

Simon Mainwaring:

Before we dive into today's episode, I wanted to share the exciting news that we've now launched the Lead With We Launchpad Online course that shows you step by step how to engage and inspire all of your stakeholders to build your business and its impact with you. Check it out at Leadwithwecourse.com. From We First and Goal 17 Media, welcome to Lead With We. I'm Simon Mainwaring, and each week I talk with purposeful business and thought leaders about the revolutionary mindsets and methods you can use to build your bottom line and a better future for all of us. And today I'm joined by Nicky Sparshott, CEO of Unilever Australia & New Zealand, one of the world's leading suppliers of beauty, personal care, home care, and food and refreshment products, with a goal of making sustainable living commonplace and accessible for everyone. And we'll discuss how a complex enterprise with a wide portfolio brands, balances purpose and profit to drive growth and impact, and how all state partners can collaborate to make a difference through what we buy and how we live to better the future for us all. So Nicky, welcome to Lead With We.

Nicky Sparshott:

Thank you so much for having me.

Simon Mainwaring:

I cannot tell you how excited I am to have someone who's leading the charge in such a meaningful and purposeful way back from Australia, in the Australia and New Zealand region. I've got a big smile on my face before we begin.

Nicky Sparshott:

Yes. Bring on all this awesome stuff that's happening down under and share it with the world.

Simon Mainwaring:

I have to say, I don't get to hang out with enough Aussies in LA, so this is a lot of fun. And for those who don't know, Unilever, which may sound incredible, but it's the largest CPG company in the world, and you're in charge of the Australian New Zealand region. And what is so extraordinary is that you've got all of this complexity built into an organization and a brand portfolio like yours, yet you operate at the nexus of purpose and profit. And for those who are new to this conversation about kind of businesses of force for good, why have you prioritized it to really make sure that you're throttling both on product and price, but also the purpose of the company?

Nicky Sparshott:

So it comes down to Unilever's roots, right? If you think about our history well over a hundred years ago, the founding fathers have always had this sort of desire to be purposeful in the way they showed up. So if you think about Lord Lever wanted to just democratize a bar of soap and make that commonplace in Victorian England to deal with the hygiene issues that were in play. Now, you think about the Lipton brand, when we had that, it was about democratizing a cup of tea. It's always been about creating incredible products that at the same time further or benefit the communities in which they're sold. And so we have continued that over the century at Unilever, but it's been even further hardwired over the last 15 years or so.

Simon Mainwaring:

And I love the distinction you draw because a lot of people might think the purpose is this top of mind sort of arguably trendy topic in business at large for all the reasons we know, climate and others. But what you're saying is actually it's part of the DNA of the brand, it's the heritage of the brand. And that's why it's so important for any brand, especially startups, to really define that in the first place, so that they don't lose sight of why they exist in the first place and they stray true to that no matter what happens sort of in the market forces out there. And give us a sense, Nicky, when you've got a complex enterprise like yours and you've got a brand portfolio of household names, how do you organize this commitment to purpose? I know that for years, it was sustainable living plan, but now it's something called the compass, right?

Nicky Sparshott:

Yeah, it is actually. And look, it's so easy to think about a company like Unilever as this huge multinational organization, which it is. And yet, it's really just an amalgamation of lots of different brands across the world, serving different communities. So this idea of being purpose led whilst not being profit deprived is really, really important part of how we want to show up as an organization. So the compass was, yeah, as you say, an evolution of the Unilever sustainable living plan that attempted to bring sustainability and purpose hardwired into our business plan. So rather than having a sustainability agenda that kind of sat to the left and a business plan that everyone was working on, it was about making them inextricably linked so that the way you do business is purposeful at the core.

Simon Mainwaring:

I love that, it's the way you actually do business. So what does that process look like? Because as you say, typically philanthropy, CSR, sustainability are often siloed off to the side and they're a bolt-on, which sometimes is used to manage the optics of a company, but you'll say it's woven sort of inextricably into the company. So to do that, to create that compass, what is that process like? Do you get all different stakeholders from across the company to kind of align around why you need to prioritize purpose? Because a lot of companies aspire this way, but they don't actually know how to do that process.

Nicky Sparshott:

So I'm going to ask that in two ways, with a bit of a global lens, and then where the rubber hits the road when operationally we are trying to bring it to life in Australia and New Zealand.

Simon Mainwaring:

Right.

Nicky Sparshott:

So in a company like Unilever, we are very fortunate that top down, this imperative to bring a sustainable agenda into the way we produce our products, so that ultimately we have the best products in the world and for the world, is part of the strategic agenda set globally. Now, the rubber hits the road when that's operationalized. So maybe let me take you through what we did in ANZ.

Simon Mainwaring:

Please, please.

Nicky Sparshott:

We simplify it and just go, we want to have triple bottom line impact. So we want to have profitable growth as an organization. We're a business. We don't apologize for that. We want to be financially sound. But in equal measure, we want to have a regenerative impact on the planet, which means making very deliberate choices about how we produce our products right through the value chain. And then the third area that's equally important is to contribute to a fairer and more socially inclusive world. And this is really that people dimension, starting from our own team right into the community. And the way we chose to really make that happen at a company level was for everyone in the organization to be able to answer one simple question. And that is, is it good for business? Is it good for society? So someone comes to me with a brand idea, that's all I want to know. Is it good for business? Yes. Is it also good for society? And if the answer to that is no, then we haven't worked hard enough.

If they come and say it's great for society, but it's not good for business, that's also not good for us. Our sweet spot is when we can converge the two. And that's actually what I think businesses need to aspire to doing more, asking that tougher question around the end end, and that's uncomfortable.

Simon Mainwaring:

It is uncomfortable. And what's really important is a powerful insight there, which is keeping it simple. Because I think in this space of being regenerative, being a sustainable, better serving our future, it's easy to get lost in ESG metrics and B Corp scores and sustainable development goals, all of which are incredibly important. But to somebody who's not in marketing, or isn't in strategy, or isn't in leadership, it can be a little bit sort of foreign to them. And keeping it simple that way is incredibly powerful. And I have a sort of build question on that, which is in the same way you keep that question simple, how do you quantify what aligns with your compass? And let me explain what I mean. Sometimes I've heard people talk about these sorts of business aspirations almost as soft. There's hard metrics, which is your bottom line, but then you've got softer aspirations about making the world a better place. And I know you think through terms like purpose led and future fit. Help me understand what do they mean, and how you bring rigor to them as well.

Nicky Sparshott:

Yeah, let me give you some very practical items that we have chased and are still chasing. So for example, we want to reduce our reliance on virgin plastics by 50% and ensure that we've got a larger proportion of post-consumer recycled plastics in our products, the stuff that's already in the environment, using that rather than putting more plastic into the environment. And we tracked that year on year. We wanted to have our operations be powered by a hundred percent renewable electricity. We've met that target, but now we want all our manufacturing to also be much more carbon neutral in operations. And we track that year on year, through our factories, through our operations. We want to be able to positively impact some of the communities and brands that we sell to. Dove is a fantastic example. We have this really powerful belief that some of the emergence of social media in particular, and there's pros of it, but there's many cons.

And particularly the young teenagers, there is an increasing sense of anxiety that's coming from their lack of confidence around body issues and self-esteem. And Dove, through our self-esteem programs, invest heavily in trying to educate teenagers in this space and help to build that belief. That's three out of many commitments that we've made. But to answer your question, measure what you treasure. So we don't just keep it at strategic imperatives. We convert each of those strategic priorities into every year. And again, I'll make it very specific to ANZ, just three things under each of those imperatives that we would chase. Sometimes we hit our targets. Sometimes we fall a little bit short, and that's also okay

because that's about asking the question why, what can we do differently? Who can help us? And I think that's a really important question to ask. You don't need to dig alone. You need to know who in your ecosystem can help you accelerate this momentum faster.

Simon Mainwaring:

And you know mentioned a really important point, which is sort of foundational to the whole idea of Leading With We, which is it's not about doing it on your own. It's about doing it with all stakeholders and partners, and doing it and so on. But one of the, probably the top obstacles are these younger demos coming through who have that anxiety about the future because they might be distrustful of business outright. And certainly, it's a higher bar for legacy brands that have been there for a while to kind of earn that trust that they're really contributing authentically to issues that are really meaningful to those young people's lives. So what is that dynamic? For anyone listening on to this podcast, do you approach it in the sense that you want to be invited in to the issues that they care about, or do you say, "Listen, we're rallying everyone around this particular issue, and come and join us?" What does that engagement dynamic look like?

Nicky Sparshott:

It's a great question. Both, I think. You need the energy that comes from both. I'm a really big believer that in this space, you want to bring together the best of expertise and beginner's mindset, because the beginner's mind sees many potential solutions to problems, whereas the expert's mind quite often sort of relies on experience. And bringing those two together has certainly been incredibly powerful for us. I find sometimes that the reluctance for younger people to want to be part of big multinationals is the fear that big is not beautiful, that big is contributing to the [inaudible 00:11:36]

Simon Mainwaring:

Big is bad.

Nicky Sparshott:

Not solving it. Big is bad. And yet what I quite often say to them is actually the scale that a company like Unilever has can actually mean that the impact that we have can create a ripple effect that's far greater than some of these smaller brands. So we do a lot of listening sessions in our business. And I learn from different groups in our organization, one of the things I've learned the most in this process is there are plenty of challenges you need to overcome, but solutions are plentiful if you are just curious about the people in your organization that can solve them, and outside as well.

Simon Mainwaring:

Yeah, I actually am very optimistic about the future, partly because I think we have everything we need to solve for climate biodiversity, these other issues. It's just that we need to prioritize them sufficiently and act against it. And one of the challenges or one of the evolutions I see in marketing is that increasingly, it's becoming consumer behavior change, where you inspire, educate, engage people in ways that are going to start buying products that are more responsible, and even adjusting their lifestyle to serve their own futures. And so how do you avoid being prescriptive? How do you avoid trying to tell someone what to do on the strength of your product, and then therefore get that resistance? How do you inspire them to say, "Actually I'm going to make a more mindful choice of this particular product, and I'm actually going to carry that over into my life?" How do you do that from a storytelling or consumer engagement point of view?

Nicky Sparshott:

Yeah, there's a statistic that is probably worth pointing to. So about 80%, over 80% actually of Australian and New Zealand consumers want to buy products that have been more sustainably or consciously produced. So that desire is there. And over the last three or four years, that's actually increased. It drops though to about 50% when it comes to actually making a choice at the point of sale. And sometimes it's because of price.

Simon Mainwaring:

Right.

Nicky Sparshott:

It's really easy to go, "Well actually, sustainable purposeful products are more expensive." But actually that's not the main reason. The main reason is, "Help me to make a choice, because there's so much information out there, I don't actually know how to make an informed decision well." Our motivation actually to become a B Corp was in part driven by that. How can we help consumers make choices about our brands by being part of the community that has already verified us independently as not only having a good business model, but operating to high environmental and social standard? And in Australia, the B Corp awareness is increasing, and it helps people to make choices around brands that have gone through that very deliberate conscious process around production.

Simon Mainwaring:

And I want to dig into what exactly that means because it is such a powerful tool to be a B Corp, because it is independent verification. I'm backing up for one second about the price point you mentioned. You've got downward pressure on the stock market, you've got inflation, you've got the lag of supply chain disruption all around the world, which is makes products more expensive. So just as we are reaching, hopefully that tipping point where a more sustainable version of a product had the same economies of scale, so it could actually be at the same price, we've got all of these ads, these builds on the price that to some degree get past two consumers. How do you motivate them to actually make that conscious choice and pay a few cents more for a product because it is sustainable? Or do you find that they're doing that themselves because they're so worried about the future?

Nicky Sparshott:

There is a group of consumers, an increasingly larger group of consumers making that choice anyway. There are some consumers who are incredibly price conscious, and rightly so with the pressures that we're seeing in the market, who make choices based on price first and foremost. But what is interesting is that as brand custodians, having sustainably produced products shouldn't cost the earth, pun intended, right?

Simon Mainwaring:

Right. Right.

Nicky Sparshott:

It shouldn't cost the earth. We have to get really considered around how we are making decisions around costs that add value and costs that don't.

Simon Mainwaring:

Right.

Nicky Sparshott:

So what we look at in our business is... I'll use the plastics example again. So if you want to use post-consumer recycle plastics at the moment, it is more expensive. If you want that post-consumer recycled plastic to come from Australia and New Zealand so you are almost creating a bit more of a circularity in the way that you're purchasing, then that goes up even more. And that's just because it's not at scale yet. But it's important for us that we make that investment. It's going to cost us a little bit more, so we have to find non-value added cost in our business that we remove in order to be able to fund.

Simon Mainwaring:

Right.

Nicky Sparshott:

Because I don't think you can keep passing it on to the end consumer if you genuinely want this to be a change in the way capitalism kind of operates.

Simon Mainwaring:

Yeah, I think that's absolutely right. We are not going to get where we need to get, for the sake of our own futures, all of our futures, by doing some version of what we've been doing up till now. We are going to have to do things differently. We are going to have to think about growth and success differently. We're going to have to live our lives differently. It's just logical that there has to be a shift. You mentioned B Corp. And for those who don't know, We First is a B Corp. And what's so amazing about Unilever and Australian New Zealand is that they made a lot of headlines because they're the first really sizable multinational subsidiary that's become a B Corp across multiple categories. So why don't you explain what it means to be a B Corp, and in particular, the process you had to go through when you got such a large and complex business.

Nicky Sparshott:

So the reason we chose B Corp is because it's one of the highest standards of verification across the globe. The process to become a B Corp, for any of you who have done it, know that it's comprehensive in its approach. It took us two years from the first decision to actually getting B Corp certification in all.

Simon Mainwaring:

There is definitely a glass of wine at the end. When you get that final notification that you're a B Corp and you're certified, there's a beer or a glass of wine's had. Yes.

Nicky Sparshott:

Yeah, there's a bottle.

Simon Mainwaring:

There is a bottle

Nicky Sparshott:

There is. But the reason we wanted to do that is because it does really talk to those high environmental, social and sort of governance standards of performance. It's also very comprehensive. So not only is it looking at your own organization and how you operate with the team members that you employ in your business, but also that ripple effect right through the value chain from sustainable sourcing right through to how you put products on the supermarket shelf. So it is really exhaustive, and it is scary.

You are literally making transparent the entire way that you operate. You have to take a deep breath in and high five yourself when you realize actually you're very well progressed on many parts of the journey, and you have to take bigger breath in when you realize that there is much more that you need to do. What I love about the process is you're part of the community of people who have some expertise in this area, many of whom have done it before, and the generosity of sharing has been incredibly valuable. As a CEO sometimes you know exactly what needs to be done to get the impact that you're seeking. And equally, and probably more often than not, particularly over the last three years when you throw in a pandemic and all of the impacts that that's had, you don't know what you don't know. You rely enormously on a community of like-minded people to be able to help you do that. And that's what B Corp did for us as galvanizer around purpose.

Simon Mainwaring:

And I think it answers one of the most important but challenging elements of business today, which is the cynicism or distrust of today's consumers, especially younger [inaudible 00:19:27]. They want to know what's going on, but they want to know you're doing it for real. And the power of B Corp is that it is that independent verification, not just through the lens of one issue or several issues, but comprehensively, in a way that I think if you really sort of ladder up all the concerns of different folks out there, and rightfully so, it really allows you to answer to all of them because it looks at your entire business throughout the whole value chain, as you say.

And it's definitely not easy. And I know that that sounds fantastic, but what does it look like in terms of execution? Because I think a lot of folks out there are really worried about the timelines we're working against. They're contracting towards us, they're getting shorter. So I know that you're announced that you're moving to a hundred percent renewable energy, and you've got so many brands, across Dove and OMO and Domestos, Liptons, and so on. Can you speak to that sort of initiative to give us a sense of what walking the walk actually looks like?

Nicky Sparshott:

When I first recommended that we consider B Corp in the organization, we were deep in the COVID pandemic. So it arguably was the worst time and the best time to suggest it. What I learned at that moment was there was equally as many people that wanted to be part of the journey as those who were cynical about the process. We pulled together a group of what I call change agents, and they volunteered. They came through all parts of the organization, across functions and across areas of expertise, to help us go through that B Corp process. And through that, of course, you can do everything, but you cannot do everything at once.

And the kind of superpowers that we had sitting in our organization, the knowledge around, well, how do you do a more carbon efficient operation, or how do you get imminently more sustainable sourcing in our continental foods business, or how do you ensure that we are partnering with NGOs that can help us to wash children's clothes through our OMO brand by partnering with Orange Sky and taking trucks around to make sure that they can get to school because they've been laundered? This came not from

me, not from the C-suite. These ideas came from in the organization by people who have passion and expertise in this area. So a long way of saying it is a difficult process to go through. It is an incredibly worthy one to go through. It is imminently easier when you just harness the energy that comes from people in the business who applied discretionary effort above and beyond their job to get it done. That was where the magic really sat

Simon Mainwaring:

Actually, you're really right. When you see your own people show up, your teams, your colleagues show up in a way that's just sort of heart led, it actually is really galvanizing for the whole organization. And being a B Corp is your reputation at the corporate level, as you said, it also gives you a sales tool at point of sale. But to your point about people volunteering, it's been a very challenging time for company cultures everywhere, remote work, virtual, the toll of COVID. Did you see, from a bottom line return on investment point of view, value add to the culture of the company? Did employees appreciate the effort that went into it?

Nicky Sparshott:

Undeniably. You set this big, hairy, audacious goal that is equally exciting and terrifying in the same breath, and you watch how that North star, not to use a cliché, but actually it did feel like that at the time, became such a rallying force, a unifying force for everybody in the business. And to be honest, it was the younger people in the organization that were passionate about it. This is in their DNA, right? They wake up every morning wanting to be part of a movement like that but not always knowing how to do it. They were probably also the somewhat more cynical. Is it actually going to happen? Will Unilever do it? Will we see it through to the end when we're under pressure around cost and price? And will we have the conviction to see it through? These are the honest things that we're probably going through people's head.

So when we announced that we had become a B Corp, we pulled everyone together at a town hall, it was honestly one of the highlights of my career, for sure, not because of the achievement, but because everyone felt that they'd been part of it against all odds, and that was cool.

Simon Mainwaring:

And we need something to feel good about these days. Quite honestly, the last few years have been so bloody hard. I think if we've got something to be proud about, we're all ready for that. And so let me play devil's advocate here for a second. You've got consumer expectations on the one side and employee expectations on one side. And you've got investors and publicly traded companies and all those pressures on the other side. When you are behind the boardroom door and you have a decision which provokes the question, well, are we going to make a decision in alignment with our purpose and our B Corp status, or are the business demands just too great that we have to sort of serve the bottom line, not that they're mutually exclusive, what do you do? What does that closed door process look like, when you as a CEO, are sitting there with your team and you have to make those hard decisions?

Nicky Sparshott:

It's a real tension. It is a tension. And to say that it's not, I think would not be doing justice to the choices that do need to be made at any point in time. I'm lucky that I work for a company like Unilever where the end end of this is much more part of the DNA. I also know not all companies are like that, so it becomes even more problematic in some of those organizations. The way we have managed those tension points is to always demonstrate that we can make a dollar and make a difference. So I always

want to hold myself and the team to account to delivering what we say we are going to deliver from a financial and operational point of view. That's important. I do think we have to do that. We have to, in equal measure, then have the conviction to stay the course on the path to sustainability, or even regeneration, and that in the service of the community and furthering society.

So when we make those choices, that's what we are looking at. Can we, in equal measure, make a dollar and make a difference? And that tension, that holding yourself accountable to the performance, the financial performance that investors would be holding you to account to is important. And it's as simple as this. The same way you go to a bank and you want your ATM to have cash in it-

Simon Mainwaring:

Right.

Nicky Sparshott:

... we want to make sure we have cash in the bank to fuel the investments that we want to make in planet and people based initiatives. So we need all of that to come together well.

Simon Mainwaring:

Actually, that's a really important point. I think sometimes it gets overlooked. There's an expression, there's no mission without a margin, but at the same time, purpose doesn't imply that you can neglect the profit of a business.

Nicky Sparshott:

No.

Simon Mainwaring:

The enabling profit is what makes it possible. So I think sometimes we overstate the tension between them. So when you do these initiatives, for example, I know that you repurpose life boy to make hand sanitizer during COVID, and you talked about working with Orange Guide to help laundry services for underserved communities, how do you capture the value of that effort to the business, either through storytelling or B Corp certification, that sort of thing? Because I think what a lot of companies failed to realize is that when you do this work, you then need to tell the story effectively so that there can be a return on that investment, just like every other part of the business. And Unilever are experts at this, and what you're doing in ANZ is just leading the way. So how do you actually unlock the value to the business?

Nicky Sparshott:

That's a really good point. We want to have brands that are preferred in the market, and we want those brands to be preferred because they've been, first and foremost, because they're awesome products. They do what they say. They're going to do in a very superior way. And at the same time, we want people to know that they've been produced in a really sustainable way as well. When those two things come together and someone's buying your product, then market share also goes up, and that's really good for business. So that's a really virtuous cycle. Your point on storytelling is pretty much the silver bullet. And look, sometimes we do this really well, and there are other times that we need to do this better. I think the risk sometimes in an organization is you take for granted that people understand what you've done or how something's been done.

And so we have to get really choiceful about how we do communicate that, whether it's through our retail partners, so you make it really relevant at the point of sale and people are making decisions, or whether it's in media environments so that people are getting a sense of your brand story and what gets you up in the morning for any given brand so that they're really well informed as they make those decisions. When it came to B Corp, we did that. And we just started that storytelling journey on B Corp.

Simon Mainwaring:

And that's a really important stakeholder you just mentioned, your customers. If you're a B2B company out there, what I've seen is more and more of them are not just looking for a supplier that's defensible, or someone making a product that's defensible in public, but someone who could equip them with a story to tell a point of sale, to engage consumers to move the products. So do you feel that pressure, and have you found that it has helped to that end to kind of deepen the relationships with your retail partners?

Nicky Sparshott:

Oh, absolutely. Everybody wants to work out how to take up the mantle in this space, even if we're behind the eight ball in some instances in doing it. And there is that beautiful synergy of great brands in fantastic retail space is telling that story. And yeah, the tension's there. We get pushed on what can we do better, we push them on what they can do better, and we come together to see if we can tackle some of the biggest challenge that exists. And plastics for sure is one of them. Food waste is another one. The inevitability in all of this is it's complicated. If it was easy, everyone would have already done it. The resistance that you come across, at least in my experience, is less about, I don't buy into the fact that this is good for the world. It's a fear that comes from, I don't know how to do it, or I have legacy systems, brands, processes, initiatives that have to be untangled, which is hard work, in order to make that possible.

And so I think that's the thing, is to have the courage to accept that it is going to be a difficult journey. But actually when everyone's on it together, that shared learning has been gold.

Simon Mainwaring:

Yeah, I think one of the interesting things about this whole sort of we mindset when you approach it with the sort of multi-stakeholder approach to capitalism more broadly, but also to marketing, is yes, in a positive sense, you're all rallying around something that's great out there in the world, and you're going to go and take the hill or reach that north star. But also the flip side, when you haven't worked it out, and when you need to do better, and when there are problems that seem really hard to get through, it's a dialogue you can have, it's a conversation you can have with your employees and your customers, and so on. What do you do then? There's been such an evolution of the conversation around sustainability, from sustainability to regeneration to climate, to carbon to biodiversity. It's moving every three months right now. But what seems consistent is that there's a lot of distrust.

There's a lot of concern that business, and especially larger brands are just managing the optics of things, but they aren't really changing. And to your point, the reality is these issues, for example, like plastics and the ability to recycle and upcycle and create circular economies, are really, really hard to solve. So help us understand, when you've got a complex issue like that, but you feel so much pressure from everyone saying, "Why don't you just flick a light switch and change it overnight?" what do you do? How do you lead that narrative so that everyone really understands?

Nicky Sparshott:

You have to be transparent. And again, that doesn't sound like a fancy silver bullet.

Simon Mainwaring:

Right.

Nicky Sparshott:

But in our experience it's about telling people what you have done. It's about telling people what you are doing in the process of doing, and it's about acknowledging where you haven't done enough yet, but you are working on it and seeking help when required. I found many, whether it's consumer groups, whether it's retailers, whether it's NGOs, whether it's community groups, whether it's government, all of which are stakeholders for us, and all of which play a role in that sort of shared prosperity for all, that transparency piece is hugely helpful. Because otherwise, everybody assumes everybody else has got it right or is a hundred percent having it nailed, and somehow behind the scenes, you're the only one that hasn't quite got it. But when you actually share quite openly the challenges, and also the wins, that's when some really cool partnerships can come about.

We've done some great three-way partnerships with Unilever, one of our retailers, and an NGO like Planet Ark or Clean Up Australia because the superpowers that you can bring together from those three groups can then bring to life an amazing activation in store that you can then invite consumers to be part of. And before you know it, you've created a mini movement on something that matters. You want absolute excellence in leaders and humility in equal measure.

Simon Mainwaring:

Oh, it's really hard, Nicky. It's really hard, but I think you'll spot on. I think we sort of draw this contrast between me first and we first capitalism. But also within me first, there's a healthy self-interest that everybody has, and then there's selfishness where your success or wealth or profit comes at the expense of everybody else. And we're not saying that you don't have a healthy self-interest. We're just saying that you need to think of the collective, as well as the individual. Would you say that's fair?

Nicky Sparshott:

Yeah, absolutely. Yeah, absolutely. You need both, right? And actually sometimes, that healthy self-interest allows you to table what you need as long. As you hear what others around the table also need so that you can collaborate together for mutual benefit, then that's the key. And I say collaborate because I think this is not a time to compromise either. Quite often you compromise, everyone loses. This is genuinely putting in the hard yards, the graft work to ensure that there's mutual benefit all around, and that takes a little bit longer to get to, but generally results in a solution that's more sustainable over the longer term.

Simon Mainwaring:

And also what you said is really important, I think people may have may not caught, which is there's real power in the problems themselves. Because if you, on your own, in a vacuum in your company haven't solved for an issue, whether it's who knows what, plastic, or it might be anything peculiar to your category working with others is how you unlock that superpower together. Innovation, disruption, transformative ideas don't happen in a vacuum. It's when two otherwise unrelated things come together, or related things, and they spark something new. So that allows us all to reframe these

problems as opportunities to drive innovation and to solve for a problem. So sometimes, I think problems get a bum wrap. There's sort of these-

Nicky Sparshott:

Yeah.

Simon Mainwaring:

The problems have inherent value in them if you approach them the right way.

Nicky Sparshott:

Yeah. Yeah. Progress doesn't happen by chance. It happens by change. And quite often, that change necessity is the mother of invention. Why is it that there's been so much innovation in the future of work? Why has there been so much momentum building, maybe not to the pace we all want, but certainly building around climate action. Why has there been more focus on social equality in a way that, again, we need much more roles, but there is that momentum building, and it's come out of a realization that the problems are getting bigger and bigger and we have to kind of lean into them.

Simon Mainwaring:

There must have been so many, in your leadership sort of tenure, so many moments over the last few years, because of all the craziness that's gone on, which were real head scratches, were tough knots to untie. As you stay committed to your purpose, is there any one thing that stood out as like, oh my God, this was really a super tough issue? Is there any lesson or insight you might share?

Nicky Sparshott:

Maybe let me use an analogy.

Simon Mainwaring:

Sure, please.

Nicky Sparshott:

You know whack-a-mole game?

Simon Mainwaring:

Yeah, whack-a-mole, definitely.

Nicky Sparshott:

It feels like a game of whack-a-mole, right?

Simon Mainwaring:

Yeah.

Nicky Sparshott:

So when you think that you've solved a problem, so we're going to use less plastics, but then you realize the unintended consequence might be an increase in food waste because actually, that's the impact

there. You might address the food waste issue, but it could have an effect on some of the pricing that you then need to put into the market, right? It's all like a game of whack-a-mole. They're the moments where I've really had to, with the team just sort of hold ourselves a little bit longer in our decision making so that we don't make a decision that's going to be right now, but create problems later.

So how do you, I don't know, play a few chess moves ahead so that you could try to have a look at the total ecosystem and not just at the problem at hand. And that's so hard to do when it's feeling like everything is urgent and important and time-bound, but it is about giving yourself just that moment to sit with the ambiguity little bit longer than you normally would just to ensure that you are putting all of the puzzle pieces together in a way that makes sense.

Simon Mainwaring:

No, I think that's really important because I think sometimes, as you say, the immediacy means, oh, we've got to solve this. We've got to be in reactive mode, rather than recognizing that it's systemic problem, and you need to look at the factors that inform that so that one doesn't cause another problem when you try to solve for it. And that allows you to really think in preventative terms rather than remedial. When you're just trying to fix it after the fact, you're thinking, what would move the needle most effectively for the longest period of time? And I think it's really, really hard when there's such immediacy around so many issues in the last few years. And I want to ask you a question about that. Typically in a crisis, everyone, let alone CEO like yourself, the timelines that you focus on contracts. You're like, I used to be worried about something three years out, but now there's COVID or global supply chain management or the war in Ukraine or whatever else, it might be inflation, and suddenly you look at the day ahead, the week ahead, the month ahead because you're in triage mode.

Yet if we want to be more sustainable and regenerative and purpose led, you have to keep your eyes on that longer term horizon. So how do you, as a leader and as a leadership team, calibrate between that immediacy and long-termism, shall we say?

Nicky Sparshott:

Yeah, it's a very good point. And even during the peak of that sort of pandemic environment, we always looked at things through three lenses, survive the crisis. So what's the immediate actions that we need to take to ensure the safety of our people, that we could supply essential products, that immediacy. The second lens was, how do you drive the recovery? So rather than waiting for some magic new normal to resume, how do you be part of how we are going to inform the next stage of growth for the business? And that third lens was striving in the aftermath. How do we recognize that with every problem comes an opportunity that we could take up and maybe fast track in areas that we hadn't thought to fast track on. So even during that time, that's how we evaluated the business. Now, that sounds very rose tinted, and it wasn't as perfect as that.

Simon Mainwaring:

Sure.

Nicky Sparshott:

The short answer is, I like to work in three year timelines. I know there are five year plans and 10 year plans, but I tend to think three year in this moment in time is a good lens. And then it's like chunking down the elephant. This is what we're doing in three years. What does that look like in one year? What does that look like for each quarter? What does that look like for each week? And most importantly,

does every single person in your organization understand how they contribute to the bigger picture every day when they show up at work so that they're not feeling like they're just churning work, but not being purposeful?

Simon Mainwaring:

Yeah, I think there's a necessary shift in the way that companies of all sizes frame themselves to their employees. Instead of being this top-down prescriptive hierarchy, the company, the brand needs to be a platform on which all the employees stand. And they understand their role, and they contribute together and they aggregate to something larger than themselves. And that way, they co-own the culture of the organization, rather than only being the responsibility of leadership. In a similar sense, consumers are so hard today. I think all of us are weary of social media and algorithms and digital strategies and mobile and AI and chatbots and all of these things going on. And I read that you said that you know, really need to talk to consumers as individuals to shift the dialogue more to conversations. How do you do that? And how do you scale it?

Nicky Sparshott:

It's imminently more challenging when you don't have a direct to consumer model. I think about my time at T2, when we had that relationship directly with the consumer because of the nature of the business model that we had.

Simon Mainwaring:

Right.

Nicky Sparshott:

Look, the inconvenient truth is you have to be much more deliberate in your choice of media, in the way you de average... I hate the word consumers. I know we've used it a few times.

Simon Mainwaring:

Yeah, I know. I hate it too. But anyway, we just agree we hate it [inaudible 00:40:46]

Nicky Sparshott:

Yeah, exactly. But the people we serve are not homogenous. The inconvenient truth is you do have to really de average the people in the community that you want to talk to, and you need incredibly good insight into the kind of media that they consume, where they shop, how they consume your products, and try to find those two-way mechanisms to learn about what it is they need. Now, one of the nicest stories, and I could tell you a few, but the nine year old boy in New Zealand who wrote us a letter to say, "Look, I've been looking at the work that Unilever does in the space of environment, but you've got this plastic scoop and you're washing powder that you sell in New Zealand. And I don't think that's very cool. If you were really going to make change here, you would get rid of that scoop."

And what I loved was our teams, rather than dismissing it, lent right in, had a conversation with him, ask him what he thought. And fast forward now, we don't have a plastic scoop in those products anymore. The point is good ideas come from everywhere. You have to listen.

Simon Mainwaring:

Yeah. Yeah, you do have to listen. I think the companies that will lead the future will be defined by the quality of their listening because I think the world is changing so quickly. Technology, the challenges we face, the younger demos coming through, I don't think the past is a good guide to the future because the future has less to do with the past than ever because it's changing so quickly. So on the strength of your experience at Unilever, and at the regional level with a complex brand portfolio, what do you think the future business will look like, or what must it look like in three years, as you say, or five years? If you could cast yourself forward and look back, what will it look like?

Nicky Sparshott:

There will be an imperative for businesses to be purpose led and profit rich in equal measure. I think the brands already now, we know that the brands that are doing that are growing whatever tenfold faster than the ones that aren't. I think it's going to require a leadership that's courageous and curious and imminently more distributed in the way that it operates. So less of the business serves the CEO or the C-suite. It will be the C-suite serving the people in the organization that actually make things happen. And that I think is going to be those two big dimensions. So purpose led business led by purposeful leaders who serve the organization to deliver incredible outcomes. I think there'll be many, many more curve balls that come our way. So the ability to be able to sit with a perpetual amount of change comfortably, I think is a skill that we're all going to have to learn.

Simon Mainwaring:

Yeah, we're going to have to, because whether like it or not, we're in this together. We're sharing one home called this planet, and it's really facing some very sobering challenges. And what you just said pointed to something, a word you used a couple of times in our conversation that I haven't sort of talked about, which is a word movement. And I get a sense that you're hoping that the independent brands, and then the enterprise at the regional level and so on can be and propelled these movements. What is a brand movement, and how do you build one?

Nicky Sparshott:

Oh yeah, I think it's as simple as just having conviction about standing for something that matters to the community and using the power of your product and brand to create a groundswell of support for that movement, for that purpose. If you think about the big shifts that have taken place in the area of climate or social equality, it's happened because communities have pushed for that change. Not always because government has, not always because big business has, not always because NGOs have. It's been the community. And so there's an incredible power. We reach, in Australia alone, about 13, 14 million people every day with our products. So just imagine the kind of movement that can be created if you have the purpose that matters, a group of people that are passionate about realizing it and the power of sort of an ambition loop or an ecosystem of diverse people coming together. That's pretty phenomenal.

Simon Mainwaring:

I love that term, an ambition loop. I think it's really powerful. And you probably could not have picked a more stressful time to be the CEO of a leading enterprise for the portfolio brands. The last two or three years have been extraordinary. And you've been recognized as CEO Magazine's CEO of the year last year, which is no small achievement. So can you characterize your leadership perhaps in simple terms that might be instructive for us, and maybe even one lesson you might share with us about how to navigate this really unpredictable world?

Nicky Sparshott:

I have an incredible team of people. So I see my role as providing the right environment that allows them to unleash their potential. That's the only job I need to do really brilliantly well. Because let's face it, as a CEO, you're not operationalizing a lot on your own. You can't. You are relying on the power of the organization to do it. But what I can do is remove barriers, I can put in place enablers, I can ensure that everyone feels that I had their back. So that when we take up these somewhat scary audacious goals, which may or may not succeed, they know that I will be the stretch pushing them to set the bar really high, but also the safety net should things not quite work.

Simon Mainwaring:

I've got to say, Nicky, firstly, enormous respect for your leadership, and also the leadership of Unilever ANZ for its B Corp status. And also, I could not be prouder to see Australian New Zealand kind of setting a really high bar for everybody else. There's a big smile on my face. So thank you so much for the time today. Thank you for the insights, and look forward to watching what you'll be doing in the region next.

Nicky Sparshott:

Thank you so much for having me. It's been really fun.

Simon Mainwaring:

Thanks for joining us for another episode of Lead With We. And you can always find out more information about today's guest in the show notes of each episode. Our show is made possible by a partnership between We First, a strategic consultancy driving growth and impact for purpose led brands, and Goal 17 Media that's building greater awareness of and financing for purpose-led companies. Make sure you follow Lead With We on Apple, Google, or Spotify, and do share it with your friends and colleagues. And if you'd like to dive even deeper into the world of purposeful Business, check out my new book and Wall Street Journal bestseller Lead With We, which is now available at Amazon, Barnes and Noble, and Google Books. See you on the next episode. And until then, let's all lead with we.