

## Olaf Koch, former CEO of METRO

### Career snapshot

After a degree in business administration in Stuttgart, I began my career at Daimler-Benz. In 1996 I founded a data science company, then later went on to hold roles as CFO of the Mercedes Car Group and MD Operations at the private equity firm Permira. I joined METRO in 2009, as CFO, and became CEO in 2012. Since stepping down in 2020, I've been investing in and mentoring young companies, particularly in the field of food innovation, an area that will be key to feeding the global population and protecting the planet. I'm a family man – happily married, with three kids.



### METRO's D&I journey

A few months after joining the company in 2009, I attended a leadership workshop for senior executives. Most of us agreed that a successful leader would learn from failure, listen to different ideas and acknowledge that he or she didn't have all the answers. Then one person spoke up and said: "But that can't work at METRO – we hire hands, not heads." I thought, I can't imagine staying at this company if that is the prevailing culture.



Shortly afterwards, the company identified significant business challenges. The reason for these challenges was that we hadn't yet established close enough relationships with our customers (independent business owners and entrepreneurs) or a deep enough level of trust with our own people. We went on a painful journey of learning that the way we operated had passed its expiry date, embarking on a journey to discover a new model, one that recognised the diversity of both our customers and our employees.

The D&I conversation sparked a lively internal discussion. There were a lot of learnings for me. I have always attached great importance to treating people decently and with respect but I was convinced logic and sophistication was the key to success. Now, for the first time, I fully grasped the big advantage that purpose and engagement could bring to our business.

### METRO's approach

In the whole history of the company, there had never been a woman on the management board. During my tenure as CEO, we wanted to change that, and we succeeded. The target was to have 25% female representation on the next level down, group directors and country Boards, by 2025, which is also on course to happen. At the management level below that, the target is 40% by 2025. The company's graduate scheme, METRO Potentials, is a main driver to shape the future diversity of the company, and I'm encouraged that it has comprised more than 50% women every year since it began. Members and graduates of the programme strongly identify with the company purpose and values and help to shape its aspirations.

All this is a good starting point but we can't say that we are satisfied with this. A natural demographic reflection would be a 50/50 split and that is the only proportion that seems reasonable to us. That's why we are engaged in LEAD Network – because no one company can solve this alone. We need to learn from each other's successes and failures.

## Learning 1: Help people feel the joy of belonging

In industries like technology and automotive, if the product is right it will sell itself. But the retail and wholesale industry is different: it's all about people. It is crucial to take employee engagement very seriously. In 2011, we started to measure employee engagement, and it was poor – in the low 60s. It is now in the high 70s to low 80s. We've improved it by finding new ways to give people the experience and joy of being part of something that is driven by a great purpose. For example, we have made a series of videos where we've tried to illustrate this purpose, use the right words to express it, and actively involve people in it by making sure they can recognise themselves or their colleagues. Then we add music. The videos make an emotional connection with people and have been an important way to keep up morale, especially during the COVID-19 pandemic.

<https://www.youtube.com/watch?v=DPltkP1Y1hw>

## Learning 2 : Mentoring is powerful

We have had various mentoring schemes at METRO, some aimed specifically at women, and I have served as a mentor for many years. It's something I find very rewarding. You don't need to invest a lot of time: an hour of focus on a specific situation can be more valuable to an individual than a whole schedule of training.

## Learning 3 : Diversity brings riches

Diversity enriches a business, both in financial and cultural terms. METRO employs people from 150 nationalities, which means you can work with and get to know all different kinds of individuals. We listen to and value each other's perspectives.

### Next steps for METRO

I don't believe COVID will damage progress on gender equality. One shouldn't underestimate the power of the reflections that have occurred over the past 20 years; I can't see how that could be reversed – the rising generation just wouldn't accept it. At METRO, there will not be an attitude of 'We need to slow down on gender equality because there are other priorities during the pandemic'. Instead, there will be a focus on helping all employees to overcome problems and find solutions.

### Next steps for our industry

Millennials and Gen Z, in many parts of the world, have grown up in great circumstances surrounded by technology and unlimited access to knowledge and information. They want careers where they can fully identify with a company's values, and a workplace where everyone is treated fairly. This is why employee engagement is so vital to the future of our industry. If I am convinced of something through logic, it can quickly get swept away by other things. But if something gets into my heart, it can't be extinguished.



*The spirit of diversity at METRO*

### Contact us

We hope you have found this article useful. Please share your feedback with Mick Broekhof at [mick.broekhof@lead-eu.net](mailto:mick.broekhof@lead-eu.net) or Sharon Jeske at [sharon.jeske@lead-eu.net](mailto:sharon.jeske@lead-eu.net). If you are not already a LEAD Network member, we hope you will consider joining us. We have a fast-growing membership of more than 11,000, all of whom are committed to our mission: to attract, retain and advance women in the retail and consumer goods industry in Europe through education, leadership and business development. Visit our website [www.lead-eu.net](http://www.lead-eu.net) to find out more.

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