

Strong leadership will be vital post recession

Managers need to whip their business plans into shape, ready for when spending starts to increase

Richard Ferguson

Will we need new leaders for a new economic era? No, just a new focus on leading, not managing. Grocery purchasing habits are sure to continue to evolve in 2010 as consumers adapt the thrifty and value-conscious attitudes they've adopted in the past 12 months.

Brand loyalty is harder to track. It impacts all aspects of supermarket operation, from brand choice to stock control, pricing, promotions and layout. As a result, the demand on leadership is increasing.

Some leaders have been quick to leverage this in their business plan. Waitrose launched its Essential Waitrose range in a bid to win back customers feeling the pinch. Similarly, Sainsbury's Basics and Tesco's Value ranges have been key in helping drive footfall into stores and stave off the discounters.

For the rest, it's more about stepping up and 'leading' – not just 'managing'. What's needed is authentic leadership, deployed with passion, from top-level management through to the people on the shop floor.

After years of simply 'managing', this new requirement is taking many

leaders into uncharted waters. Leadership weaknesses that remained hidden through the boom years are now being exposed.

The power of a good leader is demonstrated by the recent appointment of Morrisons CEO Marc Bolland to Marks & Spencer chief executive. His track record was received well by the market, with M&S's share price rising 6% while Morrisons' fell 5%.

For the grocery industry, customer and brand loyalty are crucial if businesses are to flourish after the recession. Leaders need to focus on three key priorities:

1. Uniting teams with a vision that

engages employees so they can maximise the potential to deliver outstanding service.

2. Redefining what it takes to win and developing new capabilities, priorities and process changes required to deliver the vision.

3. Ensuring the organisation, brand, staff, products and services are poised to take advantage.

To focus on these, organisational leaders need to take a step back and think about what it will take to drive brand and customer loyalty. ■

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