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Leadership and Culture Alignment: A Critical Factor in Private Equity-Backed CPG Success

Molly Hull

MANAGING DIRECTOR & EXECUTIVE VICE PRESIDENT



When CPG leadership teams share a vision and goals, they can spark the agile, yet cohesive decision-making required to meet PE goals.

Culture alignment has always been a cornerstone of CPG business success. In a sector characterized by frequent fluctuations in consumer demands, shared values and goals provide a clear direction for productive collaboration and growth. A unified culture establishes a stable foundation—the focus organizations need to swiftly adapt without missing target objectives.

For private equity-backed CPG companies, this alignment is especially critical. As value creation becomes a [key priority for PE firms](#), these organizations will face expectations for rapid innovation that necessitate agile yet cohesive teams.

The convergence of external pressures underscores the urgent need to invest in CPG leaders who can leverage culture to drive sustained growth.

The Impact of Leadership and Culture Alignment

The value of cultural alignment is well-documented across industries. According to [Gallup](#), professionals who feel highly connected to their company culture are 3.7 times more likely to be engaged at work. This showcases a direct influence on productivity and, therefore, profitability. Furthermore, strong culture alignment shapes the fabric of your organization—for example, fostering the creativity PE firms demand by welcoming fresh perspectives.

However, employees alone cannot be expected to calibrate entire teams. It is leaders who initiate widespread alignment by [doubly](#) embracing culture compared to their workforce and synchronizing executive visions, strategies, and goals. Efforts at the top set the standard for how employees work and interact.

In CPG companies, the synergy between effective leadership and a crystal-clear culture is an important element to objective decision-making. This can translate optimal outcomes—from consistent brand messaging during product innovation to strategic commitment amid tactical changes—that unlocks success and [business resilience](#) within highly dynamic markets.

Leveraging Culture to Navigate Turbulence in the CPG Industry

The CPG industry certainly isn't the only sector that can benefit from the alignment of leadership and culture. However, consumer goods companies have faced unprecedented challenges in recent years, making cultural calibration—a key ingredient to revitalizing stable growth—particularly crucial for future performance.

Since the start of the 2020s, volatility in the CPG sector has remained steadfast. [New trade disruptions](#) and geopolitical tensions continue to add pressure to supply chains; inflation is intensifying competition for consumer spending dollars; and rising environmental concerns are increasing company expenditures on [sustainable packaging](#), processes, and technologies. These events have far from eased the pace of change when it comes to customer expectations. If anything, this complex environment—which has created [ongoing fluctuations](#) in consumer confidence—is *accelerating* the evolution of consumer trends.

CPG executives who foster a cohesive organizational culture ensure everyone, from senior leaders to frontline employees, shares the same vision and objectives. This simplifies decision-making, empowering businesses to quickly pivot and profit when new disruptions occur—the same way baby food brand [Serenity Kids](#) quickly transformed their packaging to meet demand while maintaining their healthy niche when existing processes failed. Employees are held accountable for their contributions to common end goals while gaining the flexibility to innovate freely.

It's no wonder why successful private equity firms are no longer exclusively focusing on financial performance. Increasingly, PE backing has come with a sharper focus on cultural optimization.

How Private Equity Backing Impacts CPG Success

When funded by private equity, CPG businesses commonly face a period of *internal* turbulence. PE firms often install new leadership or reorganize existing management to fit a new strategic vision. These initiatives drive cultural shifts that can lead to a concerned or unsettled workforce—but an aligned executive team can mobilize and inspire employees to embrace their evolving purpose.

As PE firms steadily [enhance CPG brands](#), they need human-centric leaders who embrace culture as a retention tool. These executives craft compelling employee value propositions to win buy-in and enable effective change management. Even in portfolio companies with minimal PE-driven changes, culture-focused C-suite talent are essential leaders who smoothly

navigate long-term innovation by building trust and loyalty.

Elevating CPG Success

In the turbulent CPG industry, the symbiotic relationship between leadership teams and company culture stands as a fundamental driver of success. The power of culture calibration is particularly pronounced within private equity-backed CPG companies, which are under pressure to innovate and hit key financial and operational goals with speed. Leaders who can align their employees behind a shared vision can set the stage for cohesive decision-making, resilience, and adaptability.

For private equity firms, the time to prioritize leadership and culture alignment is now. How will you invest in the success of your CPG portfolio brands?