

INZITO

CONSUMER PLC BOARDS - ARE THEY FIT FOR PURPOSE?

THE INZITO PARTNERSHIP

www.inzito.com ◆ +44 (0)20 3327 2030 ◆ 35 Grosvenor Street, London W1K 4QX

The information provided in this document is for background information only.
As such it does not constitute the terms, whether express or implied, of any future contract of employment.

 A MEMBER OF
ALTOPARTNERS

CONSUMER PLC BOARDS - ARE THEY FIT FOR PURPOSE?

Consumer businesses, whether they be retailers, consumer packaged goods or leisure organisations, are all too acutely aware of the seismic changes in business operating models that digital and technical transformation have unleashed. The one certainty is that change will continue, and at an unprecedented pace.



This has challenged all business leaders and management, whether they are leading a legacy business through transformation or are the pioneers creating new products, services or ways of consuming/buying. Transformation is the new normal and innovation is in constant demand. Everyone acknowledges that agility and speed to market are of the utmost importance. But what does this mean for Plc Board directors who are balancing their fiduciary duty of care with the need for agility and speed? And how fit for purpose are Plc Boards in a rapidly changing world?

The Inzito Partnership and Better Boards analysed the Boards of FTSE listed Consumer Goods companies with the aim to identify:

- Whether Board composition has changed in response to the strategic opportunities and risks that arise from technological innovation;
- The profile of those with digital/technological experience and know-how. Do they have characteristics that differ from the other members?

Our analysis included all 57 FTSE 350 Consumer organisations and our findings led to a number of questions:

- Circa 30% of listed consumer organisations have at least one member on the Board with explicitly

stated digital expertise. Therefore, circa 70% of organisations do not have a single non-executive director with meaningful digital or technological expertise. Why is this? Do consumer companies have sufficient digital talent on the Board? Is this remiss given the changes rocking the business world led by digital disruption? Or are Boards accessing their digital know how through other means (such as digital advisory boards)?

- The UK, and particularly London, prides itself as an innovation hub for digital tech entrepreneurs and yet circa 75% of Board members with explicitly stated digital expertise had gained their experience in a US organisation. Do we need to do more to develop homegrown talent? Is the search for the elusive “digital NED” academic when the fight for talent is so fierce? Do we need to seek more imaginative solutions?
- The analysis of the age profile of non-executive directors demonstrates that Board members with explicitly stated digital expertise are significantly younger than the average age of all Board members. In fact, the age difference is currently over ten years as the mean age of FTSE Board members is circa 59 whilst those with digital/technological expertise is circa 49. Do Boards need to do more to invite the next generation of executives and entrepreneurs to take a seat at the table? And how do you balance this with length and breadth of experience?

THE INZITO PARTNERSHIP

www.inzito.com ♦ +44 (0)20 3327 2030 ♦ 35 Grosvenor Street, London W1K 4QX

The Inzito Partnership is a trading name of Inzito Partnership Limited
Registered in the UK O8726772 VAT Registered I72 7012 28