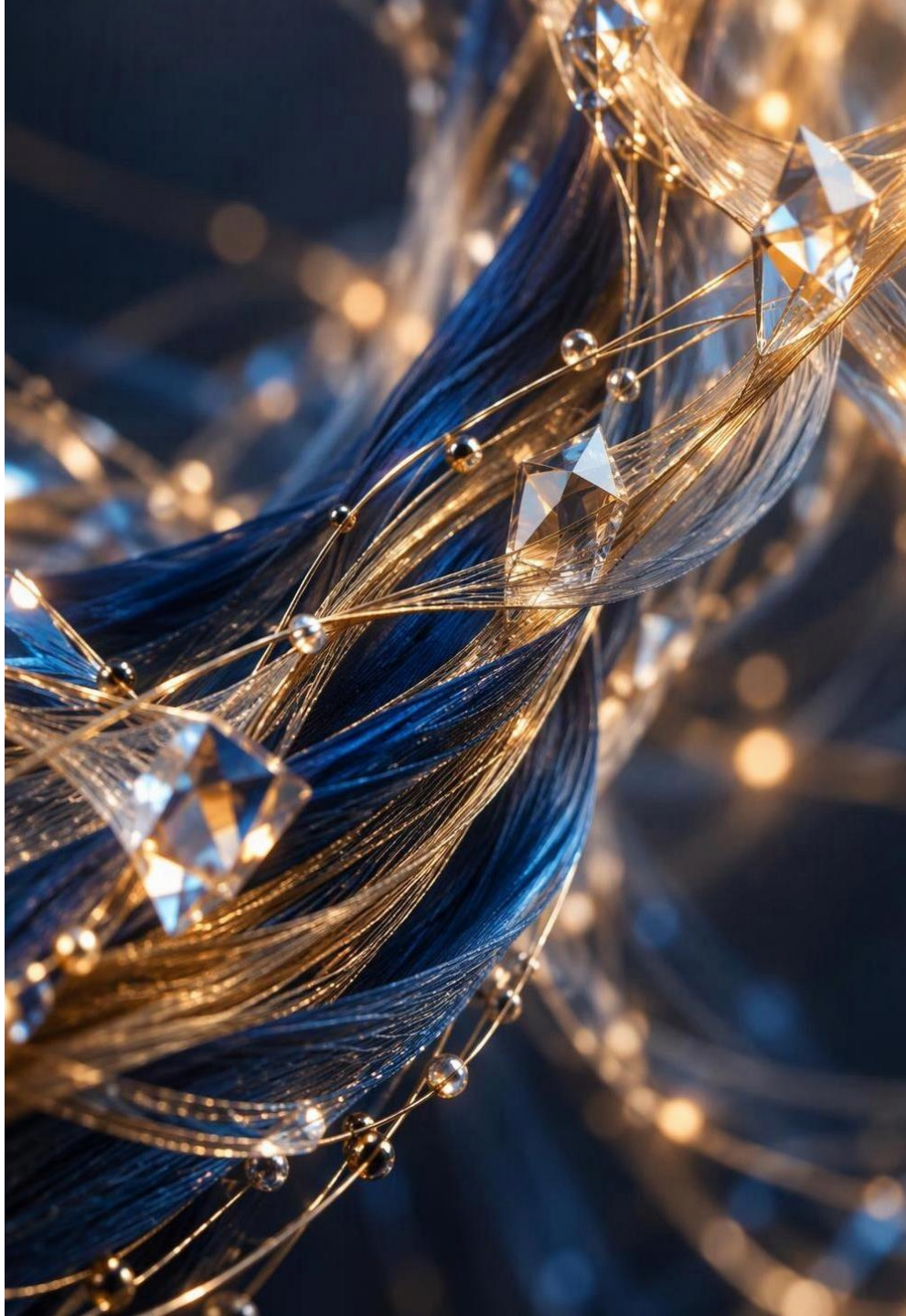
THE GRAYSON COMPANY

The Talent Portfolio

Building organizational capability in retail and consumer brands

A perspective for boards, CEOs and investors

November 2026



Stop searching for the unicorn. Start designing the team



Capability lives in teams

Research on stars and top teams shows complementary teams outperform collections of stars.



A portfolio beats a bet

A designed portfolio of talent is easier to assemble, costs less and is less fragile than one exceptional hire.



Design before search

Hiring into an unclear structure is the most expensive mistake a board can make, and the most common.



Integrate the partners

The most value comes from advisors who link retail strategy, organization design and executive search.

WHY THE QUESTION HAS CHANGED

Leadership churn at the top has reached record levels

41

retail CEO exits through Aug 2025, up 116% year on year; the most of any industry

Challenger, Gray & Christmas

234

CEO departures across global indices in 2025, a second straight record

Russell Reynolds Associates

86%

of new CEOs in 2025 had never run a listed company before

Russell Reynolds Associates

7.1

years average outgoing CEO tenure in 2025, down from 8.3 in 2021

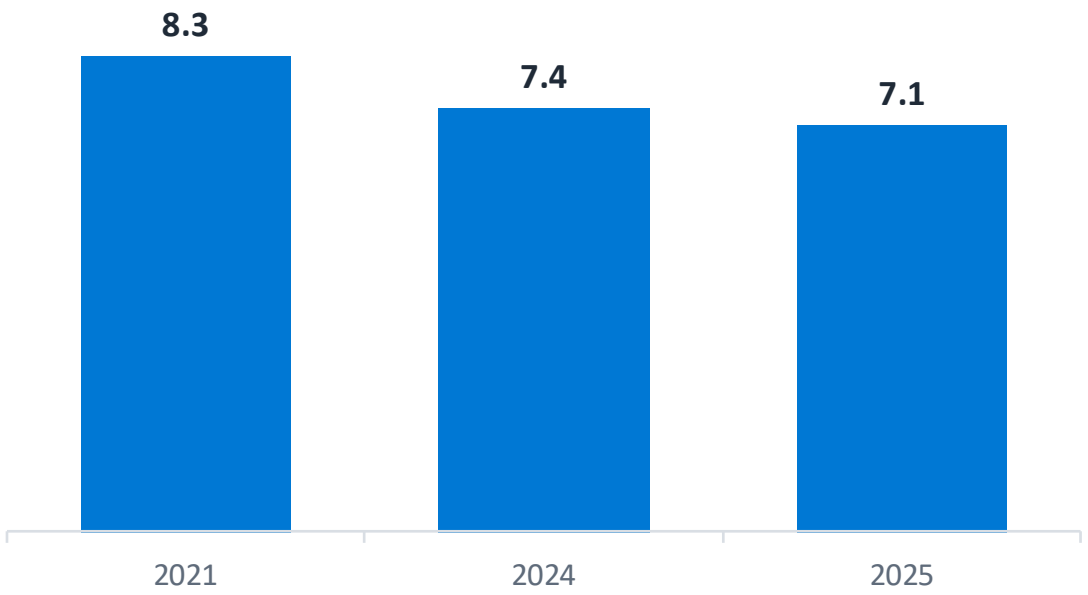
Russell Reynolds Associates

The 2026 class alone: Walmart, Target, Kroger, Coca-Cola, Best Buy, Conagra, Heineken and Dollar General all announced new CEOs.

Source: Modern Retail (Oct 2025); Russell Reynolds Global CEO Turnover Index via Harvard Law School Forum (Jun 2026); Reuters factbox (May 2026)

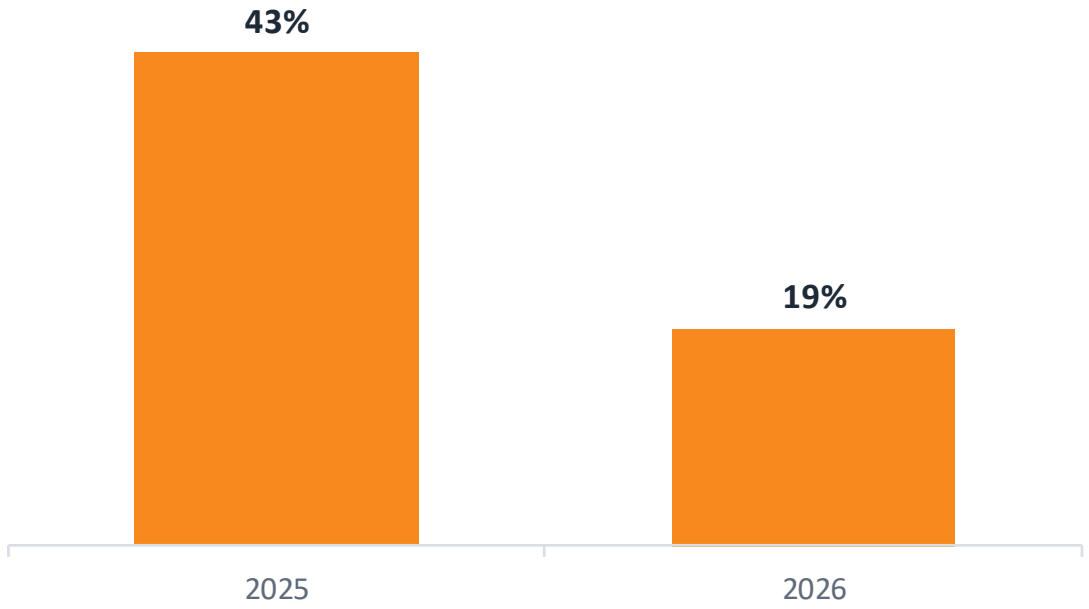
Churn at the top, stability below: boards must build, not reset

Average outgoing CEO tenure, years (global indices)



CEOs are leaving sooner and new ones arrive with less experience in the role.

Organizations with >50% executive team churn, %



Yet broader teams have stabilized, and 58% of late-career executives plan to stay 3+ years.

Source: Russell Reynolds Associates via Harvard Law School Forum (Jun 2026); LHH 2026 View from the C-Suite (Mar 2026)

The 2026 succession class spans the sector's best-known names

Company	Outgoing CEO	Incoming CEO	Effective
Walmart	Doug McMillon	John Furner	Feb 2026
Target	Brian Cornell	Michael Fiddelke	Feb 2026
Kroger	Ron Sargent (interim)	Greg Foran	Feb 2026
Coca-Cola	James Quincey	Henrique Braun	Mar 2026
Conagra Brands	Sean Connolly	John Brase	Announced Apr 2026
Carter's	Douglas Palladini	Sharon Price John	Jun 2026
Best Buy	Corie Barry	Jason Bonfig	Oct 2026
Dollar General	Todd Vasos	Jerry Fleeman Jr.	Jan 2027

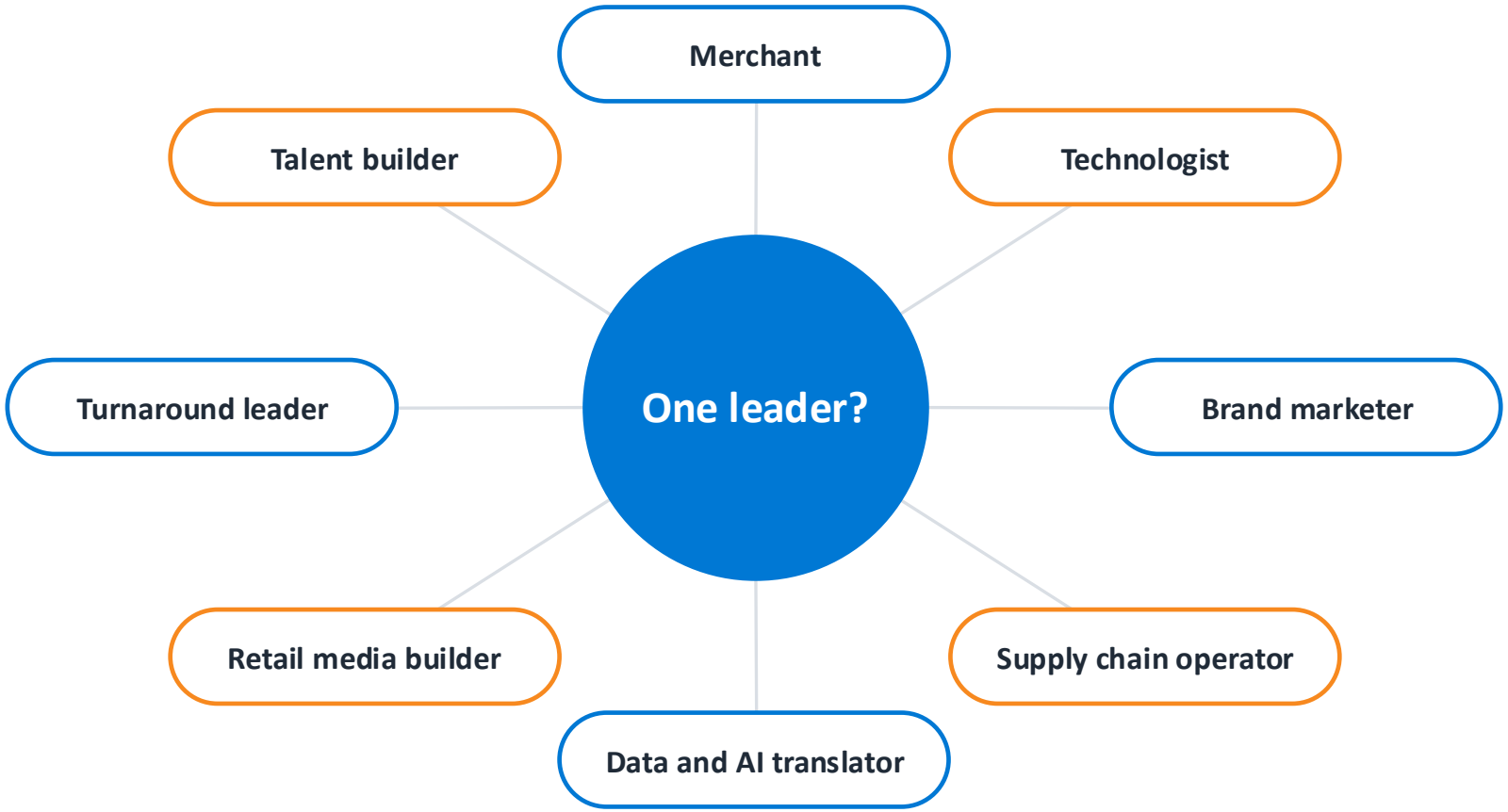
8

household-name retail and consumer CEOs changed within about a year

Each successor inherits a job wider than the one their predecessor took on, and a shorter clock to prove it.

Source: Reuters factbox via Stockopedia (May 2026); Shopappy on Carter's (2026). Effective dates as announced.

The retail CEO job has outgrown any one person

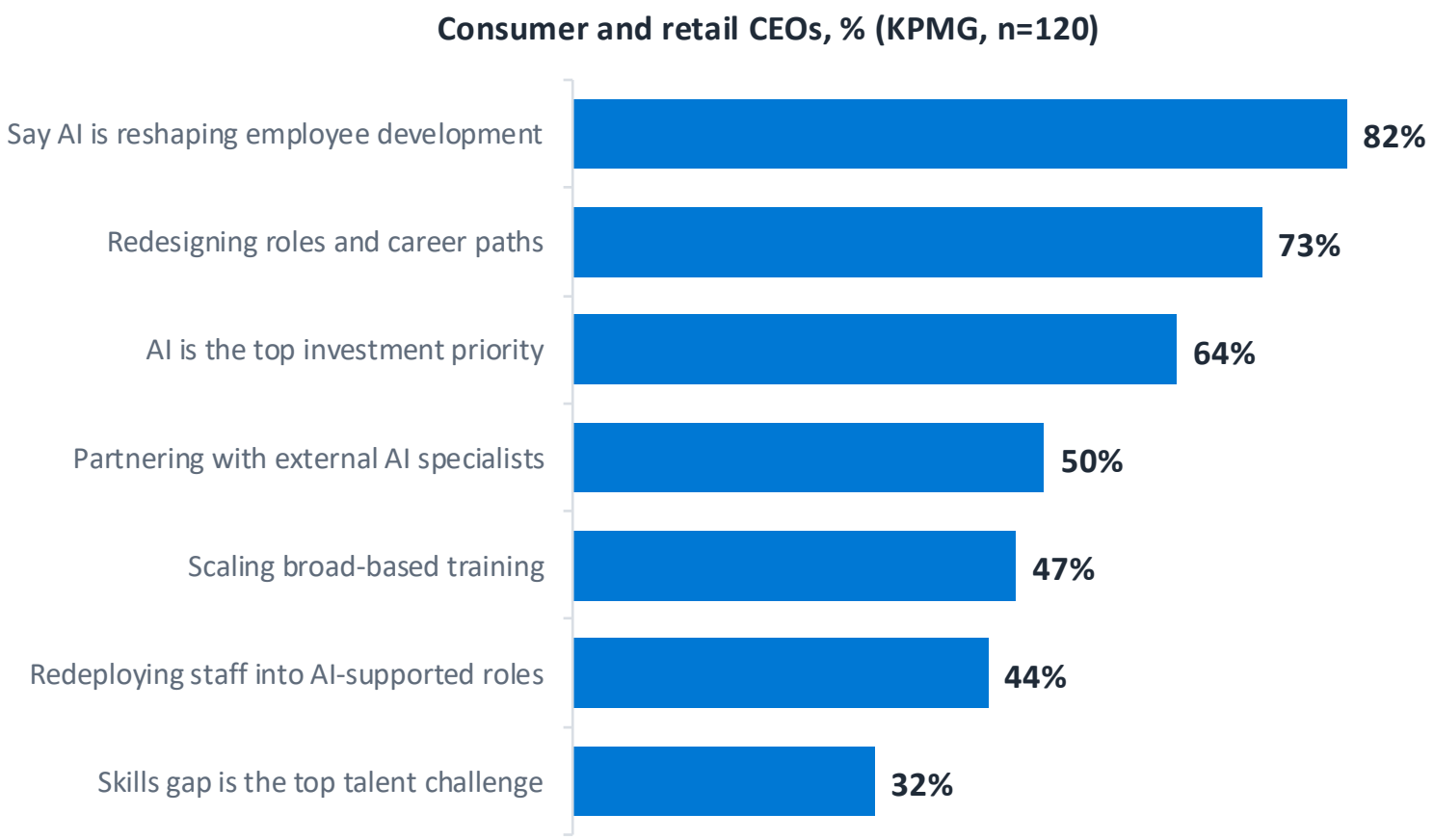


What leading search practitioners now say

- Retail CEOs must be technologists as well as merchants, marketers and supply chain leaders.
- Tariffs, a K-shaped consumer, retail media and agentic commerce all land on the same desk.
- **The pool excellent at all eight is tiny. The pool excellent at two is large.**

Source: Russell Reynolds Associates retail practice, quoted in Modern Retail (Oct 2025)

AI is now a leadership problem, not a technology project



#1

AI and emerging technology is now the top leadership development gap, up seven places in a year.

49% of leaders call it a top priority; they want practical enablement, not more education.

Source: KPMG 2025 Global Consumer and Retail CEO Outlook via Retail Times (Feb 2026); LHH 2026 View from the C-Suite (Mar 2026)

THE LATEST THINKING

Five shifts in how capability is built through talent

FROM	TO	WHAT IT MEANS
Jobs	**Skills**	Start from the capabilities the strategy needs, not from a skills taxonomy
Experience	**Readiness**	Assess learning agility, decisions under pressure and team-building directly
The individual	**The team**	The CEO's most important skill may be assembling complementary people
Structure as afterthought	**Decision clarity**	Clear decision rights unlock capability faster than any single hire
Full-time only	**A blended bench**	Borrow capability while building it: interim, fractional, partners

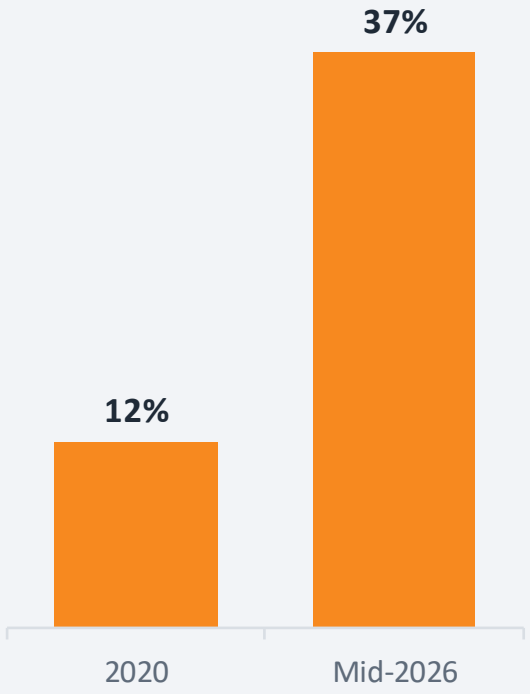
Source: HR Brew (Mar 2026); Russell Reynolds via People Matters; LHH (Mar 2026); Korn Ferry data via Techloy; KPMG (Feb 2026)

Two under-used levers: decision clarity and borrowed leadership

1 in 4

senior leaders say their decision-making processes do not meet their organization's needs.

Lack of strategic clarity (28%) and ineffective decision-making are the top limits on leadership effectiveness for the second year running. Redesigning decision rights often unlocks more capability than adding people.



Borrowed leadership goes mainstream

Share of mid-sized companies expecting to hire a fractional or interim executive tripled.

Half of consumer and retail CEOs also partner with external AI specialists to transfer know-how.

Source: LHH 2026 View from the C-Suite (Mar 2026); Korn Ferry survey data cited by Techloy; KPMG via Retail Times (Feb 2026)

EMERGING CAPABILITY NEEDS

The scarcest capabilities sit at the seams between functions



AI translation and governance

Turn AI spend into margin, personalization and productivity



Commercial and pricing science

Sharper pricing and assortment for a K-shaped consumer



Supply chain and trade resilience

Tariffs make landed cost a board-level variable



Retail media and partnerships

A new profit pool that blends media, data and vendors



Brand building for algorithms

Discovery shifts from shelf and search to feeds and AI agents



Store and experience reinvention

Stores must earn their place as service, fulfillment and brand



Transformation and integration

Restructuring, M&A and operating model change are continuous



People and organization

Redesign roles for AI, retain scarce talent, build succession

Pattern: most are needed for an intense build period, and each pairs commercial judgment with technical fluency, rare in one person, common across a team.

BEYOND THE UNICORN

Design a portfolio of complementary talent

Manage the leadership team the way you manage capital: more capability, less risk, lower cost.



Complementary teams beat collections of stars

+27%

more successful outcomes when teams were redesigned around complementary working styles

Xu, Hu, Chu and Ching, Marketing Science (2025); estimate of 26.6%

Star performance is rarely portable

Groysberg's study of top-ranked analysts (Chasing Stars) found stars who switched firms usually declined, unless they moved with their team.

Top solo performers aren't the best teammates

Moderate solo performers often lifted colleagues most; pairing two top performers did not produce the best team.

Different backgrounds integrate better

Complementary functional backgrounds in top teams improved post-acquisition performance and reduced turnover.

Source: Groysberg, Chasing Stars (2010); Xu et al., Marketing Science (2025) via HKU; Krishnan, Miller and Judge, Strategic Management Journal (1997)

A designed portfolio wins on availability, risk and cost

	Bet on one exceptional hire	Design a complementary portfolio
Availability	A tiny pool is excellent at all eight capabilities; searches run long with little choice	The pool excellent at two capabilities is many times larger; searches close faster
Risk	Losing one person is a crisis; misfit and failed-hire risk concentrate in one seat	Losing one person is a gap; capability is spread and backed up
Cost	Boards pay a heavy premium for scarcity	Several strong leaders, some interim or fractional, often cost less in total and cover more

Seven steps from strategy to a resilient leadership team



1 Start from strategy

Name the 5 to 8 capabilities the next three years demand

2 Map what you have

Assess the team, including strengths below the C-suite

3 Assign owners and backups

Pair complementary leaders; name a deliberate backup

4 Choose the route

Build, buy, borrow or partner for each gap

5 Design to fit

Structure and decision rights that amplify the team

6 Hire for gap and fit

Specs describe the missing capability and teammate

7 Review as strategy moves

Revisit the map at least annually

Step 4 is where most of the savings and risk reduction come from: not every gap needs a permanent executive.

BUILD, BUY, BORROW OR PARTNER

Not every capability gap needs a permanent executive

Core to advantage

Borrow leaders

Interim or fractional executives lead the build, then hand over to permanent owners.

e.g. a transformation, an integration, a store or systems program

Own: build or buy

Permanent leaders. Promote when the talent exists inside; hire when it does not.

e.g. AI translation, pricing science, brand building

Supporting

Borrow expertise

Advisors and project teams for a defined question or period.

e.g. a tariff response, an operating model review

Partner

Specialist firms or platforms run it; the team governs the relationship.

e.g. media operations, analytics platforms, fulfillment

Needed for a defined period **Needed for the long term**

How long the capability is needed →

WHAT IT LOOKS LIKE

An illustrative portfolio for a mid-sized specialty retailer

Capability	Primary owner	Deliberate backup	Route
Merchandising and assortment	CEO (merchant background)	Chief Merchant	**Own**
AI and data translation	COO (technologist, hired)	Head of Analytics	**Own**
Pricing science	CFO	Fractional pricing lead, 12 months	**Borrow leaders**
Store reinvention program	Chief Stores Officer	Interim program leader	**Borrow leaders**
Supply chain resilience	COO	VP Sourcing	**Own**
Organization redesign	CHRO	External advisor	**Borrow expertise**
Retail media	CMO	Specialist partner	**Partner**



Design rules

- No one carries more than two critical capabilities
- Every critical capability has a named backup
- Borrowed roles have an end date and a handover

Illustrative example; owners and routes vary with each company's strategy and bench.

A SPECIAL CASE

The exception that proves the rule

Everything so far argues against the unicorn. In luxury, one role comes close to being one: the creative leader who defines and interprets the brand, and who either conserves or evolves a heritage.

The next four pages narrow from the broad industry to this rarefied but important segment, and show how the portfolio principle applies not to the role itself, but to everything built around it.



Luxury's creative mercato is reshaping the great houses

Chanel
Matthieu Blazy

Dior
Jonathan Anderson

Gucci
Demna

Balenciaga
Pierpaolo Piccioli

Loewe
Jack McCollough and Lazaro Hernandez

Bottega Veneta
Louise Trotter

Fendi
Maria Grazia Chiuri

Balmain
Antonin Tron

Hermès menswear
Grace Wales Bonner

~2 years

Sabato De Sarno's tenure at Gucci before his exit

1 season

Dario Vitale at Versace, after new owner Prada sought closer alignment with the founding aesthetic

New creative leaders named in 2025

Source: FashionUnited (Dec 2025); Numéro (Feb 2026)

Decide the creative mandate before the search

Conserve the heritage ⟷ Break with the recent past

Custodian

Protect and refine the house codes

Fits when The heritage is the brand's core value and is performing

Risk if mismatched The house stagnates and loses relevance with new clients

Evolver

Renew the codes from within, season by season

Fits when The heritage is strong but its expression has aged

Risk if mismatched Change reads as timid to the market, or too fast to loyal clients

Reinventor

Reset the brand's meaning and audience

Fits when The brand has lost its meaning or needs a new audience

Risk if mismatched Core clients and profitable categories are alienated

Many short tenures read as mismatches between mandate and person, not failures of talent. The board and owner should agree the mandate first.

Build around the creative director, not inside the role

Heritage and archive

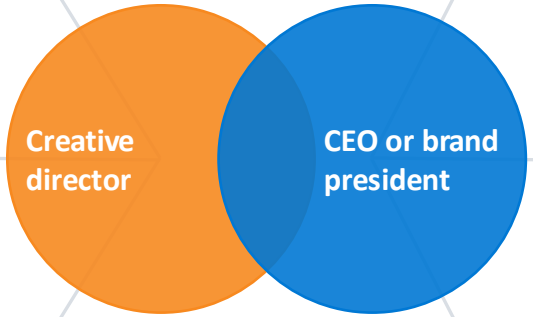
Owns and documents the house codes

Design directors

Run the collections day to day

Category creative leads

Leather goods, accessories, fragrance



The creative–commercial pair

Image and communications

Campaigns, content and shows

Store and visual

Store design, windows, visual merchandising

Merchandising

The commercial partner to the studio

Why the studio matters

- Continuity between creative directors, so the brand survives the transition
- Studio-led collections can bridge the gap between appointments
- Like other stars, designers often perform best with a trusted team

Six ways to make creative leadership less fragile

01

Let the house own its codes

A heritage function, an archive and documented brand codes that stay when a designer leaves

02

Decide the mandate first

Custodian, evolver or reinventor, agreed by board and owner before the search

03

Design the pair as one unit

Explicit decision rights between creative, merchandising, pricing and stores

04

Treat the studio as the portfolio

Deep design, category and image teams carry the brand between directors

05

Assess beyond the runway

Reading of heritage, category range, work with merchants, fit with the owner's horizon

06

Give the board a stewardship role

A periodic review of brand health and codes, separate from collection presentations

For investors: at acquisition, ask who owns the codes, how deep the studio is, and whether the creative mandate fits the value-creation plan.

BACK TO THE BROADER INDUSTRY

From the atelier to the boardroom

The luxury lesson travels. Whether the critical role is a creative director, a CEO or a chief merchant, resilience comes from owning the institutional assets, deciding the mandate first and designing the team around the role.

We now return to retail and consumer brands as a whole, and to the people who must steward capability across them: the board, its investors and their advisors.



THE BOARD'S ROLE

From CEO succession to capability stewardship

Treat talent as capital allocation

Ask which capabilities are funded, which are underweight, and what each senior role should return.

Plan succession for the team

For each CEO candidate, ask which team would make them succeed, and whether it exists.

Hold an annual capability review

Revisit the map with the strategy: thin spots, single points of failure, open gaps.

Pressure-test against scenarios

Tariff shock, activist, acquisition, AI-driven shopping: the portfolio should hold across all.

Manage the generational pipeline

58% of late-career executives plan to stay 3+ years; create stretch roles and visible paths.

Investors: diligence the portfolio

Find where capability is concentrated, where it is missing, and how fast it can be added.

Source: LHH 2026 View from the C-Suite (Mar 2026); Russell Reynolds via People Matters

Choose a partner that designs before it searches

When a partner adds most value

A strategy shift

Turnaround, new channels, an AI-led operating model

A leadership transition

Especially a first-time CEO shaping a team fast

A structural event

Acquisition, separation, market entry, a function outgrown

Repeated misfires

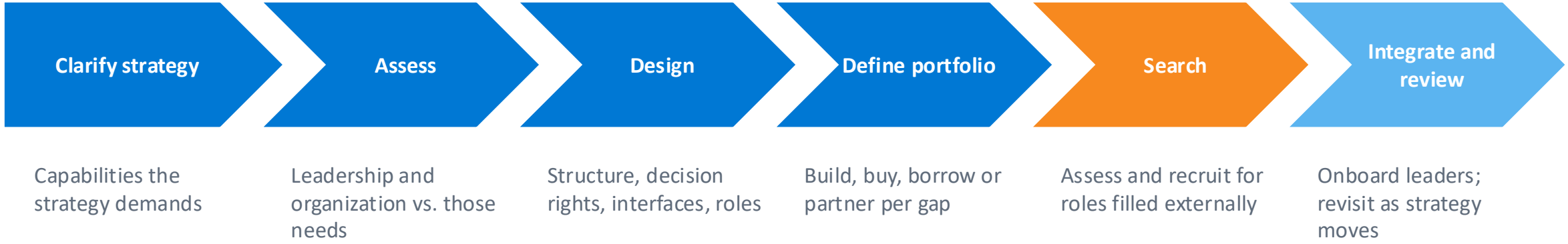
Roles that keep turning over; hires that fail in practice

What to look for

1. **Industry depth** Knows merchandising, stores, brand and supply chain from the inside
2. **Design before search** Willing to say the role is wrong, and redesign it first
3. **Portfolio thinking** Frames every search by the team the hire will join
4. **Rigorous assessment** Tests learning agility, decisions and team-building directly
5. **Range of solutions** Recommends build, borrow or partner as readily as a hire
6. **Accountability past the offer** Stays engaged through integration and year one

HOW THE WORK SHOULD FLOW

One continuous engagement, in the right order



Most firms start at step 5. Design and search are usually bought separately, from different firms, in the wrong order. Hiring into an organization not designed for the strategy is the most expensive talent mistake there is.

Retail strategy, organization design and search under one roof

We start where most search firms do not: with the business.

As retail strategy consultants, we understand how merchandising, stores, brand, supply chain and digital create value. We translate strategy into capabilities and design the organization before a single candidate is approached.

Capability and leadership assessment

What the strategy demands vs. what the team provides

Organization design and operating model reviews

Structure, decision rights, spans, interfaces and roles

Creative leadership and brand stewardship

Creative mandate, studio and heritage design, and creative leader search

Talent portfolio planning

A board-ready view of gaps and the route for each

Executive search

Retained C-suite and senior search, specified against the portfolio

Integration support

Onboarding, team alignment and a structured check-in

WHY IT MATTERS TO CLIENTS

One partner from diagnosis to hire



Nothing lost in handoffs

The people who design the organization are the people who fill it.



Faster, surer searches

The role is right before the search starts, so searches close faster and stick.



A more resilient team

Capability is spread across complementary people, not concentrated in one.

Talk to us about how your organization and leadership need to evolve. thegraysoncompany.com

QUESTIONS FOR THE BOARD AND EXECUTIVE TEAM

Nine questions to ask before the next search

1. Which five to eight capabilities will decide whether our strategy succeeds over the next three years?
2. For each, who owns it today, and who would cover if that person left tomorrow?
3. Where are we asking one leader to be excellent at too many things?
4. Which gaps need a permanent executive, and which could be built, borrowed or partnered?
5. Is our structure designed for the team we have, or for a leader we hope to find?
6. If we appointed a new CEO next year, what team would that person need, and does it exist?
7. Are our search specs written for the capability the portfolio lacks, or copied from the last one?
8. For brand-led houses: are our codes and heritage owned by the house, or by the person interpreting them?
9. What mandate are we hiring our next creative leader for: to conserve, to evolve or to reinvent?



Answer these honestly and the shape of the next hire, or the reason not to make one, usually becomes clear.

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Design the team. Then find the people.

Retail strategy | Organization design | Executive search

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