



# Is Your Executive Team Built for Today's Complexity or Yesterday's Playbook?

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Why Retail Boards Are Rethinking  
Leadership Capability



**Amrop**

Leaders For What's Next

EXECUTIVE SEARCH | LEADERSHIP ADVISORY | BOARD SERVICES



For many years, retail executives operated within relatively predictable parameters, where success depended on scale, footprint and the disciplined optimisation of a proven operating model.

Leadership teams expanded store networks, improved operational efficiency and protected margins through consistent execution, while Boards focused on growth, performance and operational excellence.

That model worked well – for a long time.

Today, that environment has changed.

## Is the leadership team configured for the environment the organisation now operates in?



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Retail leaders are now navigating a level of complexity that many organisations have not previously experienced, as multiple structural pressures converge at the same time. Artificial intelligence is reshaping how decisions are made. Digital and physical channels are deeply interconnected. Supply chains remain volatile. Consumer expectations continue to evolve faster than most businesses can adapt, while margin pressure has become structural rather than cyclical. Geopolitical tensions are high and events increasingly unpredictable.

At the same time, trading decisions, pricing pressure and inventory risk continue necessarily to demand day-to-day attention as businesses scrutinise every detail to safeguard hard-won profitability.

Individually, none of these forces is entirely new.

What is different is that they are happening simultaneously, and at scale: CEOs are no longer managing one or two shifts at a time. They are managing several, all at once, each with significant impact on resources, results and executive bandwidth.

Consequently, strategy discussions are evolving quickly. Most Boards now have a clear view of what needs to change and where the organisation needs to go.

Yet, a deeper question is beginning to surface beneath those conversations.

Not about what to do. But about whether the organisation is truly equipped to do it.

Is the leadership team built for the environment the organisation now operates in?

### **Leadership capability and context both matter.**

Many retail organisations are setting ambitious transformation agendas, centred on digital and AI acceleration, new operating models and more integrated approaches to customer engagement. Global supply chain volatility and cost increases, too, must be factored into a "new normal".

These strategies are, in most cases, well considered. However, they are often being executed by leadership teams built for a very different phase of the industry.

This is not a question of competence; retail executive teams rarely lack experienced leaders. The issue is alignment - alignment between leadership capability, capacity and the context in which the organisation now operates.

## Too often, leadership teams are accumulated, not designed.

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Over time, leadership teams are shaped through a series of appointments, each made to address a specific need at a specific moment. That approach works in stable environments, where demands evolve gradually.

When the context shifts more fundamentally, as it is doing now, that accumulated model can become a constraint.

Leaders who have been highly effective in environments focused on operational discipline in more “normal” times, are often very different to the leaders who thrive in conditions defined by the level of ambiguity and transformation currently seen.

Some adapt. Many do. But not all, and not always at the pace required.

A more subtle tension then begins to emerge: leaders are being asked to build a new model, while still being measured on the performance of the old one.

### Where the real tension sits

According to global research by McKinsey, 70% of large-scale transformations fall short of their objectives. In our experience, these failures are rarely because the strategy is wrong, but occur when the organisation continues to optimise, and perform to, the model it is trying to move away from.

Store performance, pricing cycles and short-term margin remain dominant, even as the business attempts to build a more integrated, data-led model.

The strategy may change.

The operating rhythm often does not.

That tension is rarely visible in Board papers.

It shows up in how decisions are actually made, and how leadership success is defined.



### What we see across the sector

Across consumer and retail organisations, a number of patterns are emerging.

Transformation strategies are being executed by teams designed for stability, creating a gap between ambition and delivery.

Yet technology literacy now sits at the strategic core; operations leaders must balance resilience, agility, cost and sustainability; commercial leaders are managing increasingly dynamic pricing, promotion and margin decisions. In each case, the role has changed. And with it, the capabilities required to perform it effectively.

In a fast-changing landscape, leadership roles are becoming more complex. It is little surprise that leaders are struggling to deliver with consistency. The competitive, geopolitical and landscapes are all more challenging, and their roles are becoming more complex – despite this, past success continues to shape decision-making, often reinforcing behaviours that no longer align with the direction of travel.

### This is not about individual strength

Most Boards recognise that this is not just a question of individual capability.

It is also a question of collective fit.

Fit for the level of complexity the organisation now faces. Fit for the pace of decision-making required. Fit for the transformation underway.

The real risk is not only about capability gaps in isolation. It is that the collective leadership team, often unconsciously, defaults to the model that made it successful.

# Asking the Right Questions

## Where misalignment shows up

When leadership capability and business context are misaligned, the consequences are rarely immediate.

They appear gradually in execution. Decision-making slows as leaders seek certainty in uncertain conditions. Transformation initiatives begin with momentum but lose pace as complexity increases.

In retail, this often shows up in the weekly trading rhythm, in how pricing decisions are made and how inventory risk is managed.

From the outside, the strategy still looks right. Inside, delivery becomes harder. Changing out individual leaders is rarely a solution in isolation, as the rate and pace of CEO turnover attests: CEO turnover in 2025 was higher in the Retail sector than in any other industry, yet results remain challenged.

## The questions Chairs and CEOs are now asking:

- + When strategy shifts, does the leadership team drive and enable change, or slow it down?
- + Is digital and AI thinking genuinely embedded across the executive team – or are we applying new technology through an old operating logic?
- + Where might past success be reinforcing behaviours that no longer serve the organisation?
- + Which roles will be under the greatest pressure over the next three to five years?
- + Do we have leaders who can learn from outside the sector, while retaining the contextual judgment that comes from within it?

These are not “just” hiring questions. They are questions about whether the leadership team is calibrated for the environment the organisation now operates in.

## Where the conversation is moving

In our work with retailers, this is increasingly where the discussion begins.

Not with a role specification. Not with a search. But with a more fundamental question about whether the leadership team, as currently configured, can deliver what the strategy and the context demands.

When we explore this with Boards, we focus on the factors and forces which are driving their leadership hiring decisions; how trade-offs are made; and where the operating model still reflects a previous phase.

We then look at what needs to change in leadership to deliver execution in a more volatile environment, and where strengthening or evolving the team will have the greatest impact.

That clarity informs the most important decisions, whether that is developing existing leaders, accelerating succession or introducing new capability.

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## Why this matters now

In a more stable environment, strong execution could compensate for imperfections in leadership design. In a more complex environment, that becomes harder.

Leadership is no longer just a resource. It is a critical lever of performance.

A strong strategy can stall if the leadership team continues to operate against an outdated model, individually or collectively.

Conversely, a team aligned to its context can move faster and navigate uncertainty more effectively.

A good balance between the two is critical.

The example of Nike, who in 2020 moved away from traditional retail leadership and hired a new CEO from a digital-first background in order to lead their direct-to-consumer strategy, is a good case in point. On the surface, a brave and brilliant hire; in practice, a pivot away from structurally critical wholesale partners proved very costly; in 2024 following a poor earnings call, Nike saw their stocks fall sharply, wiping out approximately \$28 billion in value. A candidate with deep company and sector knowledge has since been appointed and begun the long-term process of recovery.

## The bottom line

For many organisations, the challenge is not defining the strategy. It is ensuring the leadership team can deliver it.

Because transformation does not fail on paper. It fails in execution.

And execution is a leadership outcome.



## Start the conversation

If you are thinking about succession, transformation or growth, it is worth stepping back and looking closely at how the leadership team is set up to deliver.

Because the cost of getting leadership wrong is high.

And the upside of getting it right defines what happens next.



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