pain.

31% **OF EMPLOYEES** said they feel angry.

61%

IF EMPLOYEES are disengaged and even miserable, is it their fault? In a **Gallup study on burnout**, employees who were engaged at work but not thriving had a **61% higher likelihood of burning out**. The top sources of burnout that employees reported to Gallup:

- **Unfair treatment at work**
- **Unmanageable workload**
- **Unclear communications from managers**
- **Lack of manager support**
- **Unreasonable time pressures**

EMPLOYEES REPORTED DAILY NEGATIVE EMOTIONS, including:

40% WORRY | **44%** STRESS | **21%** ANGER | **23%** SADNESS

BASED ON THE STATISTICS, most companies still have a long way to go, with **just 21% of employees saying they work in an environment where they can thrive**. Of those who are thriving:

95% REPORT BEING treated with **respect** all day

87% REPORT **smiling and laughing** a lot

iQ

GEOGRAPHY ALSO IS A KEY FACTOR, with only 11% of employees in South Asia reportedly thriving—the lowest regional well-being in the world.

The U.S. and Canada ranked best, coming in:

NO.1 in ENGAGEMENT

NO.1 in JOB OPPORTUNITIES

NO.2 in WELL-BEING

NO.2 in LIVING COMFORTABLY

COMPANIES SHOULD ALSO INFUSE well-being into their brand promises. When leaders take responsibility for their workers' well-being, it results in:

1. A MORE PRODUCTIVE ORGANIZATION
2. THRIVING INDIVIDUALS, FAMILIES AND COMMUNITIES

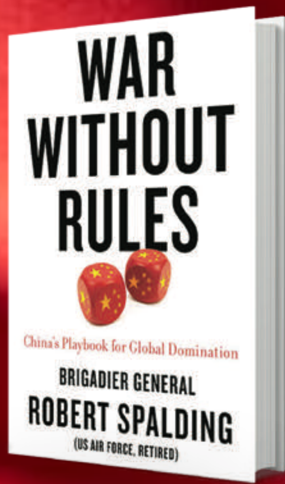
CECILIE_ARCURS/GETTY IMAGES

BROWSER HISTORY

DAYS OF FUTURE PASSED

Find out about ways you can affect what is coming—in global politics, in your company and in the world's people generations from now.

By Sarah Lindsay



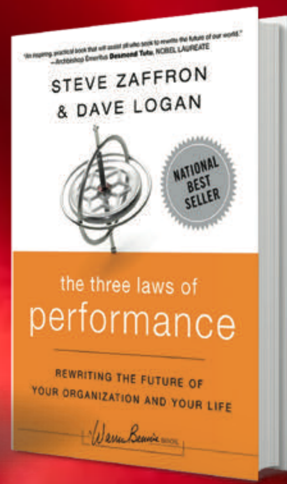
War Without Rules: China's Playbook for Global Domination
by Robert Spalding
Sentinel
April 19, 2022

"**It's not enough** to know what your enemy wants. You need to understand his strategy," writes retired Air Force Brig. Gen. Robert Spalding. And China, he wants us to know, is our enemy. Now, instead of participating in screaming arguments in the halls of the Pentagon, he presents his position in print.

Its military belligerence notwithstanding, the Communist nation with the world's largest population may pose a greater threat through its stealth war against the world, Gen. Spalding says. He urgently calls attention to its stratagems, listing theft of intellectual property, acquisition of technology, increased control over world shipping and many more. The author's credentials include his experience as senior defense official at the U.S. Embassy in Beijing, former director for strategic planning at the National Security Council in the White House and life member of the Council on Foreign Relations.

"Knowing the goals and motives of any country is at the foundation of diplomacy and national security."

—Brig. Gen. **Robert Spalding,** U.S. Air Force, retired



The Three Laws of Performance: Rewriting the Future of Your Organization and Your Life
by Dave Logan and Steve Zaffron
Jossey-Bass
(First edition February 3, 2009)

You will not often find a business book that Nobel laureate and Archbishop Emeritus Desmond Tutu called both practical and inspiring. It is inspiring partly because these "laws" are not tips, and this is not a one-size-fits-all how-to. But listening is almost certainly where you will want to start. And the authors—Dave Logan, co-founder and senior partner emeritus of a management consulting firm, and Steve Zaffron, founder and head of research and development of another management consulting firm—suspect they know what you will hear: the "default future" most employees have in mind, consciously or not. It is up to leaders to find out what that is, what future their employees would rather have and how to talk about *that* one. One, two, three. Four should be the employee buy-in every leader wants.

What We Owe the Future
by William MacAskill
Basic Books
Aug. 16, 2022

Nothing is more relentless than time, and Oxford philosopher William MacAskill proposes that we put down our stopwatches and take the long view. If we get things right, he says, we can lay the groundwork for the happiness of billions of people who are not here yet. Who wants to fail at that? With a sense of optimism that seems to be in short supply lately, he urges readers to make choices that will allow our descendants to thrive. You could frame the situation as a business deal: What actions, and what money going where, get the best and biggest results? The Centre for Effective Altruism, which Mr. MacAskill co-founded, facilitates discussions regarding connections, behaviors, donations or even careers that will have the most positive effect. The decisions are up to you. **IQ**

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HEAT MAP

FANGXIANUO/ISTOCK

EMERGING TRENDS IN GLOBAL GROWTH

A look at how upstart economies are rapidly taking on growing economic significance.

Growth may be harder for international leaders to catalyze in coming years, amid rising inflation, increasing deglobalization and heightening geopolitical volatility. But while nations clearly face fiscal headwinds, the world's total annual GDP is poised to top $100 trillion for the first time ever this year, per economic consultancy CEBR—a figure that is anticipated to double by 2035. Even as it cut global growth forecasts for 2022, the International Monetary Fund (IMF) expects the Asia-Pacific (APAC) region to rebound from the pandemic and outperform other geographic regions over the next decade. Likewise, Lazard Asset Management sees emerging markets such as Latin America and India as well positioned for growth.

According to the World Bank, over the next couple of years the global economy is predicted to grow at the fastest rate seen since 2017.

Current surges in economic growth reflect how well many of the globe's biggest economies have adapted to and bounced back from COVID-19, *Fortune* magazine suggests. At the same time though, CEBR reports that inflation (particularly in nations such as the U.S.) may be propping up overall GDP numbers more than actual economic gains. Noting this, China is expected to surpass the U.S. as the planet's biggest economy by 2030, followed by Germany, Japan, the U.K. and France. By decade's end, APAC nations such as Indonesia, Vietnam, South Korea, Thailand and Australia will also rank among the world's top 10 economies by GDP, the Lowy Institute reports.

While Russia's invasion of Ukraine has dragged on global growth forecasts, the IMF notes that economies that have been fast to recover from COVID-19 are better poised to withstand potential aftershocks. However, it reminds us that those still being impacted by

THE BIG NUMBERS

2.6 Billion

Current world population

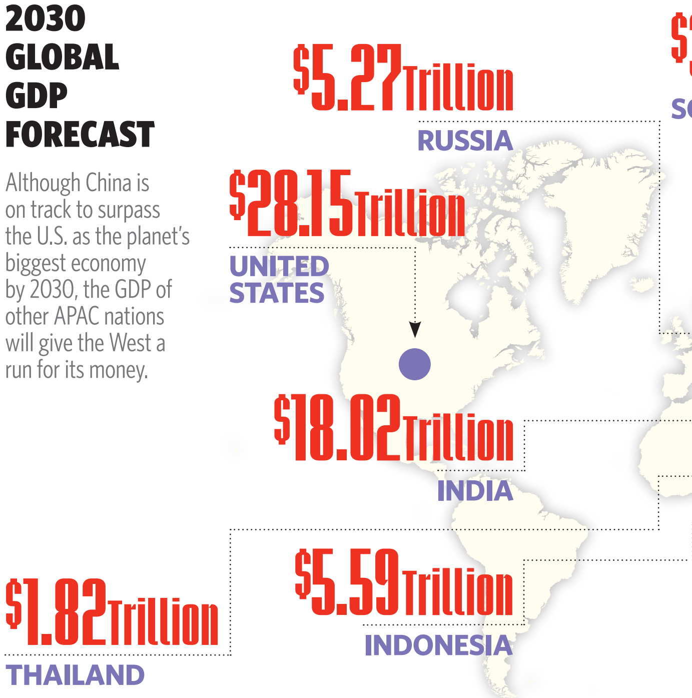
Population by 2030: **8.6 Billion**

Population by 2050: **9.8 Billion**

Population by 2100: **11.2 Billion**

2030 GLOBAL GDP FORECAST

Although China is on track to surpass the U.S. as the planet's biggest economy by 2030, the GDP of other APAC nations will give the West a run for its money.



FANGXIANUO/ISTOCK

pandemic-induced pullbacks may be hit even harder in the wake of the conflict. Recession fears also continue to grow around the world, the IMF says, as central banks' rising interest rates may present ongoing turmoil for many nations. Nearly 60% of low-income countries are in debt distress, or near to it, double the number the IMF was tracking in 2015, Bloomberg reports.

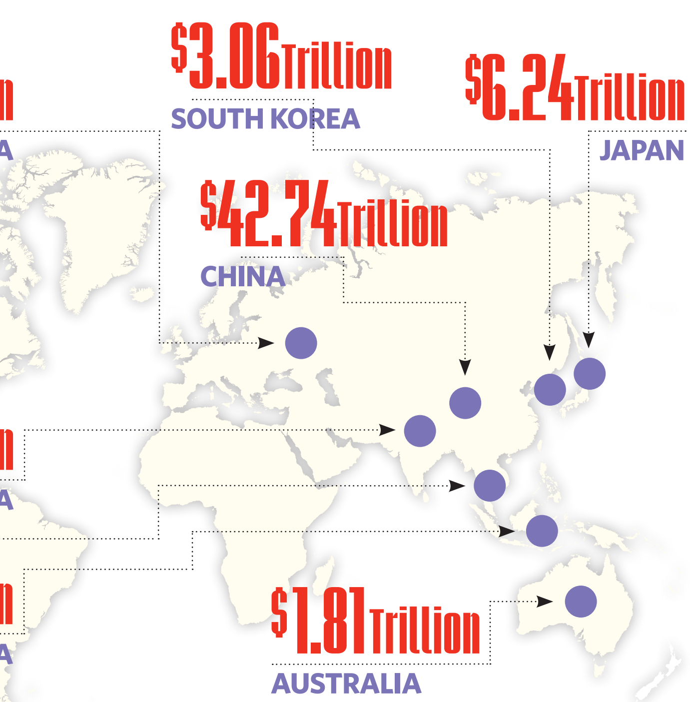
On the bright side, according to the World Bank, over the next couple of years the global economy is predicted to grow at its fastest rate since 2017. However, it too forecasts that developing areas of the world will be those that appear to be standouts in terms of future economic growth rates, with these nations' economies currently expanding at nearly twice global averages.

Speaking of territories to watch: Back in 2005, Goldman Sachs coined the term "Next Eleven" (or N-11) to describe 11 countries that—despite their smaller size—hold BRIC-level potential to rival G7 nations. As The Balance points out, these nations (Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, Turkey, South Korea and Vietnam) have all exhibited generally stable and rising economic growth. International opportunities for investment in these geographies are also growing, though political risk is also a concern in territories such as Iran and Pakistan.

Of course, developing territories also tend to be more susceptible to inflationary pressures and rising food and energy prices. Lazard Asset Management suggests that rising costs for consumer goods may weigh heavily on their populations. Countries such as Hungary, Argentina and Serbia also are moving to limit exports due to geopolitical challenges, which may have a lasting impact.

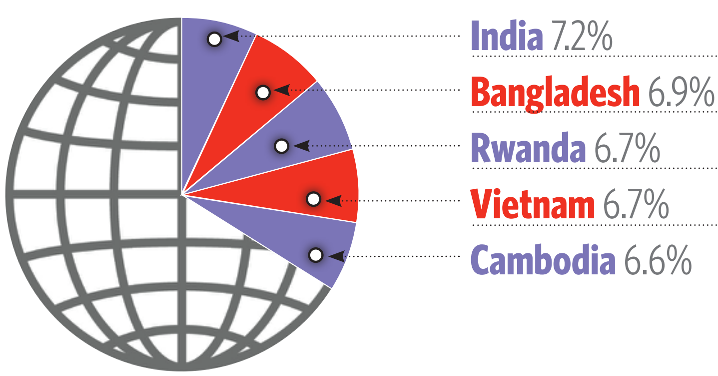
Bearing in mind the international market's ever more volatile economic backdrop and the global economy's current interconnectedness, caution is advised. In today's environment of constant change, investment strategies are best made with backup plans in mind. And despite territories' growing shift toward fiscal independence, international trading partners' continuing dependence on one another means that economic events have the potential to snowball. **IQ** —*Scott Steinberg*

While Russia's invasion of Ukraine has dragged on overall global growth forecasts, the IMF notes that economies that have been fast to recover from COVID-19 are better poised to withstand potential aftershocks.

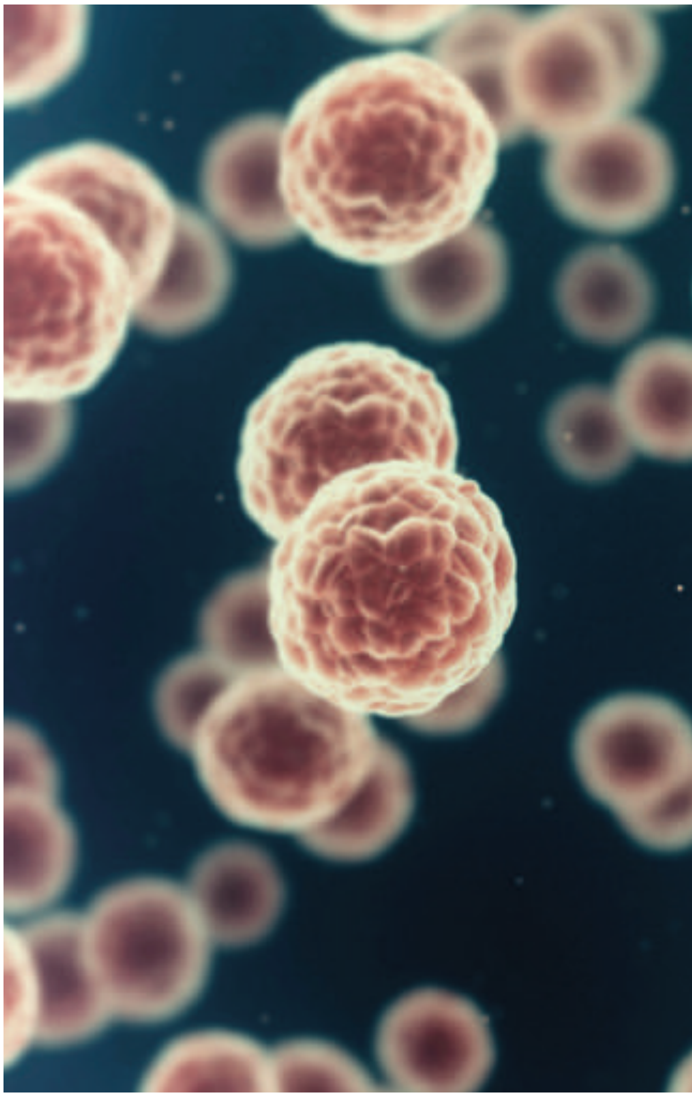


WORLD'S FASTEST-GROWING ECONOMIES

For leaders and organizations closely monitoring growth trends, here are the fastest-growing economies, which may represent a strategic investment opportunity—whether in labor, supply chain or operations support—for the right enterprise.



INSIGHT
BLOOD, SWEAT AND TEARS



JESPER KLAUSEN/GETTY IMAGES

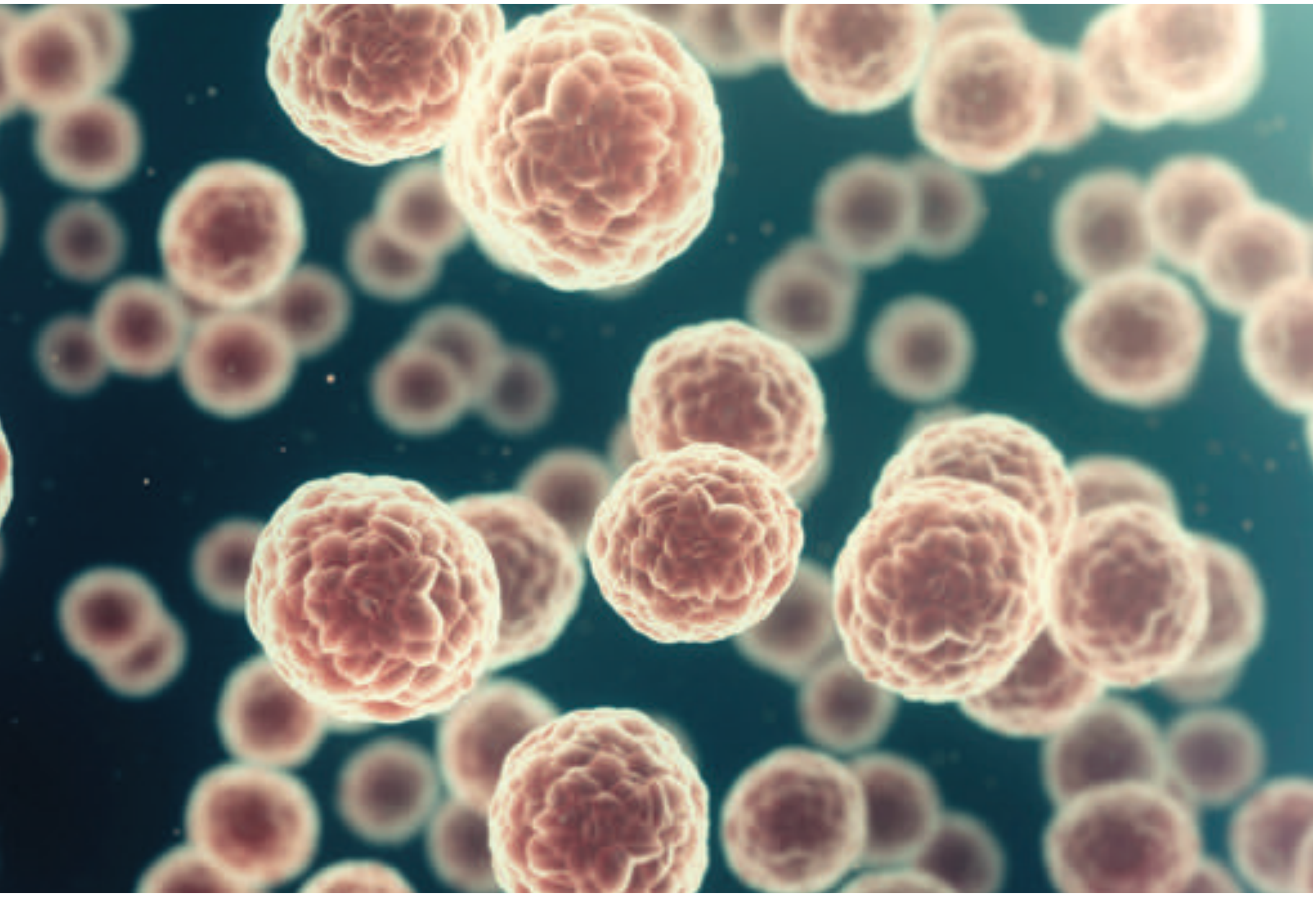
IMPROVING ACCESS AND OUTCOMES

Cancer is the leading cause of death worldwide. At BeiGene, change is the cure.

By Scott Pierce

According to the American Cancer Society, cancer incidence and mortality are rapidly growing worldwide. In the U.S., over 600,000 cancer-related deaths are projected this year. In China, for instance, roughly 55 people die from cancer every 10 minutes. Behind these startling numbers is the issue of access—and the inability of millions to obtain high-quality care.

"We know roughly a quarter of the people in this segment don't get the therapies they need," says Melika Davis, senior vice president and global head of clinical operations at BeiGene, a global biotechnology company built to deliver high-quality cancer treatments to people around the world. "Cancer has no



JESPER KLAUSEN/GETTY IMAGES

borders; neither do we. We're not afraid of cancer—we want to cure it."

Improving access and affordability have been BeiGene's goals since it was founded more than a decade ago. Today, the company has 16 innovative drugs available in China and more to come elsewhere. Brukinsa, a BTK inhibitor, is available in more than 50 countries, and it became the first anti-cancer drug developed in China to receive approval by the U.S. Food and Drug Administration (FDA) in 2019.

While her experience is vast, Ms. Davis' heart has always been in oncology research. She's monitored national and international clinical trials, taken roles in project management capacities, and worked in quality assurance at both Schering-Plough Research Institute and Novartis. In total, her work has successfully helped bring 20 medical products to the market. Through it all, she understands that leaders can't work in silos.

"Everyone must work across the board while pleasing different stakeholders," she says. "Eventually, I questioned where I could best utilize all of my knowledge. The answer was BeiGene."

A Mandate to Innovate

When Ms. Davis joined BeiGene in 2019, she took ownership of the company's broad pipeline, which aims to address 80% of the world's cancer by cancer type. Such a goal requires bold ingenuity and dedication to innovations in the company's strategy for providing health equity.

"When you look at the history of clinical trials, health care leaders have always >>>

Change Agent
Brukinsa, a BTK inhibitor developed by BeiGene, is the first anti-cancer drug developed in China to receive approval by the U.S. Food and Drug Administration (FDA) in 2019.

COURTESY BEIGENE/MELIKA DAVIS

BIO:
Melika Davis
Senior Vice President and Global Head of Clinical Operations

Melika Davis joined BeiGene in August 2019. She leads the overall strategy for the Global Clinical Operations organization and oversees the management and execution of all clinical trials. Before joining BeiGene, Ms. Davis spent 15 years at Novartis leading its clinical monitoring operations group, and worked at Schering-Plough for 13 years. She received a master's degree in molecular biology and a bachelor's degree from Texas Women's University and a License de Physiologie from the University of Sciences in Nice, France.

wanted to ensure that the number of patients participating in clinical trials represents their country's population," Ms. Davis says. "These conversations continue to evolve as demographics change over time."

Since joining BeiGene, Ms. Davis has prioritized patient diversity in global clinical trials focusing on data and analytics in order to create a cross-functional initiative.

"We are not just talking about race and ethnicity—which is important, of course—but we're looking at different health economic levels as well," she says.

BeiGene's approach also bridges the gap between world-class research and access to clinical trials.

"We work closely with health authorities, ethics committees and clinical sites," Ms. Davis says. "We are transforming ourselves to go to global markets, but also expanding our current footprint in Australia, Europe, Latin America and the Asia-Pacific region."

Integrating Vertically

A huge part of BeiGene's innovation mandate is accomplished by fleshing out BeiGene's internal capabilities for clinical trials.

When BeiGene began conducting clinical trials seven years ago, the company relied heavily on assistance from clinical research organizations (CROs): third-party research firms that support the pharmaceutical, biotechnology and medical device industries.

Recently, BeiGene moved to bring these capabilities in-house. Doing so represents an

Power Players
(*Left to right*) BeiGene's U.S. Policy and Strategy Head Lindsay Cobbs joins Melika Davis; Willyanne Decormier Plosky, DrPH, program manager at The MRCT Center of Brigham and Women's Hospital and Harvard; Tesheia Johnson, COO, Yale Center for Clinical Investigation; and Meg Alexander, chief corporate affairs officer, Ovid Therapeutics, to discuss diversity in clinical trials.

COURTESY BEIGENE/MELIKA DAVIS

enhancement to the patient experience, and allows those in need to enroll in clinical trials more quickly, ultimately cutting time and cost by one-third to expand access to novel and lifesaving cancer treatments.

"What many executives outside the health care space often don't realize is that most clinical trials depend on CROs," says Insigniam Consultant Bruce Zimmer. "The benefits can be numerous—from their associated cost savings to their ability to plan, execute and manage the life cycle of the clinical trial—which have established CROs as something of the industry norm."

What's unique about Ms. Davis' approach, says Mr. Zimmer, is the way in which she's been able to balance using CROs for ancillary support of the clinical trial process with shifting research and development to her internal team.

Today, 90% of clinical trials are done in-house. The holistic infrastructure includes regulatory and medical affairs, human resources, legal, finance, and many other fields. BeiGene actively engages these stakeholders through the lens of socioeconomics.

"A prime example of this is how we're bringing phase one trials to Australia," says Ms. Davis. "We want to make sure we understand the needs of each country, its health authorities, as well as the patients, clinical sites and the doctors—and we want to understand how patients are diagnosed and treated. The only way to do that is to have an internal capability."

The Way Forward

As a global company, BeiGene's focus is on bridging gaps. "We are humanitarians," Ms. Davis says. "Our vocation is to focus on developing cancer medicines, and our work is to make sure that we bring those to our patients—no matter where they are."

This is easier to say than to accomplish. What makes BeiGene distinct is the company's mission-driven strategy; the company is not simply focused on turning a profit. Instead, Ms. Davis and team are innovating and expanding their marketization strategy to leverage the power of industry partners such as Novartis.

"From industry partnerships to scaling the company to integrate vertically, these conditions were made possible by Ms. Davis' work, as well as the Global Clinical Operations team, which goes beyond how they have delivered clinical operations in the past," says Mr. Zimmer.

Moreover, Mr. Zimmer continues, "Ms. Davis has empowered and enabled her team to be inspired in their thinking, and their actions are bringing about inspired results." **IQ**

"We work closely with health authorities, ethics committees and clinical sites. We are transforming ourselves to go to global markets, but also expanding our current footprint in Australia, Europe, Latin America and the Asia-Pacific region."

—Melika Davis
BeiGene

INSIGHT
FROM THE BOARDROOM

RISE OF THE CHIEF GROWTH OFFICER

With driving bottom-line results becoming a growing strategic priority, a CGO may be in your future.

By Scott Steinberg

A**mid increasingly** challenging commercial environments, organizations are prioritizing bottom-line results at a growing rate over more nebulous goals such as boosting general brand equity or awareness. With this resurgence in back-to-basics business principles, the C-suite is more than ever expanding to include a chief growth officer (CGO), whose mandate covers strategic growth activities of every sort.

While just 14% of firms had a CGO in place prior to the pandemic, per surveys by Singular, job postings and searches have continued to grow exponentially on LinkedIn ever since, with more than 2,600 open CGO positions being advertised at this writing.

Large global organizations are likely now to house these entrepreneurial thinkers, who are increasingly being charged with helping firms become more agile, growing their market potential, and meeting the fast-changing needs of internal and external stakeholders. Accordingly, while corporate chairs invariably remain involved in helping drive business growth, the rising presence and influence of the CGO is freeing them more and more to focus on a broader portfolio of responsibilities.

Originally created by media agencies, CGOs have found homes in virtually every field—from finance (Northwestern Mutual) to food and beverage (Anheuser-Busch InBev). In effect, a skilled CGO is charged with bringing C-level support and resources to new strategic initiatives that directly drive hard results, such as increased market share.“When I think about the role of CGO, the first image that comes to my mind is the conductor of a symphonic orchestra,” says Nigyar Makhmudova, CGO at Danone, a Spanish-French multinational food-products corporation based in Paris.

“And the reason is simple,” she says. “Just as a conductor does, a CGO has a key role to play in anticipating the rhythm of music—external market conditions, consumer insights, current and future industry trends. And like conductors, CGOs connect strong individual players—across functions and countries—which all play critical parts. In business, just as in music, when the symphony comes together and captures the imagination, we can expect sustainable, superior results.”

As Ms. Makhmudova points out, it takes strong leadership to make sure everyone knows their part and understands exactly what is expected. But most importantly, CGOs must know how each role fits into the overall delivery agenda.

Often, the buck now stops with the CGO, whose meteoric ascent to the C-suite has been driven by companies’ growing focus on data science, out-of-the-box thinking, building sustainable brands and driving profitable growth.

Think of it this way: Whereas chief marketing officers are often advertising and promotions professionals, CGOs are likelier to think more like entrepreneurs and marketing scientists. >>>

EZRA BAILEY/GETTY IMAGES

EZRA BAILEY/GETTY IMAGES

> **“Just as a conductor does, a CGO has a key role to play in anticipating the rhythm of music—from external market conditions to consumer insights and industry trends.”**
>
> **—Nigyar Makhmudova**, CGO, Danone

INSIGHT
FROM THE BOARDROOM

GROWING UP
Revenue is king, but great CGOs build bridges to future opportunity and enable their firms to pivot as scenarios require.

EZRA BAILEY/GETTY IMAGES

By nature, CGOs take a more holistic view of corporate strategy than anyone in the business besides the CEO.

In other words, their role is to pioneer new pathways to growth by monitoring future trends, maximizing the use of investments and optimizing the use of limited resources while simultaneously leveraging organizational capabilities in innovative ways.

Boards generally look to CGOs to assist with tasks such as:

- **Boosting Alignment and Agility**
  Accelerating the introduction of new solutions and strategies by bringing departments and resources together in more cost-efficient and productive ways.
- **Maximizing Impact and Investment**
  Optimizing the use of organizational efforts and resources, setting and tracking milestones that drive progress, and ensuring enterprise accountability.
- **Charting a Path**
  Researching and defining a road map for strategic growth, staying abreast of market and customer trends, and adjusting tactics when needed.
- **Promoting Organizational Resilience**
  Introducing tools and workflows to enable greater enterprise agility, building bridges to future opportunity, and enabling firms to pivot as scenarios demand.

As Vista Equity Partners puts it, CGOs navigate changing organizational needs and market environments with one goal in mind: Strategic growth.

Boards thinking about adding them to the executive team should ask certain questions of themselves first, such as:

- **How many potential growth opportunities and unexplored verticals, geographies or audiences lie before your company, and how large is their untapped potential?**
  CGOs excel at identifying overlooked areas for growth and making the most of lean resources. They're especially skilled at helping rising upstarts to increase audience reach, and incumbent market

Pop Quiz: Is a CGO Right for Your Business?

Whether a **chief growth officer makes sense for your organization** largely comes down to the present state of the business and how well its current capabilities and resources align with future objectives. **If you find yourself answering "no" to several of the questions below**, that may be a sign that a **CGO** could be a good fit for you:

1. **Are your** portfolio and product lineup aligned with today's marketplace and customer needs? **>**
2. **Have you** positioned your growth strategies to align with future client needs? **>**
3. **Is your** operational footprint robust enough to support your growth strategy? **>**
4. **Can your** supply chain and sales and distribution network withstand disruptions? **>**
5. **Have you** explored all technologies that could provide a path to sustained growth? **>**
6. **Do you** consider your organization to be highly innovative, agile and adaptable? **>**
7. **Are you** insulated against potential losses of market share to new products or competitors? **>**
8. **Have you** identified every potential growth market for the coming years? **>**
9. **Do you** have all the capabilities, insights and resources to stay competitive? **>**
10. **Absent a** CGO, is a current member of your executive team skilled at building contingencies around these variables? **>**

EZRA BAILEY/GETTY IMAGES

leaders to expand or bolster bottom-line performance.

- **What are your future objectives as an organization?**
  Consider where you're looking to be three, five and 10 years hence, and to what extent meeting these demands requires delivering immediate or sustainable long-term growth. Understanding the degree of urgency that surrounds these needs can help you identify whether a CGO might be of assistance, and what other skills and job roles you may need to hire for at present.
- **Where will you be looking to your CGO to add value?**
  Some firms look purely to CGOs to promote heightened revenue, while others task them with bringing in new sources of income, exploring new markets or introducing new technologies. Responsibilities differ by employer, though a CGO will often be tasked with taking a more holistic view of corporate strategy than anyone in the business besides the CEO.
- **Who might best fit the role of CGO as an internal entrepreneur, or intrapreneur, in your business?**
  A CGO's capabilities are generally defined by creativity, innovation and ability to drive growth versus skill at promotions and advertising. Likewise, their role is typically one that revolves less around media planning than aligning and steering cross-departmental capabilities toward common goals.
- **Do you really need to recruit new talent or replace current hires (e.g., your senior VP or CMO) to achieve your growth objectives, or is it their fundamental roles and responsibilities that need rethinking?**
  If you're not meeting your present growth targets, consider whether it's due to this talent's skill and expertise, or whether corporate politics, responsibility limitations, or organizational structuring may be holding current hires back.
- **What metrics will you use to track and measure your CGO's performance?** Sales numbers, market share, subscriptions, sign-ups, new partnerships obtained or products introduced, boosts in savings or cost efficiencies, and other key performance indicators (KPIs) may all provide baseline metrics from which to measure success.

While demand for CGOs is surging in the wake of the pandemic, it's critical to know if adding one to the team makes sense for you, and where they can most add value.

Companies who elect to bring on a CGO largely hire them for three reasons: when they need to **(1) grow quickly**; **(2) bring different departments, roles and disciplines together more effectively**; and **(3) identify a leader to steer these efforts**.

That is because the CGO role is effectively a hybrid construct that is designed to promote greater collaboration and creativity throughout a business while also instituting processes, programs and partnerships that enable organizations to be more agile and innovative. Speed, scale and sustainability lie at the core of their work, which often sits at the nexus of both art and science.

A CGO is therefore ideally placed to break through operational silos that naturally exist across a business and serve as a catalyst for driving cultural and organizational change. Able to split the difference between teams and departments, they essentially serve as cross-functional specialists who can help steer enterprises toward continuing success, whatever the future brings. **IQ** >>>

A CGO's skills are generally defined by creativity, innovation and ability to drive the enterprise forward.

DANONE'S DYNAMIC DEVELOPER

How authenticity and integrity accelerated the multinational success story of Danone's chief growth officer.

BIO:
Nigyar Makhmudova
Chief Growth Officer, Danone

Born in Azerbaijan, Ms. Makhmudova brings over 25 years of experience in pharmaceutical and FMCG companies to her role as CGO at Danone. Having lived and worked in five countries across three continents, her multinational perspective affords Ms. Makhmudova well-rounded insight into the company's global marketing, innovation, R&D and sales functions.

Nigyar Makhmudova is perhaps the ideal representative of the skills and attributes a chief growth officer (CGO) must possess to be successful. And success is something she has been able to cultivate across the globe, in a variety of roles and verticals. At Danone, Ms. Makhmudova steers the company's growth trajectory, which accounts for €24.3 billion in revenue in 2021. To better contextualize the value created by this rapidly growing executive seat, *IQ* went straight to the source and spoke to Ms. Makhmudova for a real-world example of the impact high-performing CGOs can have on a matrixed organization like Danone.

IQ: *You joined Danone at an important time for the company, where you are responsible for leading the "Renew Danone" plan. What does that entail?*

Ms. Makhmudova: First, I have always admired Danone as a company which pushed the boundaries beyond conventions in every aspect of the business. Danone has a strong track record in creating new categories; bringing to markets and quickly scaling up innovative products; and building meaningful, iconic global and local brands.

We also have a unique heritage and culture—where entrepreneurship and social and environmental responsibility feed each other rather than fight each other.

Since joining Danone three years ago, I continue to be impressed and inspired by the passion and engagement of our people, now all mobilized behind the very clearly spelled out Renew Danone plan.

The plan is articulated around **four strategic pillars: (1) restoration of** Danone's competitiveness in core categories and geographies; **(2) selective expansion of** Danone's presence, in terms of segments, channels and geographies; **(3) active seeding of** future growth avenues; **(4) active rotation of** portfolio.

We are confident that this plan will allow us to reconnect with a sustainable, profitable growth model. We are focusing on driving end-to-end step-up in the quality of execution, further strengthening an innovation model geared for scale and impact, delivering better consumer value, and building powerful brands and commercial partnerships.

IQ: *As flexitarian diets continue to gain in popularity, what potential growth opportunity or expansion in your core customer segments does this represent for Danone?*

Ms. Makhmudova: All the categories in which we operate are healthy, on trend and growing. We are committed to giving people a choice of products—no matter their lifestyle. Consumers do not want to compromise between taste, health, environmental impact and benefits for their communities.

We are the largest flexitarian company in the world with leading shares in both dairy and plant-based yogurts and beverages, which makes us confident in our ability to deliver on our commitment to serve the varied needs of people and solve the daily challenges they face when choosing foods and drinks.

COURTESY NIGYAR MAKHUMUDOVA

INSIGHT
FROM THE
BOARDROOM

IQ: *Danone's growth strategy is to focus on practices and formulations that are good for the planet. Why is this an important facet of your core brand, and what returns on investment do you see from environmentally sound practices?*

Ms. Makhmudova: We believe that healthy food depends on a healthy planet; it is our responsibility to protect and nourish both. Our approach is driven by four key ambitions: fight climate change, promote regenerative agriculture, protect water cycles and co-build a circular economy of packaging.

Specifically, climate change is a profound, systemic challenge—not in the future, but right here, right now. Danone is meeting this challenge head on by aligning to Science-Based Targets and committing to achieving net zero emissions across its full value chain by 2050. Citizens today want companies to take a leading role in combating climate change. Danone is determined to help lead an industrywide transition to a low-carbon economy.

Our zero net carbon commitment means that we are responsible for the greenhouse gas emissions from the farms where we source our ingredients to the facilities that manage packaging once our products are consumed.

Danone's strategy to achieve net zero emissions is based on reducing emissions, transforming agricultural practices, eliminating deforestation from our supply chain and investing in nature-based carbon-removal programs.

When thinking about ROI on all environmental, social and governance investments, I always invite people to unpack the sustainability. For us it is about sustaining the resilience of our business ecosystem, as well as strengthening our ability to keep investing in growth and protecting relevancy of our brands for generations to come.

IQ: *You began your career in a very different sector (working for Boots and SmithKline Beecham in the U.K., Belgium, Germany and Russia). What lessons were imparted by those early experiences, and did they influence your leadership style and approach to serving as a CGO?*

Ms. Makhmudova: Firstly, I was not planning to have a career in business. I studied to be a molecular biologist and was dreaming of working to advance science. I had also studied for a business degree and was intrigued by the possibility of applying a scientific mindset to solving business problems.

Over time, I realized that with the scale of the businesses I worked for I can make a difference and I can truly live my personal purpose—to bring positive energy to people and places I touch.

Throughout my career I always worked for companies where my personal values—family, authenticity, integrity—were intact. And that is my biggest lesson in life; you can only be happy if your personal purpose and values are in sync with those of the company and teams you work for and with.

Life is too short and hours we spend at work are too long for one to be unfulfilled at her or his job. My motto in life is very simple: Love what you do, and do what you love. **IQ**

"Nigyar impresses me because she only spends her time on topics where she knows she will have maximum impact, be it developing people or strategizing on the next growth opportunity."

—Insigniam Partner **Katerin Le Folcalvez**

COURTESY NIGYAR MAKHUMUDOVA

THE **RELENTLESS GROWTH** ISSUE

Skin in the Game

How **L'Oréal Active Cosmetics president Myriam Cohen-Welgryn** is spearheading the dermocosmetics market.

BY **COLLEEN MARBLE** PHOTOGRAPHY BY **THOMAS BALTES**

Infallible Instincts
Insiders point to Ms. Cohen-Welgryn's leadership as the catalyst for the cosmetic giant's industry-leading growth.

The dermocosmetics industry is a $51 billion market, and it is expected to grow to over $130 billion by 2030—driven in part by a rise in disposable income and the post-COVID-19 boom in e-commerce.

Nearly one-third of the world's population suffers from skin conditions and diseases such as acne, eczema, rosacea, alopecia, and the more negative and visible effects of age. In fact, they are among the most common causes of human disease. Moreover, many of the people affected say their skin condition impacts their emotional health.

Separately, a growing number of people are health-conscious consumers looking for clean beauty products and high-quality, high-performing aesthetic skin care products—the kind backed by science and the medical community.

Enter the dermocosmetics industry—a $51.10 billion market that includes products designed to support or care for the most common skin and hair concerns. The industry, which is expected to grow to over $130 billion by 2030, is driven in part by a rise in disposable income, greater social emphasis on personal appearance and the post-COVID-19 boom in e-commerce.

At the top of the dermocosmetics leaderboard is L'Oréal's Active Cosmetics Division—owner of category-leading brands La Roche-Posay, CeraVe, Vichy, SkinCeuticals and Decléor. A clear standout amongst its competitors, L'Oréal Active Cosmetics has achieved double-digit growth for the past few years. Most recently, it has outpaced the market at nearly three times the industry's 11.1% compound annual growth rate.

"We indeed have recorded an amazing 32% growth in 2021, while the momentum remains very strong in the first semester of 2022," says Myriam Cohen-Welgryn, president of the division. "Our growth acceleration is rooted in the explosion of the consumers' expectations toward health, a long-term trend which has been radically accelerated by the pandemic."

Leading in Crisis

Ms. Cohen-Welgryn had a firsthand look at how the pandemic impacted the company. She was appointed president in May 2020, at the height of the pandemic's first wave.

"I started my job as leader of the Active Cosmetics Division in the middle of a lockdown. It was a challenging time to discover the company and engage my teams across the world while also getting to understand a new company culture," she says.

Yet sales continued trending upward, and Ms. Cohen-Welgryn, standing on the shoulders of her predecessors, put her leadership skills, which were developed over the course of more than 25 years working with some of the world's top companies, in the service of accelerating this growth. During that time, she learned how to navigate a wide range of challenges, from global economic crises to political disruptions in nearly every global market.

"Leading in turmoil requires a great sense of adaptation, of creativity and resilience. It also requires taking even more care of the teams around us and of the whole ecosystem that makes us thrive," she says.

Over the past two years, that has meant

COURTESY L'ORÉAL ACTIVE COSMETICS DIVISION

Breakthrough Research
Ms. Cohen-Welgryn's Active Cosmetics Division collaborated with L'Oréal's Research & Innovation centers to develop new, cutting-edge formulations, including the patented La Roche Posay Anthelios UVMune 400 sunscreen, which uses breakthrough filtration technology to protect against the most pernicious UVA rays.

COURTESY L'OREAL ACTIVE COSMETICS DIVISION

supporting the L'Oréal Active Cosmetics team through many anxious and difficult moments. It also meant being intentional about taking care of the people who usually take care of others: namely, the doctors, nurses and pharmacists on the front lines of the pandemic. The company donated money, skin care products and hydroalcoholic gels—vital sanitizing solutions that were in high demand and short supply

Such critical support was especially impactful because of the close relationship between L'Oréal's Active Cosmetics team and the health care professionals who help develop and recommend the company's products.

"The purpose of our division is to pioneer the health and beauty industry with life-changing and sustainable dermatological solutions for all," Ms. Cohen-Welgryn says. "Our brands create products and services that help doctors accommodate their patients with skin conditions or serve consumers with demanding aesthetics needs. They contribute to improving our consumers' self-confidence and quality of life."

Making Skin Health a Top Priority

Support for staff and partners has been an essential part of how the company does business. But beyond the immediate health and business implications of COVID-19, which now ranks among the top five causes of death globally, the pandemic has also changed, perhaps irrevocably, how consumers feel about the dermocosmetic products they buy.

"It has turned the long-term consumer health trend into a core expectation in the beauty market," says Ms. Cohen-Welgryn. "Doctors' credibility was radically boosted, which naturally reinforced the relevancy of our medical business model. As consumers were looking for more health and safety, they logically turned to our recommended dermatological brands."

Among the division's success stories is CeraVe, which was acquired in 2017 and is now available in more than 40 countries.

"CeraVe is a dermatologist-developed brand—and it is the number one skin care brand recommended by dermatologists in the U.S.," says Ms. Cohen-Welgryn. "It relies on the outstanding success of its moisturizing cream and hydrating cleanser. These products are particularly relevant in COVID times, when the skin is weakened by repeated hand-washing and the use of masks." >>>

> **“What Ms. Cohen-Welgryn brings to the table is extraordinary. She possesses the ideal combination of incredible business acumen and people-driven leadership philosophy.”**
>
> **—Katerin Le Folcalvez**

But CeraVe was not the only standout brand in the company’s portfolio. Since 2021, La Roche-Posay (the division’s primary growth contributor, recommended by 90,000 dermatologists worldwide), Vichy (the brand third-most-recommended by dermatologists worldwide) and SkinCeuticals also experienced double-digit growth. Being among the top brands recommended by medical professionals gives consumers confidence that the products are not only safe but also effective.

Strengthening Professional Partnerships

Endorsement from the medical and scientific communities is a key competitive advantage for L’Oréal Active Cosmetics Division. Building on previous great leadership, Ms. Cohen-Welgryn has continued to significantly strengthen the division’s relationships with the medical community and amped up its scientific research.

“Our products are developed in partnership with health care professionals, from their conception to the demonstration of their efficacy and tolerance. Over the past two years, we increased the number of doctors that we directly reach by one-third, expanding beyond dermatologists to general practitioners and pediatricians,” she says. “Our unique portfolio of very complementary dermatologist brands at different price ranges also provides us a true competitive edge to win in our market.”

Today, the company’s medical partnerships include more than 200,000 health care professionals worldwide. It also relies on medical boards composed of experts in their domain, who help the company understand patients’ unmet needs. These partnerships are enabling L’Oréal Active Cosmetics to branch into prescription skin care products.

The division also collaborates with L’Oréal’s Research & Innovation centers to develop new formulations that are on the cutting edge of dermocosmetic technology. This includes the patented La Roche Posay Anthelios UVMune 400 sunscreen, which uses breakthrough filtration technology to protect against the most pernicious UVA rays.

Ms. Cohen-Welgryn’s inclusive approach has caused many in the industry to take note.

“What I have observed about Myriam is her innate ability to listen—and to listen to anyone who is in the room, from the intern to the executive committee member,” says Insigniam Partner Katerin Le Folcalvez, who is familiar with the impact Ms. Cohen-Welgryn has made at L’Oréal.

“What makes Ms. Cohen-Welgryn unique is her authenticity,” Ms. Le Folcalvez continues. “A long time ago, this authenticity would be considered disruptive, and now many people are keen to emulate her approach, especially in industries where consumer experience and engagement are key.”

Ms. Cohen-Welgryn’s distinct approach not only benefits cross-collaboration with internal and external stakeholders, it has also moved the needle in regard to new product formulations.

"We develop the right clinical studies to demonstrate our products' unique efficacy and generate competitive claims for new products," explains Ms. Cohen-Welgryn. "As a perspective, over the past two years we have almost doubled the division's scientific publications."

These medical and scientific partnerships are a key factor in the company's international expansion. "We benefit from our expertise in dermocosmetics and our strong health professional partnerships in all our key countries," she says. "And we regularly renovate our brand's biggest franchises to improve our product performance with the most advanced research."

Appealing to Young Consumers

Beyond consumer demand and R&D, L'Oréal Active Cosmetics makes the most of modern marketing techniques that appeal to the growing market segment of Gen Z consumers, such as collaborating with derm influencers on platforms like TikTok.

According to Statista, shoppers ages 18 to 24 say skin care is the product category they spend the most on, with the average spend for a single product ranging from $21 to $50. In addition, 57% of Gen Z shoppers say they take their skin care routine seriously—a percentage only slightly below that of older millennials.

Those numbers may be proof that you do not need to reach a certain age before you care about quality dermocosmetics products. But they also point to the strong influence that social media and other digital tools have on consumer behavior among younger shoppers. In fact, 44% of Gen Z shoppers say they get beauty and grooming product ideas and inspiration from social media channels, followed by internet searches (40%).

Knowing this, L'Oréal Active Cosmetics made a concerted effort in 2021 to connect with younger consumers through digital apps and other online marketing efforts. It also held a number of online conferences and training sessions in order to engage with medical providers, who would be key to connecting the dots with consumers.

"The brand encountered a strong success with Gen Z consumers who were engaged by our digital, medical and beauty 'key opinion leader' advocacy campaigns," says Ms. Cohen-Welgryn.

In addition, the growth of e-commerce since 2020 has created new opportunities to engage with net-savvy consumers such as millennials and Gen Z. In 2021, for example, the division saw a 42.7% increase in e-commerce.

To allow consumers to still buy their products and succeed with e-commerce during a global crisis, the division had to respond to a rapidly changing digital marketplace. "I was very impressed by the incredible sense of adaptation of my teams who were able to leverage our competitive digital edge to reinvent many elements of our model, including medical advocacy and e-commerce, which boomed during the pandemic and now represents about one-third of our business," says Ms. Cohen-Welgryn.

Navigating the Future

There is no question that L'Oréal Active Cosmetics succeeded at a time when many companies failed. Every sector saw average sales volumes dip by as much as 45% during the first year of the pandemic—precisely when the division was experiencing record growth.

"The challenge we now face is our ability to fast adapt our production capacity to this rocketing demand. This is all the more true as the current political crisis is generating many supply chain disruptions," Ms. Cohen-Welgryn says.

From Ms. Le Folcalvez's perspective, L'Oréal Active Cosmetics is poised to continue its industry-leading growth and innovation under Ms. Cohen-Welgryn's leadership.

"What Ms. Cohen-Welgryn brings to the table is extraordinary," says Ms. Le Folcalvez. "She possesses the ideal combination of incredible business acumen and people-driven leadership philosophy."

Ever the servant leader, Ms. Cohen-Welgryn attributes her success to those around her.

"Our recipe is based on the strength of our relationships with health care professionals, our digital expertise and ability to advocate and activate the brands in the right communities, and our tremendous international reservoir of growth. Last but not least, we have an amazing team. There is no such thing as a great success without great teams." **IQ**

BIO: Myriam Cohen-Welgryn
President, Active Cosmetics Division L'Oréal

Myriam Cohen-Welgryn began her career as a brand manager at Procter & Gamble. After seven years at P&G, she moved to PepsiCo, where she held a series of marketing director positions. From there, she joined Danone as a general manager and eventually became responsible for leading the environmental transformation of the Danone Group.

In 2012, Ms. Cohen-Welgryn joined Mars as president of Mars Petcare and Food France; she later served as regional president of Pet Nutrition Europe. In May 2020, she became president of L'Oréal's Active Cosmetics Division, where she has leveraged her brand development, portfolio management, operational business unit management and international experience to accelerate the division's growth and profitability.

Growth is easy to chase and hard to deliver.
Does your organization have what it takes to achieve it?

READY, SET, ASSESS

BY **NATHAN OWEN ROSENBERG** ILLUSTRATION BY **SEAN MOSHER-SMITH**

SEEKING GROWTH?

Chances are that you answered this question with a resounding "Yes!"

That said, if your desire is to create steady, lasting momentum—quarter after quarter, year over year—then it would be wise to first assess whether your business has conditions for growth in place.

In a recent KPMG survey, 72% of 400 CEOs in the U.S. said that growth was the key to their companies' health—higher than any other factor. A scan of the most recent annual executive surveys from each of the big four accounting firms—Deloitte, Ernst & Young, PricewaterhouseCoopers and KPMG)—reveals that, while the growth of the respondents' businesses is a top priority, their level of confidence in achieving it is unclear, with the firms coming to contradictory conclusions.

It seems meaningful growth remains elusive for the vast majority of executives and enterprises. Consider this: In the last decade, beginning in 2010, only one in eight companies achieved more than 10% revenue growth annually. Beyond that, growth rates for the world's largest companies shrank. And that was before the challenges of the COVID-19 pandemic, major supply chain disruptions, swings in exchange rates and the strength of the dollar, the great resignation, U.S.-China tensions, inflation, chip shortages, and the Russian invasion of Ukraine.

More recently, only about 80 companies in the S&P 500 have sustained annual growth of 15% or greater over any five-year period in the last decade. The number of S&P 500 stocks with a 15% annual growth rate has dropped from 325 to 250 in the same period. So perhaps the better question is this: "Are you ready to grow?" To answer this question, there are **three key conditions to assess:**

1. **Metrics are critical.**
   (But only the right metrics.)
2. **It all comes down to people.**
3. **Capability and capacity matter.**

Most importantly, executives must shift their mindset to a different paradigm for growth if any of these conditions are to take root.

The Power of Paradigms

In *An Incomplete Guide to the Future*, engineer and futurist Willis Harman described a paradigm as the basic way of perceiving, thinking, valuing and doing.

The futurist Joel Barker defines a paradigm as "a framework of rules within which problems are solved."

In *Powers of Mind*, economics commentator George Goodman (who wrote under the pseudonym Adam Smith) describes a paradigm as how we perceive and make sense of the world. The paradigm explains the world to us and helps us predict its behavior. Like water to fish and air to the birds, our paradigm is transparent to us. Mr. Goodman writes, "When we are in the middle of a paradigm, it is hard to imagine any other paradigm." To put these three definitions together: **A paradigm is a mental model of reality within a specific discipline (often mistaken for reality itself) that does two things:**

1. **It establishes and defines boundaries.**
2. **It tells us how to act and interact inside those boundaries to be successful.**

Markets and Organizations Are Complex Adaptive Systems

A philosopher might say that you and I think, perceive and work as if we were in a Newtonian-Cartesian paradigm. That is, our likely paradigm is that our organizations, our businesses and the people who work in them, and the markets in which they compete are linear, rational and orderly—and that they would be predictable if only we had enough data and the right algorithms. In managing and in making and executing strategy, we think, perceive and act in terms of cause and effect. Think of billiard balls on a pool table. This is a big problem!

"Many businesses that believe their products are lacking often churn out one relatively benign market survey after another . . . Henry Ford said it best: 'If I had asked people what they wanted, they would have said faster horses.'"—Nathan Owen Rosenberg

Markets—and the companies competing in these markets—are not linear, rational and orderly. Psychologist Amos Tversky and his Nobel Prize-winning partner, psychologist Daniel Kahneman, refuted the notion of the rational consumer and investor, which was the death knell for orderly, rational markets. Less-than-rational actors—you, me and the people with whom we work—make up our organizations. Indeed, life itself is a major source of complexity.

Our businesses and the markets in which we compete can be more accurately, and more powerfully, viewed as *complex adaptive systems*. A fundamental principle of these systems is that they are, by their very nature, unpredictable. There are so many unique, independent actors making decisions based on limited knowledge. Making predictions in an unpredictable system is sure to be frustrating.

Complex adaptive systems are self-organizing, and if we try to control one it will die. To be effective and perform in such a system, we need to abandon cause and effect and think in terms of *emergence*.

Economist Jeffrey A. Goldstein defined emergence as "the arising of novel and coherent structures, patterns and properties during the process of self-organization in complex systems." Emergence is a way of looking beyond parts and observing properties and behaviors of the whole system that none of the individual parts show.

To perform effectively inside a complex adaptive system, we must start by looking from the outside in; that is to say, we look at the marketplace with one eye on our business, our customers, our competition, our suppliers, our capital sources and other relevant participants—all inside the market. We observe the behavior of the total system and watch for patterns to emerge as we act. We then put in place the particular conditions that we think will produce the desired results, and then watch to see what patterns emerge. Then we put in place another set of conditions that are appropriate for what has emerged.

Conditions for Growth

After we have shifted our paradigm and view our company—and the markets in which we operate—as complex adaptive systems, **we are left with new questions:** >>>

What Sodexo essentially did was lay the groundwork for growth by creating a corporate culture centered on the issues people truly care about. In doing so, it also created a culture of accountability.

1. What conditions will likely **pull for the growth of our business in the market**?
2. What conditions will likely **pull the customer in our direction**?
3. What conditions will likely **pull customers away from the competition**?

While it is impossible to be prescriptive about which conditions are needed for your business to grow and sustain that growth, there are three conditions that are likely to support your company's growth.

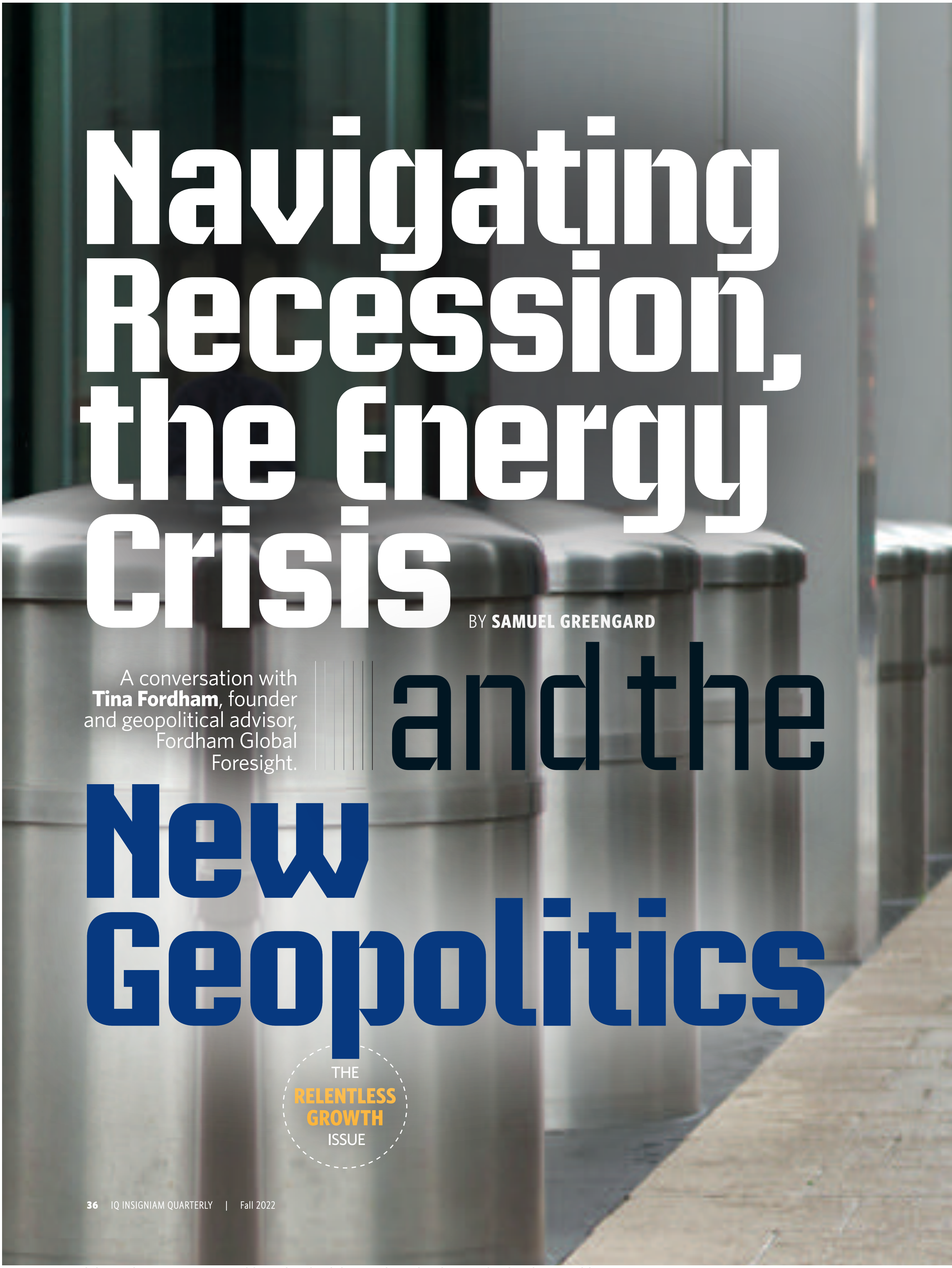
Metrics—the Right Metrics—Are Critical

Executives must first understand the right metrics to align on, commit to and monitor to determine if their companies are primed for growth—and that these indicators are not one-size-fits-all. There is no single metric—or set of metrics—that applies to the needs of every business, not even for competitors in the same market. Executives need a dashboard that employs a range of measurements to create a snapshot of the marketplace and not simply watch the top or bottom line.

Leading indicators should be measured, even if those measurements are not exact. Innovation in metrics can be a source of competitive advantage. Using the same measurements as your competition is likely to give you similar results. I can recall a specific example that impacted a division within America's then-largest mortgage underwriter, which sold to and served real estate developers. Revenues essentially moved in lockstep with the drift of new home sales. I suggested to the general manager that if they began to measure and display the number of actual conversations with developers, revenues would grow. While he was skeptical, he agreed to experiment for six months. In that period, the growth in revenue from new home projects exceeded new home sales growth by 14%. *Conversations with developers* is now a part of their management dashboard.

It All Comes Down to People

To grow effectively, we must prepare the people in our companies to take on roles and responsibilities that are needed in the growing companies. In other words, for our company to grow, you, I and our people must grow. In particular, we need to empower the people who are closest to the market to make choices and to



Navigating Recession, the Energy Crisis and the New Geopolitics

BY **SAMUEL GREENGARD**

A conversation with **Tina Fordham**, founder and geopolitical advisor, Fordham Global Foresight.

THE **RELENTLESS GROWTH** ISSUE

Ms. Fordham is a geopolitical strategist and advisor working at the intersection of geopolitics, financial markets and the drivers of social change.

"We're in the teeth of the crisis right now. So far, U.S. and European leaders have been decisive, and I believe they have taken the right steps. Sending arms to Ukraine is a very clear signal to Russia that further violent incursion into neighboring countries won't be tolerated; they will be met with major resistance."

—Tina Fordham

Volatility, uncertainty, complexity and ambiguity (VUCA) have introduced enormous challenges for businesses large and small. Current events—ranging from the pandemic and supply chain problems to the ongoing conflict in Ukraine and its ripple effect on energy supply and inflation—have created a web of complexity.

Tina Fordham's mission is to make sense of geopolitical risk. She has spent more than 20 years advising senior leaders around the globe. She also is a member of international advisory boards for the Columbia University School of International and Public Affairs in New York City and the Centre for Geopolitics at the University of Cambridge in the U.K..

In addition, Ms. Fordham counsels Britain's Ministry of Defense and serves on advisory committees addressing diversity and inclusion for the International Business and Diplomatic Exchange. The London-based advisor appears regularly on television networks such as Bloomberg, CNBC, CNN and the BBC.

IQ recently spent some time with Ms. Fordham and asked her to provide some perspective on today's geopolitical uncertainty. Here is what she had to say.

IQ: *As a leading expert on Russia and someone who has spent time there, what are your thoughts about Vladimir Putin's actions in Ukraine and their impact on global instability?*

Ms. Fordham: I believe that a lot of investors and decision-makers have made the mistake of looking at what is happening in Russia through the lens of commercial and economic logic. Yes, Putin's invasion of Ukraine is a tragic error—and a costly one on many levels.

A bigger point is that the invasion is a transformational political event. Every type of power dynamic and multilateral agreement—the Belt and Road Initiative, grain shipments, debt dynamics, energy and arms deals—has been impacted by this transformational event. We're only beginning to see the reverberations.

IQ: *How has this affected the global investment community?*

Ms. Fordham: We're now in the realm of second- and third-order effects rippling out of the invasion. I have previously stated that the conflict was underpriced by the markets and the investment community. Market participants were viewing it as a limited regional event, like what has taken place in

PREVIOUS SPREAD, JEFF GILBERT/ALAMY; ABOVE, COURTESY TINA FORDHAM/FORDHAM GLOBAL FORESIGHT

PREVIOUS SPREAD, JEFF GILBERT/ALAMY; ABOVE, COURTESY TINA FORDHAM/FORDHAM GLOBAL FORESIGHT

Iraq, Afghanistan, Libya and Syria. In reality, it's a transformational geopolitical event that has impacted the global economy.

We see this in high oil prices and increases in the cost of food. These disruptions will be around for quite some time. However, many investors are still downplaying the duration and severity of this crisis. They thought Putin was looking for short-term gains and would soon come to the negotiating table to make a deal. Unfortunately, there won't be any short-term resolution. This event will have a long-term seismic impact on the world scene.

IQ: *Are there other geopolitical issues that are falling below the radar?*

Ms. Fordham: The biggest one is the potential for Russia to become a rich failed state. Despite being subjected to the strongest economic sanctions in modern history, it continues to sell oil and gas on the international market, and it retains its nuclear weapons capabilities. The question now is: Will Russia become a giant North Korea or Iran with nukes, rare earth minerals and other valuable commodities that continue to make it an influential country? I don't think we have spent enough time focusing on how this crisis will unfold. Most of the business leaders I speak with sound a bit like Neville Chamberlain hoping that World War II would be over by Christmas.

IQ: *How do you see all of this playing out with regard to the global economy, inflation and the risk of a recession?*

Ms. Fordham: The first step is to admit that we're in a place with the global economy we have never visited before. There's a post-pandemic growth hangover that has led to inflationary trends and the need to raise interest rates. This in itself is significant. Factor in massive geopolitical disruption and second- and third-order effects, such as the possibility of a market debt crisis combined with a slowdown in the Chinese economy, and suddenly it's obvious that we don't have a precedent.

IQ: *How does this impact organizations and the way business leaders think?*

Ms. Fordham: Unfortunately, collective amnesia and normality bias are the norm. Many business leaders believe we should wait for the dust to settle, and then things will become clearer and everything will return to normal. I don't see how that's possible. I'm not suggesting a chaotic world of gloom and doom. It comes down to what actions governments and business leaders take. >>>

Risk Manager
According to Ms. Fordham, many global companies have subcontracted political risk, wherein they depend entirely on subject matter experts to guide them. In order to improve their political IQ, Ms. Fordham advises organizations to adopt a more forward-thinking and comprehensive business-planning framework at the board level.

BIO: Tina Fordham

Founder and Geopolitical Advisor, Fordham Global Foresight

As the first chief global political analyst on Wall Street and previously **head of global political risk at Eurasia Group**, Ms. Fordham has over **20 years of experience advising senior leaders**—from prime ministers and three-star generals to the C-suite, institutional investors and the United Nations—about the implications of global political, security and socioeconomic developments. **In 2022, she founded Fordham Global Foresight**, an independent consultancy.

Unfortunately, we're in the teeth of the crisis right now. So far, U.S. and European leaders have been decisive, and I believe they have taken the right steps. Sending arms to Ukraine is a very clear signal to Russia that further violent incursion into neighboring countries won't be tolerated; they will be met with major resistance. However, we're still left with this situation, and business leaders must think about new tools and approaches for dealing with it. There's an old Latin proverb that says, "Fortune favors the brave." Louis Pasteur added, "But chance favors the prepared mind." That's where we are right now.

IQ: ***Do you have any advice about how business leaders can improve their ability to analyze and act in this environment?***

Ms. Fordham: A problem is that many companies have subcontracted political risk. They depend entirely on subject matter experts to guide them. They parachute them in, and then the expertise gets lost in the shuffle. In order to improve their political IQ and their ability to manage both short-term and long-term change, there's a need to adopt a more forward-thinking and comprehensive business-planning framework at the board level. It's crucial to discuss issues, create plans and operationalize strategies to deal with political, social, economic and security impacts.

Another problem is that private equity has never focused much attention on political risk. In the past, everything has been strictly transactional. That's no longer possible. Nothing is apolitical. Whether it's housing or agriculture, there are political ramifications—particularly at a time of shrinking growth. So you have to be more creative about finding new areas for growth while also thinking about how to limit your downside risk.

IQ: ***What are your thoughts about how companies can continue to pursue aggressive ESG goals in an environment of geopolitical and economic instability?***

Ms. Fordham: This crisis has challenged many perceptions. For instance, Germany recently fired up coal power plants. On the other hand, people argue that this is the perfect time to overcome dependence on fossil fuels and the Russian petrostate. It's difficult to know how this will play out, but between climate change and Russia's invasion of Ukraine, organizations and society must ask: Are we going to get more serious about climate change or not?

There's another ESG issue here. It's important to use accounting standards or some other mechanism to identify

COURTESY TINA FORDHAM/FORDHAM GLOBAL FORESIGHT

> **“Everything starts with business strategy and what objectives a company has in a certain market. When I discuss this topic, I often get some surprised looks. That’s because black swan planning—which focuses on identifying unpredictable but high-impact events—is incredibly rare in the corporate world.”**
>
> **—Tina Fordham**

reputational risks. Many businesses were left scrambling over the public pressure to exit Russia. We could see the same thing happen with China.

Underneath all of this is a need to examine ethics and values. We previously haven’t witnessed discussions about ethics and investing globally. This, in addition to controversial political issues in the U.S. and elsewhere, is putting companies in the uncomfortable position of having to take a political stand.

IQ: *You have said in the past that business leaders and investors often ask the wrong questions. What should they be asking?*

Ms. Fordham: Everything starts with business strategy and what objectives a company has in a certain market. The goal is to avoid surprises. When I discuss this topic, I often get some surprised looks from business leaders. They are at a complete loss. That’s because black swan planning—which focuses on identifying unpredictable but high-impact events—is incredibly rare in the corporate world.

The Russian invasion of Ukraine was not a surprise. Brexit was not a surprise. Trump’s victory was not a surprise. It’s critical to realize this. And yet, when I place a 30% or 40% probability on such events transpiring, it’s characterized as a tail risk and ignored.

But over the past 15 years, tail risks have had a major impact on business and everyday life.

What does this mean? You have to stress-test against plausible risk. It’s a much bigger and more realistic set of concerns and considerations. It’s also important to focus on timing, which is the most difficult aspect to get a handle on. However, it’s possible to make reasonable assumptions about things and have some sense of what could happen. The goal is to account for volatility and uncertainty and build fluidity into a planning process.

IQ: *Any final advice for business leaders?*

Ms. Fordham: There’s a need to think differently about revenue and risk. It’s important to look at how various economic and social drivers—the intersection of geopolitics—can and will affect businesses.

Today, most data is focused on historical trends and patterns. We need to develop more systematic ways to understand where various combinations of factors will take us. History doesn’t repeat itself, but it does rhyme.

In this environment, leaders must plan for more friction, more disruption and more volatility. At the same time, there are huge opportunities for those who adopt a more systematic and holistic view of events and transform this into strategic thinking. **IQ**

Policy Powerhouse
Pictured alongside former British prime minister Theresa May, Ms. Fordham advises Britain’s Ministry of Defense. She is also a member of both the Equality, Diversity and Inclusion Advisory Group and the Economic and Commercial Diplomacy Advisory Group with the International Business and Diplomatic Exchange.

COURTESY TINA FORDHAM/FORDHAM GLOBAL FORESIGHT

Andrea Montagna consistently generated growth as head of the company's Italian division, priming him for the chief executive role.

Q&A FRESH THINKING

THE **RELENTLESS GROWTH** ISSUE

Bonduelle Fresh Americas **CEO Andrea Montagna** on how to achieve consistent growth within a sector challenged by climate, commoditization and growing competition.

BY **JON BALL**

Q&A

Although every CEO and business leader aspires to deliver it, driving sustainable, inclusive growth requires the right mindset, strategy and capabilities—yet growth often remains elusive. **Between 2010 and 2019, only one in eight companies achieved more than 10% revenue growth annually**.

One executive to crack the code is **Bonduelle Fresh Americas CEO Andrea Montagna**, who assumed the chief executive position in August 2021. Prior to that, Montagna oversaw the Bonduelle division in Italy, where he was credited with "increasing profits in his two years at the helm," according to the company.

When Bonduelle ended its fiscal year in 2021, the company reported $3.2 billion in revenue, of which it attributed $1.7 billion to its non-European operations. With more than 3,200 employees, Bonduelle Fresh Americas runs four processing facilities in the U.S. that focus on prepared meal solutions, fresh vegetables and salads for the Americas market under the Ready Pac Foods brands.

Recently, *IQ* sat down with Mr. Montagna to gain perspective and insight on how to catalyze consistent growth—particularly in an increasingly unstable global business environment. >>>

ALL PHOTOGRAPHY COURTESY ANDREA MONTAGNA/BONDUELLE FRESH AMERICAS

“We operate in a very low-margin market, which means you cannot grow if you do not improve your manufacturing and operational excellence. A substantial component of our strategy is a laser focus on industrial competitiveness.” —Andrea Montagna

IQ: *Prior to assuming the chief executive role, you made a tremendous impact leading the Bonduelle Italy division and increased profits for two consecutive years. What unique growth challenges are present in the food processing sector, and how were you able to overcome those challenges and catalyze your teams to achieve consistent growth year after year?*

Mr. Montagna: The challenge we faced in Italy, which is similar to the one here in the U.S., is that food is a commodity. Overcoming that hurdle has essentially been the secret of our success. Bonduelle Fresh Americas has been able to move away from commoditization due to the focus and investment we have made to change the positioning of our brand.

IQ: *How so?*

Mr. Montagna: We began by advertising our brand differently, and we targeted a different consumer. Previously, the majority of our customers were interested in their own private white-label business. This is true of both the Italian and U.S. markets, where we provide both branded and private-label options. However, in order to move away from commoditization, we had to invest in our brand, and focus less on price, which is the primary economic driver within the white-label business.

IQ: *What strategic investments did you make when deciding to position the brand in the U.S. front and center in the fresh-packaged food space?*

Mr. Montagna: Quality. Our immediate focus was to go above and beyond on quality. This meant investments in additional checks and protocols to ensure that quality remained at the forefront of our business. While consumers have appreciated the quality of our products for years, we know trust can be easily lost. In food service, for example, consumers are trusting you with their well-being and that of their families. Therefore, quality for them becomes imperative. As a starting point, we want consumers to always connect our products and our brands with the highest standards of quality.

IQ: *What is your approach to maintaining a focus on quality—which amounts to a substantial investment within the company—as operational expenses rise in a traditional low-margin market such as the fresh foods sector?*

Mr. Montagna: We operate in a very low-margin market, which means you cannot grow if you do not improve your manufacturing and operational excellence. A substantial component of our strategy is a laser focus on industrial competitiveness.

To achieve this, we focused on automation in order to right-size our food production and preparation plants to reflect market demand. Our industrial capabilities were refocused to respond and adapt to new market trends. And, in doing so, we invested in automation to drive down cost. So it is possible to be cost-minded without losing sight of quality, which must at all times be paramount for our brand, especially in such a competitive market.

IQ: *Speaking of refinements to your* >>>

BIO: Andrea Montagna
CEO
Bonduelle Fresh Americas

Andrea Montagna joined Bonduelle Fresh Americas in August 2021, bringing **more than 20 years of experience in growth-focused businesses**.

Prior to joining **Bonduelle Fresh Italy** as a commercial director in January 2017, Mr. Montagna was GM for **Bolton Group** in Milan, and previously worked for 11 years with Henkel, based in Italy, Germany and the U.S.

Mr. Montagna holds a bachelor’s degree in business from Università Commerciale Luigi Bocconi and a master’s degree in international business from the University of Cologne. A theater and movie buff, he is fluent in Italian, English and German.

ALL PHOTOGRAPHY COURTESY ANDREA MONTAGNA/BONDUELLE FRESH AMERICAS

manufacturing process and enhancements to your brand, what is your approach to enroll multidisciplinary teams around huge initiatives within the company?

Mr. Montagna: Corporate culture is our biggest competitive advantage, in my opinion. You must first break down silos where they exist—which I found were somewhat prevalent within our U.S. operations when I assumed the chief executive role. My focus has been to spur greater collaboration by connecting cross-functional teams, leaders and executives.

IQ: *Were you able to pull from your experience leading Bonduelle Italy?*

Mr. Montagna: Absolutely. In Italy, I insisted that people from all different functions come visit our food processing plants. The intent was to show them firsthand what we mean when we speak about quality—which is what our customers and consumers demand from us. I also made sure our logistics and supply chain teams understood our marketing, sales and branding verticals. This was explicitly done to eliminate silos, but it also greatly aids in getting people aligned and bought-in to working collaboratively and cross-functionally, which is imperative to our overall strategy. Far too often I'd hear instances of supply chain and sales teams, for instance, blaming one another for a perceived breakdown in process or execution without actually working together to solve for the question at hand.

To overcome this, strong communication is critical. Once sales can understand the challenges facing logistics teams—and how that impacts supply chain and quality assurance—people begin to see the world expand before their eyes, and they begin to work more collaboratively to solve for issues impacting the entire business. But most importantly, everyone must have the end consumer—and a commitment to providing that consumer with a product of unrivaled quality—in mind.

IQ: *Does this spirit of collaboration and cohesion within Bonduelle Fresh Americas extend to your external business partners as well?*

Mr. Montagna and his team were present at Insigniam's Executive Summit earlier this year.

> **"For me, the easiest thing to do was to begin by asking questions. My personal belief is that if the CEO is asking questions that prompt others to be inquisitive, walls and silos begin to erode. When people start to investigate new solutions and think differently, they unknowingly move beyond their convictions about what is true or possible."** —Andrea Montagna

Mr. Montagna: Very much so. It's critical not to become overly myopic even when you're breaking down walls. For example, I took our marketers to meet directly with growers, which was eye-opening for both groups. The marketers were able to communicate consumer trends, while growers were able to look at how they grow and produce yield in a different way. Most importantly, though, both of these very disparate groups were united by a common element: They're both passionate about serving consumers who buy and enjoy our products.

IQ: *I'm sure the cultural divide between the U.S. and Italian teams you've led is broad. After finding such impressive success in Europe, how did you prime yourself for success after being tapped to run Bonduelle Fresh Americas?*

Mr. Montagna: For me, the easiest thing to do was to begin by asking questions. My personal belief is that if the CEO is asking questions that prompt others to be inquisitive, walls and silos begin to erode. When people start to investigate new solutions and think differently, they unknowingly move beyond their convictions about what is true or possible.

In some respects, it also helped that I'm a foreigner and was allowed to ask all types of questions. But beyond that, when a leader or executive assumes they already know how to solve a problem or address an issue because they achieved some measure of success in a different part of the business, they are often met with less than favorable results.

IQ: *Along with operational excellence, what role does product innovation play in driving long-term, sustainable growth?*

Mr. Montagna: Well, since the invention of fresh-cut salad—and the bowl—you could say not that much innovation has happened [laughs]. That said, the crux of our focus on innovation has been to leverage our capacity to bring fresh food to market in a more efficient way, as well as creating meal solutions for breakfast, lunch and dinner. It's also critical to understand where not to invest. >>>

> **"All our products are farmed from vegetable plants, and we do see the effect of climate change. In some cases, we've seen reductions in crop yields, and environmental impacts are driving us further and further toward sustainability. To address this, Bonduelle is pursuing B Corp certification, which signifies the highest verified standards of social and environmental performance and public transparency to balance profit and purpose."** —Andrea Montagna

For example, many companies are investing in snack foods, which does not represent a growth opportunity for our business since it's already quite a crowded space.

IQ: *Amid this, how has Bonduelle been affected by the ongoing impacts of the labor shortage, especially here in the U.S.?*

Mr. Montagna: Yes, we have been severely impacted, as have many different enterprises. A colleague asked me if anything keeps me up at night, and my answer is always the same: hiring.

When I first assumed the CEO role, we didn't have enough workers in our plants. We were also lacking people within our corporate offices. It was extremely difficult to hire, and turnover rates were extremely high. So we started asking questions of our employees: for instance, what was important to them—why were they leaving?

When it came to our front line workers, for instance, many were leaving because of scheduling challenges; they were unable to take off work for two consecutive days, which prevented them from having quality time with their families. So we completely restructured our manufacturing schedule in order to meet the food safety standard on time, and to alternate shifts so that employees are afforded consecutive days off. We also increased our wages and organized regular town-hall meetings to get direct feedback from our teams, which allows us to be agile and respond to the needs of our workforce without compromising the quality of our product.

IQ: *As we know, today's consumers care just as much about environmental, societal and corporate citizenship issues as they do brand loyalty and product quality. Can you describe the Bonduelle Fresh Americas strategy for positively impacting people, food production and even the planet?*

Mr. Montagna: This is a key pillar of our strategy because, as you mentioned, this is a

strong requirement for a consumer. Bonduelle is a seventh-generation family-owned business, and sustainability has been one of our core tenets long before it was in fashion.

All our products are farmed from vegetable plants, and we do see the effect of climate change. In some cases, we've seen reductions in crop yields, and environmental impacts are driving us further and further toward sustainability. To address this, Bonduelle Fresh Americas is pursuing B Corp certification, which signifies the highest verified standards of social and environmental performance and public transparency to balance profit and purpose.

We are anticipating reaching B Corp certification by the end of our fiscal year. In the meantime, our actions continue to focus on making our positive impact on people, planet and food with programs driving inclusive hiring, environmentally friendly manufacturing processes, water and waste management, plastic reduction, and so on.

IQ: *What advice would you have for other executives who share your perspective, but perhaps are unsure how to put it into action?*

Mr. Montagna: I think that we—as individuals—may sometimes underestimate the role that we have and the ability we have in changing the direction of a company. I joined Bonduelle Fresh Americas because we need to elevate the brand and restructure the company in order to respond to pressing challenges, both internal and external. I also believe that people today must identify with the vision of a company for the work to make a resounding impact. My advice would be to ask questions and make an investment in growing collaboration across an organization.

If you tell people that things are going to change, you must enroll the hearts and minds of those we lead. The only way to do that is to be transparent, and that's when we begin to work and think differently. All of these steps lead to more engaged teams, which typically deliver better financial results. **IQ**

Mr. Montagna frequently brings corporate teams to meet with farmers and growers directly, to better understand specific needs and concerns throughout the supply chain.

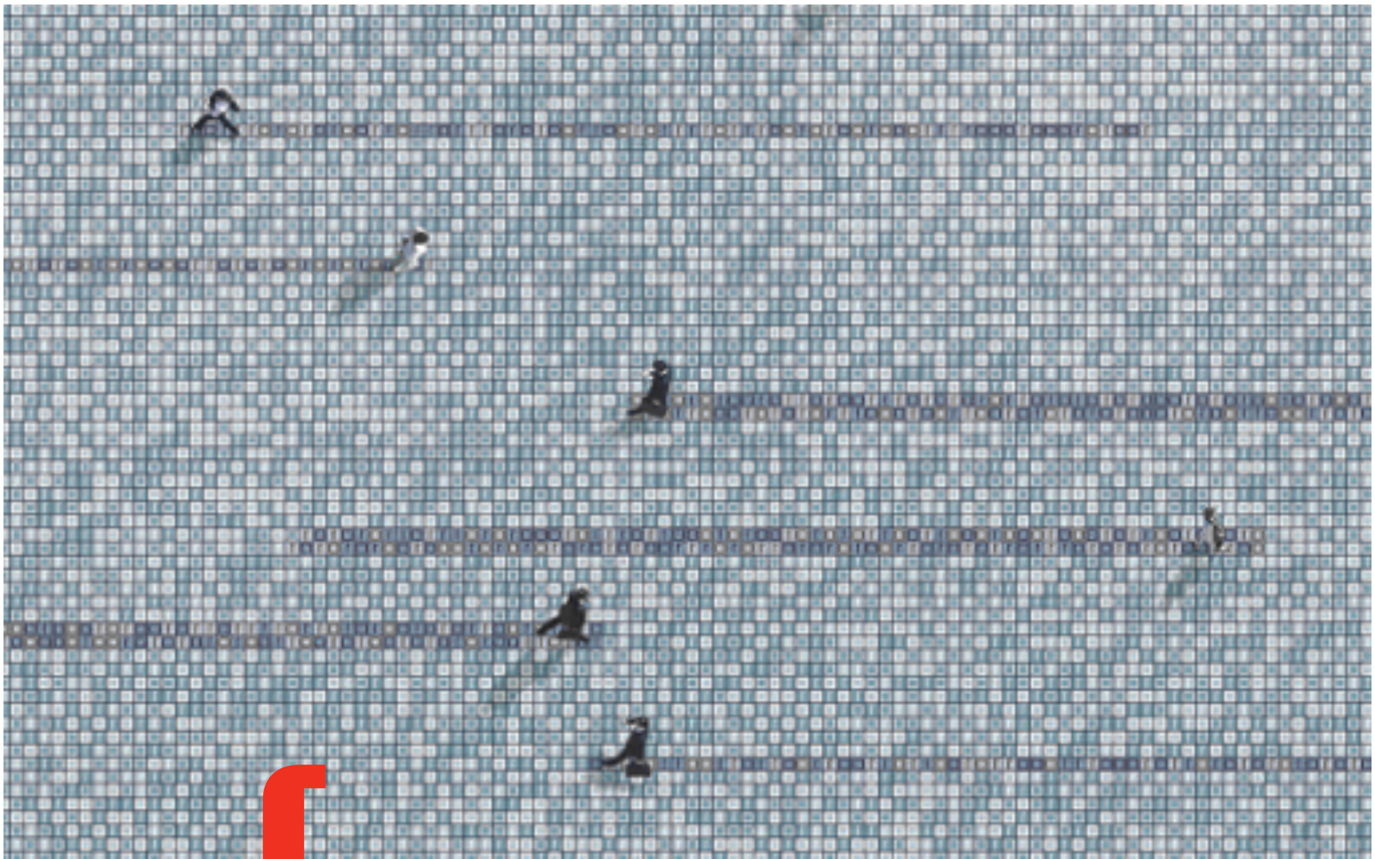
THE RELENTLESS GROWTH ISSUE

AI NOW

For **business leaders who crack the code**, the results can be breath-taking.

BY **SAM GREENGARD**


Although AI is not new, machine learning and deep learning play an increasingly prominent role in diverse areas, including autonomous robotics, medical diagnostics, natural speech, machine vision and cybersecurity.



Every advance in digital technology introduces an opportunity to leap ahead of competitors. When business leaders get the formula right, the results can be breathtaking. Productivity grows, costs drop and innovation ensues. In a best-case scenario, the outcome can disrupt an entire industry or marketplace.

Nowhere is this fact more apparent than with artificial intelligence (AI). Although AI isn't new—it has been around in one form or another for decades—the technology and its subsets machine learning (ML) and deep learning (DL) play an increasingly prominent role in diverse areas, including autonomous robotics, medical diagnostics, natural speech, machine vision, digital twins and cybersecurity, to name a few.

What's more, an entirely new and more powerful generation of AI is rapidly taking shape. Advances in computing power, cloud frameworks and software are introducing possibilities and capabilities that were beyond the horizon only a few years ago. For example, it's now possible to board a plane with only a face scan, buy custom-designed clothing through an interactive app on a smartphone and use a chatbot to answer a question or resolve a problem.

Today, AI is at the center of strategic growth for businesses large and small. Andrew Ng, a computer scientist and thought leader in the field of AI, has stated, "It is difficult to think of a major industry that AI will not transform. This includes health care, education, transportation, retail, communications and agriculture. There are surprisingly clear paths for AI to make a big difference in all of these industries."

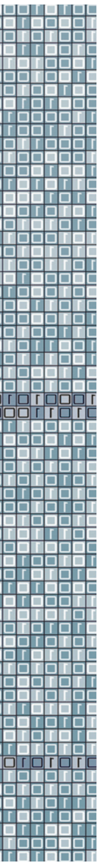
AI Means Business

AI's imprint on society is increasingly apparent. It has fundamentally changed the way people interact and transact in both physical and virtual spaces. It makes it possible to use real-time navigation, ride-sharing and delivery services. It has altered the way engineers design high-rise buildings, roads and bridges. Meanwhile, airlines use AI to manage enormous fleets of aircraft and adapt to mechanical and weather-related issues in real time.

Nearly every corner of the modern enterprise is touched by AI, and many of the largest organizations utilize it for a variety of needs. For instance, Alphabet recently acquired Deep Mind, an AI firm whose programs have learned to diagnose eye diseases as effectively as the world's top doctors, as well as to save 30% of the energy used to keep Google's data centers cool, and to predict the complex 3D shapes of proteins—which could one day transform the way drugs are invented.

Additionally, Microsoft is integrating AI into all of its products and services, including Cortana, Skype, Bing and Office 365, and is one of the world's biggest AI as a Service (AIaaS) vendors.

PREVIOUS SPREAD, IMAGINIMA/GETTY IMAGES; ABOVE, HIROSHI WATANABE/GETTY IMAGES



The ability to sort through mountains of data and then act on it with little or no human intervention is nothing less than disruptive. Yet today's AI extends far beyond putting data to work in new and useful ways and simply automating machines and systems. AI can increasingly "perceive" and "think" on par with humans, and also handle tasks that lie outside the scope of human ability—such as spotting imperceptible manufacturing flaws through computer vision or managing a city's entire network of traffic lights to improve traffic flow.

No technology represents AI better than digital twins. These virtual systems, which create realistic computer models of real-world products—everything from wind turbines to jet engines—are an order of magnitude more advanced than computer simulations. They can use data streaming in from connected sensors and other sources to generate an actual virtual replica—or twin—of a physical device. AI can then analyze the data, physical attributes, weather, temperature, energy output, vibration and countless other factors, and deliver deep insights into performance, maintenance and failure.

In fact, AI is at the center of the Fourth Industrial Revolution—aka Industry 4.0. It ties digital technologies such as robotics, analytics, nanotechnology, quantum computing, wearables, the Internet of Things (IoT), additive manufacturing (3D printing) and advanced materials science to enable the creation of smart factories, smart business networks and even smart cities. AI does not only combine these technologies for incremental gain; it unleashes new and potentially radical capabilities. As Microsoft CEO Satya Nadella puts it, AI is the "defining technology of our times."

Weighing AI Risks and Rewards

Business leaders increasingly recognize the power of AI to reinvent the enterprise. A 2019 survey of more than 2,500 executives conducted by *MIT Sloan Management Review* and Boston Consulting found that 90% of respondents view AI as a business opportunity for their company. Yet the news is not all positive. It also found that 70% of firms report minimal or no impact from AI, and 40% of the organizations making significant investments in AI are not reporting business gains from it.

Indeed, harnessing the technology for long-term business growth remains a challenging proposition, tech research and consulting firm Gartner notes. Many organizations aren't moving fast enough. It predicts only 50% of enterprises will have devised AI orchestration platforms to operationalize the technology by 2025—up from less than 10% in 2020. The difficulties are in several areas, including developing a strategy, attracting and retaining data scientists and business analysts who grasp the technology, and building out an IT framework to fully support AI. In fact, Gartner predicts that as AI and digital technologies mature and coalesce, there will be tenfold growth in >>>

AI can increasingly "perceive" and "think" on par with humans, and also handle tasks that lie outside the scope of human ability—such as spotting imperceptible manufacturing flaws through computer vision.

> **"It is difficult to think of a major industry that AI will not transform. This includes health care, education, transportation, retail, communications and agriculture. There are surprisingly clear paths for AI to make a big difference in all of these industries."**
>
> —**Andrew Ng**, computer scientist, thought leader

PREVIOUS SPREAD, IMAGINIMA/GETTY IMAGES; ABOVE, HIROSHI WATANABE/GETTY IMAGES computing requirements.

MIT Sloan identified a common refrain: "What if competitors, particularly unencumbered new entrants, figure out AI before we do?" In 2019, 45% of survey respondents perceived some risk from AI, up from an already substantial 37% in 2017. "While some companies have clearly figured out how to be successful, most companies have a hard time generating value with AI," it reported. The takeaway? "AI is a source of untapped opportunity, it is an existential risk, and it is difficult."

Businesses also face growing public concerns about the use of AI. These include AI ethics and data privacy, which touch numerous areas, including the use and misuse of facial recognition, listening in on voice data collected through personal assistants and smart speakers, autonomous decision-making in robots and other devices, and cognitive systems that can read human emotions and react in a manipulative way—using speech or adapting content. Concerns about AI bias and the explainability of algorithms, particularly those used for making financial and security decisions, are also growing.

These are not issues that business leaders can brush aside in the quest to monetize artificial intelligence. If AI is to realize its full potential, "increased trust, transparency, fairness and auditability" are essential, notes Svetlana Sicular, a research vice president at Gartner.

Building a Smarter Enterprise

Successful AI initiatives require a highly focused strategic plan as well as a robust information technology framework to support various initiatives. The first steps for CEOs, CIOs, CTOs and other enterprise leaders is to familiarize themselves with AI, invest in projects, and test them in new and creative ways. As an organization learns and adapts, it will begin to spot opportunities large and small. Over time, these insights can lead to productivity gains, cost efficiencies, and new products, services, apps and markets.

Typically, this AI development framework translates into a need for a more agile, creative and entrepreneurial approach to business. There may be a need for quasi-independent incubators and innovation labs that spawn and test concepts, new types of business partnerships or strategic acquisitions.

In 2019, 45% of survey respondents perceived some risk from AI. "While some companies have clearly figured out how to be successful, most companies have a hard time generating value with AI. AI is a source of untapped opportunity, it is an existential risk, and it is difficult."

Regardless of the specific approach, there is a need to coordinate AI development and deployment efforts across business units, groups and teams.

AI typically requires agile and scalable cloud platforms that deliver computing power, networking infrastructure, storage resources and software tools that are essential for AI development. This typically takes the form of Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) offerings that contain highly portable and compatible components, such as containers that work across vendors and tools. These elements are critical because they allow an enterprise to

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operate in faster and more flexible ways while accommodating enormous volumes of data.

Clouds also serve as a nexus for various digital technologies that are essential to AI, such as the Internet of Things and various forms of data, including images, voice and text. As all this data streams in, computing resources such as CPUs and GPUs conduct machine learning (systems typically trained by humans) and deep learning (systems that operate independent of human intervention). The resulting algorithms—which may change based on new data—convert the promise of AI into a tangible reality.

AI Leaps Forward

When businesses combine the pieces of the AI puzzle correctly, the results can be transformative. AI can remap a customer journey and help a business know when it is the right moment to market and promote products. It can introduce a far more personalized experience on a webpage or within an app. It can also combine technologies in new ways, such as translating language in real time or identifying an object—anything from the words on a restaurant menu to a machine part—simply by allowing users to point a smartphone at the object and view an augmented overlay of text or an image on the screen.

To be sure, companies looking to gain the greatest benefit from AI are fundamentally rewiring the way they do business. They are looking to move beyond simple cost-cutting and incremental improvements and redefine the way data, information and objects act, react and interact. Their leaders understand that AI unlocks a door to innovation, disruption and growth on a scale that has never before been possible. **IQ**

The Modern Prometheus?

Did a Google chatbot achieve sentience? Experts weigh in.

In 2021, former Google researcher Blake Lemoine ignited a controversy when he claimed that an AI system called LaMDA was sentient. This implies that the system could actually think and feel.

Linguistics experts pointed out that the ability to generate realistic speech may seem like sentience, but it is really just an ability to parrot human communication very well. "These systems have no idea what they are talking about," says **Marjorie McShane**, a professor of cognitive science at Rensselaer Polytechnic Institute.

Stanford University researcher **John Etchemendy**, co-director of the Stanford Institute for Human-Centered AI (HAI) noted: "LaMDA is not sentient for the simple reason that it does not have the physiology to have sensations and feelings."

A more relevant question is: What value do AI systems have for the business world, particularly those that use computational linguistics and natural speech?

For now, the likes of Siri and Alexa serve as personal assistants that can handle basic tasks, such as conducting a Google search or ordering an item from Amazon. Speech interfaces also control functions in automobiles and in online chatbots that deliver customer support.

While today's natural-language AI is certainly impressive, it is merely a glimpse of what is to come.

AI: The Next Generation

In the future, as computational linguistics advances, systems that can communicate on human terms could address more than basic tasks like asking Siri to find a Thai restaurant or dial home. In fact, questioning whether AI systems display sentience is almost certainly missing the point. **IQ**

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Sound

Why medtech firm **Hologic is a model for growth** in uncertain times.

BY **GEOFF WILLIAMS**

It is preferable when you are in the business of health for your company itself to be healthy. That is the lesson future MBA candidates will likely infer if asked to analyze the **multi-billion-dollar business phenomenon that is Hologic**. Founded in 1985 with a dozen employees, the Marlborough, Massachusetts-based medical technology company initially >>>

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THE **RELENTLESS GROWTH** ISSUE

offered just one product. Today, Hologic is a US$5.6 billion company with 6,700 employees around the globe. With approximately 3,000 patents approved, the company's life-changing—and lifesaving—technologies can be found in more than 100 countries.

Hologic has become known in particular for its focus on bolstering women's health. The company's suite of products is aimed at diagnostics, as well as breast, skeletal and gynecological health, with an emphasis on early and accurate detection and treatment. However, it was Hologic's response to the COVID-19 pandemic—and its ability to persevere when many enterprises were failing—that distinguished the company as a model for growth in uncertain times.

This was no small feat, especially considering how the pandemic disrupted corners of the global health care industry. Elective surgeries sputtered to a stop, and patients increasingly neglected lifesaving procedures such as mammograms, pap tests and annual physicals.

Considering how devastating the pandemic was to many medical companies' bottom lines, if Hologic had failed to meet the moment, its success story might never have been written.

Agility First

In early 2020, while the world was grappling with the horrors of the pandemic and no vaccines or treatments were available, Hologic saw an opportunity to help. CEO Steve MacMillan rallied the organization—already united in its mission to be a global champion for women's health—to respond by shifting production to focus on developing COVID-19 tests for mass distribution. Impressively, while Hologic was not the first company to develop these tests, it soon rose to be one of the industry's top producers.

"Based on our market leading position as a diagnostic testing provider, we knew we were the right company to step up to the plate and deliver highly accurate molecular diagnostic tests to help address surging global demand for COVID testing," says Michelle Garsha, president of diagnostic solutions at Hologic.

That is exactly what Hologic did. But it needed to speed up several internal functions in order to bring them to market in volumes that far exceeded the existing levels. While creating a test can take years under the best of conditions, Ms. Garsha says Hologic was able to create two of them and bring them to market within a matter of months.

"One of the reasons Hologic's pivot was so successful is due to the time and energy the company invested into creating a culture of breakthrough and innovation—and how executives like Ms. Garsha embedded that mindset throughout the organization," says Insigniam Partner Jennifer Zimmer. "Throughout the pandemic, the company's leaders showed up and enabled teams to be nimble and agile, and to pivot quickly in order to design these innovative lifesaving solutions."

Moreover, says Mrs. Zimmer, Hologic's propensity to infuse innovation into several internal processes to create a collaborative environment for scientists and researchers further bolstered the company's ability to effectively respond to the global pandemic.

Creating the Conditions for Growth

Hologic's COVID-19 tests, Ms. Garsha says, were designed to run on the company's Panther and Panther Fusion systems, which by that time had a significant presence around the world. In essence, Hologic's baked-in infrastructure greatly aided its ability to successfully pivot.

"As the pandemic continued, demand for our instrumentation climbed even higher," Ms. Garsha says. "We grew our installed instrument footprint by nearly 85%, bringing the total to roughly 3,200 instruments at medical facilities worldwide."

This is not to say that the process was simple merely because Hologic had created the right conditions for growth. The leadership team, consisting of executives from the corporate office and each of the company's divisions, began meeting around the clock while manufacturing teams developed new production lines and expanded capacity. Hologic also partnered with industry vendors and suppliers who could ramp up operations to meet the onslaught of projected orders.

As Ms. Garsha says, "Our leaders showed up—following elevated health and safety protocols—and supported our front-line R&D and manufacturing teams that were developing our COVID-19 tests. This mindset reinforced and strengthened our mission and culture throughout the organization."

The time and effort that Hologic invested continued to pay dividends. Ms. Garsha recalls that the organization benefited from meaningful contracts with the U.S. government to expand production capacity for COVID-19 molecular tests.

Notably, the company secured a $119 million contract with the U.S. Department of Health and Human Services and the Department of Defense. Hologic's objective was to help expand COVID-19 test production facilities in three states, providing 13 million COVID-19 tests per month by January 2022.

Leading the Charge

Although Hologic became a key player in COVID-19 test production, its executive leadership team ensured that they did not neglect their core business. At the same time, the company made strategic investments in fighting the Epstein-Barr virus and the BK virus, which can be gravely serious for renal transplant recipients. Then, in the summer of 2022, Hologic announced that it was launching new respiratory and molecular diagnostic testing in the European market to assist in the detection of COVID-19, as well as for the general flu season.

"As we look forward to COVID-19 becoming endemic, our focus will continue to be a leader for women's health globally," Ms. Garsha says.

That plan will likely come to fruition

"Our ability to respond was not something that happened overnight, but rather a muscle that was strengthened over years of focus on how to positively impact more patients, and specifically more women, with our best-in-class products."

due to several strategic investments and acquisitions made in the past few years. Not only has Hologic recently expanded its laboratories, the company also continues to closely monitor infrastructure needs to meet production targets and navigate macro supply chain issues.

The company recently purchased Mobidiag, a Finnish firm that develops and provides molecular diagnostics for infectious diseases and antibiotic resistances. Additionally, Hologic purchased Diagenode, an international life sciences company based in Liege, Belgium, that specializes in innovative instruments and reagent systems for life science research. Most recently, Hologic acquired U.S.-based Biotheranostics, a developer of proprietary molecular-based tests that provide physicians with actionable information to help guide breast cancer treatment and detect cancers of unclear diagnoses.

Whether through acquisitions or internal investments, the company is increasingly optimistic about its growth trajectory. The takeaway for the aforementioned MBA hopefuls, therefore, could be that continually reinvesting in your business in a way that promotes agility—and streamlines an organization's ability to respond to gaps in an evolving marketplace—is the foundation for achieving relentless growth. **IQ**

BIO: Michelle Garsha
President of Diagnostic Solutions, Hologic

Michelle Garsha started her women's health journey as a scientist at Third Wave Technologies, where she was an inventor of one of the first molecular tests for HPV. She then took on increasing commercial responsibilities prior to arriving at Hologic through acquisition in 2008.

At Hologic, Ms. Garsha has been a key player in driving the company's market-leading position in women's health diagnostics and leads several functions including women's health marketing, strategic alliances, health care provider sales, and scientific and medical affairs.

Ms. Garsha graduated from the University of Wisconsin with a BS in cell and molecular biology.

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PHOTOGRAPHY RYAN SMITH

RIGHTEOUS GEMSTONES

Signet Jewelers CEO Gina Drosos shares an update on the company's sparkling growth and performance. —*Jon Ball*

In our Winter 2021 issue, *IQ* profiled **Signet Jewelers** and its **CEO**, **Virginia "Gina" C. Drosos**, as she was leading the company's effective and efficient response to the COVID-19 pandemic, making rapid investments in company e-commerce platforms, which gave customers a personalized experience. Due in no small part to her leadership, Signet was able to turn a profit, even as brick-and-mortar locations faced unprecedented challenges. As a result, **the company's Q3 2021 earnings showed e-commerce grew by over 70%**. And yet, even with brick-and-mortar setbacks, the company still achieved 6.8% same-store, brick-and-mortar sales growth with 90% of stores open.

As the retail market continues to stabilize, **we are checking back in with Ms. Drosos to explore how the company continues to achieve growth** amid evolving customer preferences and purchasing habits.

IQ: ***Congratulations on Signet Jewelers' being named among the Best Workplaces in Retail™—that's quite an honor! To what factors do you attribute your consistent success?***

Ms. Drosos: Thank you. We are honored to be recognized by *Fortune* and Great Place to Work on their Best Workplaces in Retail list. I am so proud of our highly engaged team, who continue to inspire love with our customers and each other.

Over the past five years, we have been on a transformational journey to be the jewelry industry's growth and innovation leader. We began with our "Path to Brilliance" transformation plan that focused on building a company that recognized consumers' changing expectations and invigorated our culture to be based in core values, including our "People First" value. We also invested in our digital capabilities, as well as our team, which has made all the difference. Building on these foundational changes, we entered phase two last year, called "Inspiring Brilliance." As we grow, our intent is to be a sustainable-growth company powered by our "Purpose of Inspiring Love," which has galvanized our entire team and has become a part of the everyday fabric of our company. It's a part of our filter for making decisions in every part of our business—strategically and culturally. >>>

PHOTOGRAPHY RYAN SMITH

PERSPECTIVES

90%

Of **Signet's premium customers**—those who have spent at least $500 on jewelry in the past three years—are Connected Commerce customers who use multiple channels as they shop.

Thanks to our team's creativity and dedication, we have grown revenues from over $6 billion to nearly $8 billion over the past three years alone. We also added three banners to our family of brands with Rocksbox, Diamonds Direct and, most recently, Blue Nile. We have driven our market share from roughly 6% to 9.3% in the U.S., and we have been Certified™ as a Great Place to Work® and recognized by Bloomberg Gender-Equality Index.

Amid our success, what I am most inspired by is the fact that we're just getting started, and our culture has dramatically transformed in a positive way that we believe accelerates the momentum we are seeing. We're operating in a new normal and are most grateful for our team, which was focused on transformation years before the pandemic and was able to become truly agile and deliver in new, meaningful ways.

IQ: *In our previous discussion, we noted that execution and agility are two areas in which Signet has excelled during the past few years—especially amid considerable uncertainty. How are you continuing to empower and enable your teams to generate agility, innovation and grit?*

Ms. Drosos: One of the things that gives me great pride is our culture of agility and innovation, which has become a powerful source of our competitive advantage—and a critical way we fulfill our Purpose of Inspiring Love. It's such an honor to work alongside such an amazing group every day. We move faster and learn faster than ever before. We're more diverse, incredibly collaborative and seamless as we innovate. And we're humble. We know we're never as good as we can be—and will be.

Most importantly, we're genuinely inspired by our purpose, and it's resonating with our team members. In fact, in recent surveys, 89% of our team members indicated they understand how their work ties to our purpose, and 90% also indicated they feel a sense of pride when they look at what we accomplish.

We have the wonderful privilege of being part of people's meaningful life moments and of focusing on inspiring love in all that we do. What's not to love about that?

IQ: *How has Signet pivoted since the onset of the pandemic to serve customers with more disposable income and limitations on travel, perhaps due to lockdowns?*

Ms. Drosos: The pandemic was an accelerator for our transformation. Since 2018, we had been laying the groundwork with investments in our technology infrastructure to offer a more digital experience. When we had to temporarily close our stores in March 2020, we had to bring our in-store sales and product experience to our customers virtually. It was a change for us and for our customers and has helped pave the way for our "Connected Commerce" experience today.

With Connected Commerce, we are reinventing the way people shop for jewelry. We're integrating customer experiences by leveraging in-store, online, mobile and ubiquitous delivery as both mindsets and capabilities. It is data-driven and channel-agnostic. It is seamless. It brings our people and our technology together in a powerful way so that we are there for our customers

PHOTOGRAPHY RYAN SMITH

"Ms. Drosos has always possessed great compassion for her workforce and empathy for her customers—both of which have been major factors in the company's sustained innovation."

—Shideh Sedgh Bina
Founding Partner, Insigniam

whenever, wherever and however they choose to shop with us. In fact, 90% of our premium customers—those who have spent at least $500 on jewelry in the past three years—are Connected Commerce customers who use multiple channels as they shop with us.

IQ: *What were some of the bumps in the road that you (and your teams) solved?*

Ms. Drosos: When I joined as CEO, we had websites crashing on Black Friday. It taught me that you cannot put Band-Aids on things. To be successful, you need to build a strong foundation, even if it means it will take longer. And it needs to be a future-proof foundation. That became the basis for our Path to Brilliance growth strategy. It focused on both strategy and company culture. We focused on putting our customers first, building our omnichannel presence, and creating a culture of agility and efficiency. We also believe in continuous improvement by learning every step of the way to further refine our approach as the world continues to change. Ongoing learning and adapting are now a key part of our business practices.

IQ: *We know the labor shortage has affected retail, with many retailers operating with a 20% reduction in their workforce. How has Signet reacted to shifting workforce dynamics and labor challenges?*

Ms. Drosos: The data-driven investments we were making in our transformation helped us from both timing and planning standpoints. Our employee retention rate also speaks to our teams and the culture that we've created these past few years.

PHOTOGRAPHY RYAN SMITH

IQ: *Is it possible to re-engage with shoppers using tactics that worked before the pandemic?*

Ms. Drosos: Consumers have shown they are willing to spend when they are offered a unique and differentiated product that matters to them. Today they are looking for value, and sentimental gifting is absolutely a priority for people today, including meaningful pieces of jewelry. We are well positioned to be there for consumers as we have 11 distinct banners in our portfolio that span the value spectrum, offering something unique for each type of customer.

And, of course, Connected Commerce is here to stay. People love the integration of online and in-store, and the conveniences of buy-online-pick-up-in-store, curbside pickup and innovations such as virtual try-on and asynchronous chatting. The pandemic was a factor, and today more than 65% of our customers enjoy both experiences.

IQ: *What do you see as the next breakthroughs for Signet?*

Ms. Drosos: When I look back over the last few years, our culture is now stronger: We're more agile, more innovative and truly unified behind our Purpose of Inspiring Love. We're also much more data-driven now, with deeper insight to create highly personalized customer experiences.

We have built a foundation of capabilities that allow us to lean into growth and that have become competitive advantages, including continuous learning.

I believe these are the levers that will enable our continued success, hopefully for many years to come. **IQ**

IQ BOOST

How Accountability Drives Growth

By Shideh Sedgh Bina

It is not a soft skill. Accountability delivers cold, hard results.

Accountability is both a condition and an agreement. As a condition, accountability requires that people act consistently in a way that aligns with their stated commitments. As an agreement, accountability is something much more personal. As a consensus between two (or more) parties, accountability—when honored—requires mutual trust. It is perhaps no surprise that accountability is one of the critical components of high-performing organizations.

But how does accountability fuel corporate growth?

Here are three ways:

1 Accountability Is a Requisite for Innovation

Innovation requires a strong leadership mandate, dedicated infrastructure, proprietary processes and a supportive culture. Yet accountability is the glue that binds these components. Within an organization, innovation requires creativity, but it often needs guardrails.

Accountability provides a framework and structure by not only encouraging collaboration, but also creating a self-regulating body where a team's commitments are amplified under a banner of trust.

2 Accountability Drives Performance

High-performing teams are often groups of cross-functional counterparts moving toward a common goal. By emphasizing accountability, enterprises can reduce sunk costs and avoid miscommunication among team members. If a lack of accountability can stifle innovation and growth, then well-defined roles, clearly stated objectives and consistent monitoring not only enhance performance but can supersede many of the pitfalls that breed low morale when accountability is lacking.

3 Accountability Fuels Growth

Perhaps the most impactful output of accountability is the way in which it can influence corporate culture until eventually it spreads like wildfire and creates a culture of accountability. No shortage of studies have shown that engaged employees have a higher likelihood of creating a culture of accountability, which is a prerequisite for both growth and innovation. Accountability is a key requisite for growth due in no small part to the trust and productivity it can unlock.

INNOVATION
PERFORMANCE
GROWTH
ACCOUNTABILITY

If your goal is to build a culture of accountability, begin by being clear about what you expect of others, and of yourself. The more people understand how their roles fit into the big picture, the more likely they are to become inspired—and the more likely you are to have accountability enhance your ability to catalyze long-term performance and growth goals. **IQ**


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