

RETAIL INTERVIEWS



Spencer Stuart's Sally Elliott interviews Cristina Scocchia – CEO, Kiko, Board Director of EssilorLuxottica and Illy – and discusses insights she learned about her team and her own leadership during COVID-19.

An important first task of a leader is setting or reaffirming the vision and purpose of an organisation. Have you needed to revisit Kiko's vision and purpose because of COVID-19 and how have you approached this?

Almost three years ago, my leadership team and I established a very clear vision for Kiko. We will return to profitable, sustainable growth, be proud of our heritage but at the same time become more modern, more focused on the customer, on digital, on international expansion and, above all, on creating a culture which really values leadership, and helps talent to flourish and grow. This same vision has taken us through COVID, particularly in terms of leadership and culture. Our top concern has been safety. We closed our stores before it was mandated by law to protect our employees and our customers. We took care of our people. For example, we provided loans to employees who were waiting for government support to come through. A responsible leader should think, "What can I do to help my employees?"



It sounds like Kiko's purpose and vision didn't change but rather it became even more important to guide the company in the context of COVID.

Yes, absolutely. I strongly believe that leadership values don't change. In good times, it's easier to be less focused on leadership values and weak leadership is less obvious. But, when the storm comes, you really need leadership values to be strong, concrete and visible. We have always valued being inclusive and socially responsible. But now these are really critical.

How did you guide your top team? What did you measure, and what worked well or less well?

I felt as CEO that I needed to be the captain of the ship in the storm. We had daily crisis meetings, including weekends. I took tough decisions, such as closing stores, furloughing employees, and shutting down our ecommerce operation for a couple of weeks. But generally, I tried to empower the team. I deliberately decided not to operate a scorecard with measures. Values are more important than scorecards in times of crisis. In my weekly calls with each country director, I told these leaders that I trusted them to do the right thing. Some of their decisions may not have been perfect, but the benefits of empowerment far outweighed the downside of a few sub-optimal outcomes.

There must have been some really difficult moments. How did you create energy and inspire people to give their best during this time?

We all have rights and duties. Usually we have more rights than duties. For example, we usually have the right to work life balance and to financial rewards. Then, a tough moment like COVID comes along and on top of rights, we all need to remember we have duties. Right now, we have a duty to keep our people safe, to protect them and to ensure the company is financially strong enough to face the storm. Otherwise, there may be the risk of 7,000 people losing their jobs. So, this is a moment of duty and not a moment of rights. We wanted to be leaders, now we have the duty to make the difference for our people. I personally found this to be motivating for me and my leadership team.

So, the energy comes from stepping up to the challenge? Absolutely. This is the moment when as a manager, you can step up and make a difference. Nurses and doctors save lives. We as managers save jobs. I received messages from

employees, that I don't know personally, thanking me for allowing them to be safe, for helping them financially and for the frequent communications they received. In a storm, you want your captain to give you vision and to tell you in a credible way that it's going to be alright. I developed a mantra that I truly believe in and will continue to use, "I'm making a personal commitment not to leave anyone behind. We may have smaller salaries this year, but I will try to preserve as many stores and as many jobs as possible."

We don't know how long this situation will last and what's around the corner. How do you plan to keep adapting to a constantly changing environment?

We need to stick to our values. Right now, the adrenaline keeps us motivated and energised. But there is a danger of getting tired, especially if we have a second wave of COVID. This is about resilience. Adapting to what's needed depends entirely on having the right people motivated in the right ways.

What advice do you have for retail leaders in general at this point?

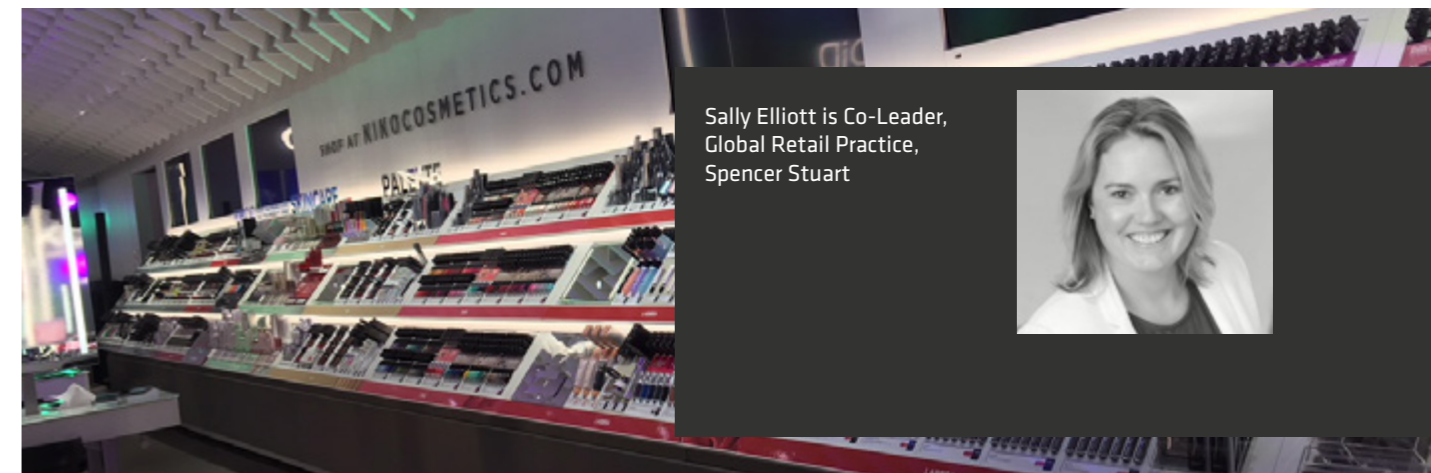
My advice is that this is the moment for us to step up and be responsible, and that the crisis provides an opportunity to implement a better future. What is worse than COVID is not using this opportunity to improve the world. We didn't choose for COVID to happen, but how we react to it is in our hands.

Where has COVID presented opportunities to improve?

It has provided opportunities for people to show remarkable leadership and clearly demonstrate their potential. The opposite is also true! Some have shown that they cannot perform and lead their teams in a crisis, which has identified coaching and growth opportunities. Also, we have now successfully become digital in our work lives. We are investing in digital upskilling to give everyone an opportunity to be successful in this new remote, virtual world.

If you were to summarise the most important thing you've learned about leadership over the last several months, what would it be?

Being a leader is not about you. It's about how you use your position to be responsible and to look after the people who put their trust in you.



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