The poaching of Tesco veteran Claire Peters by Australia's largest supermarket Woolworths is the latest in a line of British trained retail executives who made their way to Australia. Sadly, the shortsightedness of Australian retail management and years of complacency has forced supermarket boards to look further afield for retail talent.

Not since the likes of Woolworths' Paul Simons and Roger Corbett and ex-Coles Myer Chairman Solomon Lew have we seen excellent strategic retail leaders. Then came along UK retail executive Ian McLeod in 2008, with his no nonsense, low cost strategy approach to food retailing. Taking up the reigns at Coles, his “down, down” campaign was soon replicated across Coles' fuel and convenience division and more recently in the US.

Since 2008 more and more UK supermarket executives have been head-hunted to take up strategic roles within the Australian supermarket and retail arena, particularly at Coles . Archie Norman, credited with turning around UK supermarket Asda, has been advising Coles since 2007.

Former Coles managing director, Ian McLeod and current Coles Express director, Richard Pearson, hail from UK supermarket Asda. Current Coles boss John Durkan, spent 17 years with UK supermarket Sainsburys, along with Andy Coleman (operations and supply director) and Kate Bailey (head of Coles brand marketing), and until recently, Stuart Machin (ex-Tesco, Sainsbury's and Asda) was heading up Coles operations and Target .

However, it's not just Coles showing interest in British trained retail executives. In 2015, David Jones announced John Dixon, a 30 year Marks & Spencer veteran, would take up the CEO role . Dixon had be instrumental in turning around the Marks & Spencer food business, an area David Jones has flagged it wants to pursue.

So it should come as no surprise that Woolworths has finally looked to the UK for direction.

Despite varying retail brands and different positions, all of the above mentioned British trained executives have one common leadership quality; an ability to turn a retail business around, during a period of change and uncertainty.

British parallels

Australian customers share similar tastes, culture and behaviours of their UK counterparts. Research has shown aspects of Australians' sense of individuality and indulgence correlates closely with those in the UK. Hence, transplanting British supermarket innovations and strategies works well here.

Woolworths' move into smaller format stores , replicates recent British supermarket strategies. Figures from the commercial real estate company CBRE show that the big four UK grocery retailers now run more small stores then large format supermarkets.

The growth of private label products in UK supermarkets since the 1990s is mirrored in Australia, and demonstrates how far we are yet to go in this space. The development of “dark supermarkets” by both Coles and Woolworths, to expedite their online channel, has been simply lifted from Sainsbury’s . These "dark supermarkets" are a type of distribution point, allowing staff to pick and pack online orders without the hassle of shoppers getting in the way.

The next strategy to be potentially copied from Britain is “time convenience” , getting groceries ordered online and delivered, same day, if not within an hour.

Even ex Marks & Spencer Chief John Dixon has identified the Australian/British food and grocery sector parallels, saying:

"The emergence of the food discounters here is remarkably similar to the UK for the last two years – ALDI and Lidl had been in the UK 20 years before they really got a foothold around 2008 or 2009, probably because the big four [chains] had had it their own way for a long time."

Complacency

This sort of relationship between Australia and the UK in supermarket strategy has prevailed, until a small German discounter arrived and shook things up. Much like they did in the UK.

Prior to Aldi's arrival, and still today, Australian supermarkets deliver comparatively higher margins relative to other developed nations like the UK, US and EU.

As such, other than fighting one another, there was no real motivation to innovate or change. To some extent, both Coles and Woolworths co-existed in a highly profitable, protected market, in the same way the big British supermarkets had done.

The impact of Aldi and its continued growth within the Australian marketplace has significantly altered the industry and forced the two established supermarkets, Woolworths and Coles, to cut prices, invest in their stores and expand private-label products. Changing consumer behaviour has also influenced the industry’s trading conditions, with shoppers now visiting more frequently, seeking quality, good value and convenience.

Local versus international retail talent

Margarethe Wiersema’s research of Fortune 1000 firms in the 1990s found that firms have a greater likelihood of experiencing significant changes in strategy when they choose successors from outside the organisation. She found firms that promote from within are more likely to experience consistency and less change. Hence, bringing in "new blood", with new unencumbered views, is a breath of fresh air for supermarkets that have struggled with innovation and strategic foresight.

While looking abroad for executive talent can bring about innovative, unencumbered ideas, that lead to change, it's not always smooth sailing.

Take Coles' appointment of Steven Cain in early 2000. Referred to as "Mr Ruthless", Cain was paramount in turning Asda around in the late 1990s, and pushing ahead with an aggressive private label strategy.

In the 14 months with Coles, Cain brought about sweeping changes, merging back office operations, centralising businesses to Melbourne, reducing duplication, which naturally led to job cuts. While it may have been his energetic and at times aggressive approach to turning around a troubled supermarket, it may have been Coles' huge bureaucracy and unwillingness to change at the time that lead to him moving on.

Cain's position was then filled with US retail executive, Hani Zayadi, who at the time was running Kmart and had no grocery experience. He left less than two years later.

Australian supermarkets are expected to deliver global standards and experience. As such, domestic retailers will continue to look abroad for leadership, knowledge and strategic direction. Yet, the question remains - are our supermarkets ready and willing to embrace change?

Gary Mortimer does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

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