

TRENDS | LEADERSHIP



PHOTOGRAPH BY [unreadable]
Citi Straus chair
Israel's largest food
company



FAME, FOOD AND FORTUNE

Israeli businesswoman Ofra Strauss has Australia in her sights as part of her plan to turn her family business into a true multinational

Stay together," Hilda Strauss urged her family in her will when she passed away at the age of 71 in 1985. It's a lesson her granddaughter, Ofra Strauss, lives by as chairwoman of the Strauss global food and beverage conglomerate and one of the most famous business people in Israel. She says her grandmother and matriarch of the business long lived by a simple mantra: "You cannot fight both the outside and inside world."

"Stay together is really our motto. The business is the glue. To make the family stay together and be happy with what they do," Strauss tells *The Deal* in her trendy Tel Aviv office, where the wall is adorned with photos of present and past family members.

Up the corridor, the Strauss boardroom displays a stunning black-and-white portrait of Hilda and her husband, Richard Strauss, who set up Strauss Group in 1936 after emigrating from Germany. Since then Strauss has grown to have a presence in more than 20 countries by striking partnerships with multinationals such as Unilever, PepsiCo, Lavazza, Danone, Haier, Virgin Group and TPG Capital, and made acquisitions in Israel, the US, Latin America, eastern Europe and even Australia. The alliances were spearheaded by Richard and Hilda's son Michael Strauss, but since taking over as chairwoman in 2001, Ofra Strauss has turned what was a largely domestic company

into a multinational. And it has remained family owned and controlled.

Her success and her passion on the international stage for the promotion of women have made her a regular on *Fortune* magazine's list of the world's most powerful businesswomen. And while she may not be a household name in Australia, Strauss's brands have quietly been proving a hit Down Under. Strauss now derives half its revenues, worth more than \$US2 billion, from outside Israel. The group comprises five core business units: Strauss Israel (the largest food and beverage company in Israel), Strauss Coffee, PepsiCo-Strauss Fresh Dips & Spreads, Max Brenner Chocolate Bar and Strauss Water.

While the US has been the main focus of the expansion, the Max Brenner brand now has more outlets in Australia than anywhere in the world. Strauss's Obela Fresh Dips & Spreads business, part of the PepsiCo joint venture, has also been ramping up its presence in Australian supermarkets. And Ofra Strauss believes there could be future opportunities in water. "What is great about Australia is that it is the gate to so many other places and markets," she says. "I have only been to Australia four times. There is something about the laid-back nature there and the openness and willingness to co-operate."

Eighteen months ago, Strauss Group launched an initiative called Alpha Strauss, focusing on developing a food technology industry in Israel, to make it the "Silicon Valley of Food". Strauss

Story **Damon Kitney**

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Group is partnering with start-up accelerator MassChallenge to launch a so-called "food tech accelerator" in Israel, partnering with companies that are working on infrastructure, raw ingredients and packaging. "It really takes technology and puts it at the centre of what we do. It was always a bit remote. But the discussions now with technology companies in the world and the food industry, the need is now there," Ofra Strauss says.

She sees opportunities to expand the Alpha Strauss initiative to Australia, to capitalise on our natural advantages as a producer of quality, clean, green produce. "For us it would be great if the two countries would do it ... There is such a big need now in the world, in the whole supply chain."

Strauss is determined to continue the international expansion of the group and further cultivate its historical entrepreneurial spirit. "Each one of [the company's] categories represents an opportunity to do other things because we are very small globally. Just entering into a country is an opportunity to learn and those things come back," she says. "It can be our current businesses in a different market or it can be taking what we started and doing something new ... We have only been international for nine years. To build this takes years, but it is definitely something we will be able to leverage."

But as the next stage of the international evolution takes shape, the 53-year-old faces an internal pressure — managing the next stage of the family's involvement in business. Many of the photos in Ofra Strauss's office come from the annual, 50-strong family gathering for the Jewish festival of Hanukkah at her grandparents' original home at Nahariya in northern Israel, near the border with Lebanon. For more than a decade, Strauss has taken happy snaps at each event to chronicle the evolution of the dynasty. During April she relived the memories as she waded through old albums in preparation for her father's 80th birthday.

"In our family we put a lot of emphasis on succession. Not only managerial but as shareholders. We call ourselves the third generation. We were lucky that my father and my aunt put us together at the early stage of our life. In the beginning it was those family events. And then it was sitting together and talking together," Strauss says.

"What I take from my father and my grandparents is really hard work. Things are possible. The most important thing is caring. It is an approach to our business. It is about what we do. If you do something that you really love, it is a big gift. I remember when my father retired, when he was 65, he stood next to me at an event and said, 'Ofra, I am jealous when I see how happy you are waking up in the morning.'"

"I really hope the burden of providing for the family will not be only on the 50 per cent of the population that are men and it is a charity for the women. It is really about seeing the men are relieved from this guilt"

To coincide with her father's 80th birthday, Strauss convened a meeting of the 16 members of the fourth generation at the Nahariya house, one of four such gatherings she stages each year. They are largely information sessions and a chance to catch up. But significantly none of those 16 is currently involved in Strauss Group, presenting major challenges for succession planning.

Strauss acknowledges that the family's 76 per cent shareholding in Strauss Group, held through holding company Strauss Holdings, will "decrease with the years". The publicly traded part of the Strauss Group is quoted on the Tel Aviv Stock Exchange. "For the growth, it is a way to finance for the future."

The family still has six of the eight members on the Holdings company board, and Strauss Group chief executive Gadi Lesin has been with the company for two decades. But the next generation, at this stage, is going its separate ways. For example, Ofra's son Tom, one of four children from her first marriage, runs a hi-tech start-up.

Asked how important it is for the fourth generation to be involved in the business in the



Ofra Strauss, centre, at the opening of trading at the New York Stock Exchange in November 2011

future, Ofra Strauss is matter-of-fact. "Our legacy is not really the name. We always want the business to be thriving and that is great for the family," she says. "With each generation, more and more of the family members are not part of the business, but as a family we stay together ... Every generation will need to invent why they want to be together ... It is up to [the fourth generation] to decide, as it was up to us. We hope they will be involved one way or the other."

The fourth generation must also be conscious that fame comes at a price. Being one of the highest-profile people in Israel, Ofra Strauss has had to live with the consequences of that fame. In September 2011, there was feverish speculation in the Israeli press, subsequently picked up in Britain and around the world, that she was having an affair with former British prime minister Tony Blair. This was angrily denied by her spokesman, who noted that she was a friend of both the former prime minister and his wife, Cherie. Strauss has worked closely with Ms Blair for years to help promote women in business and politics. There is even a photo of the former British first lady in Strauss's Tel Aviv office.

"When I started, the whole media thing was



“Through the Jasmine group, we now give certification to women-owned businesses and I work with the business community to get them to open themselves and buy from women-owned businesses”

not a fierce and dominant part of my life,” Strauss says. “To say that it is not bothering sometimes, [it is], of course. But it is more difficult for the fourth generation. For example, they see it in their schools — that was not the case when I grew up.”

Whatever the fate of the family in the business, one significant trait Strauss has seemingly implanted in the company for perpetuity is its empowerment of women. Fifty-one per cent of employees at Strauss Group are women, a marked contrast to other companies in Israel and in the wider Western world.

Ora Strauss is also president of Jasmine (which coincidentally is her middle name, and the name of her daughter), a group that aims to represent and promote businesswomen from all ethnic communities in Israel in the national and international business arenas. It promotes women-owned small businesses to help get them into the supply chains of larger corporates. “Through Jasmine, we now give certification to women-owned businesses and I work with the business community to get them to open themselves and buy from women-owned businesses,” Strauss says.

She agrees women need to be more willing to

take risks in business; she puts their caution down to education and culture. Senior company directors in Australia such as Paula Dwyer, chairman of Tabcorp who is on the board of ANZ and the Kirin-owned Lion, has previously called on women aspiring to executive and board roles to “be prepared to step off the edge” and take more risk with their careers.

“I think the world would be a better one if men took a bit less risk and women would take a bit more,” Strauss says. “In this world women can play a great role in being entrepreneurs. Women should and can definitely take more of an entrepreneurial approach.”

Strauss also agrees with the thesis that women have more of a guilt gene than men when choosing a career over family, a topic famously traversed by Facebook chief operating officer Sheryl Sandberg in her book *Lean In: Women, Work, and the Will to Lead*. She says she was “lucky to be raised in a family that didn’t view men and women as different”.

“My grandmother was working. She was better than the next generation about feeling the duty of being in the kitchen. So this guilt thing was not a part of my upbringing. But I

can understand it now,” she says. She has an interesting take on the evolution of the guilt gene, which Australian company director Christine O’Reilly recently urged women to “get over”. Men, Strauss says, have their own adaptation of it and are “closing the gap quite nicely” with women when it comes to living with the stigma of choosing family over career and vice versa.

“I really hope the burden of providing for the family will not be only on the 50 per cent of the population that are men and it is a charity for the women. It is really about seeing the men are relieved from this guilt,” Strauss says. “They are raised with this guilt if they don’t provide, if they don’t work. I see that if men are not really successful in providing, they find the guilt about that. When we share the guilt, men start to really want to be part of raising the family and not be excluded from it — and the same [goes] for women being included as providers.” She says the future is about sharing responsibility and opportunity: “It will take both sides from a comfort zone.” ^{TD} Damon Kinney travelled to Israel with the Pratt Foundation.