



An Informal but Effective Communicator

Interviews and Profiles





Jim Zappa

Executive Vice President & General Counsel

CHS

Jim Zappa has always had a zeal for the art of communication. He even has a master's degree in it (USC '89). Yet he prides himself on his informal approach to leadership and exchanging information. As executive vice president and general counsel for Minnesota-based CHS, a Fortune 100 company with a unique farmer-owned cooperative structure, his approach has proved effective as he helps America's rural farmers run their farms and businesses.

Zappa's leadership style reflects his Minnesota upbringing. He doesn't believe in hierarchy. He likes his legal department team members to feel comfortable stopping by someone's desk, asking a question, and being able to work out problems as colleagues. It's how open offices are always described, but they only work if the top-level leadership buys in — and Zappa is a proponent (although he admits he doesn't always get it right).

The other pillar of his leadership style is bringing clarity to the work and explaining its purpose. He

admits that he sometimes struggles to achieve clear communication with his colleagues. He strongly believes organizations suffer from a lack of information flow. There are too many barriers to effective communication, he says, from too many layers of hierarchy to the speed of the workplace. “There are too many levels or someone is simply moving too quickly or relying on their position to do something,” he elaborates.

In order to successfully manage a legal department, a leader needs to provide growth opportunities. Career advancement is not only limited to his subordinates. Zappa assigns himself “stretch,” or challenging assignments as well. In the past year, he agreed to lead a company-wide sustainability initiative. It’s a “zone of discomfort,” but he’s learning a lot. It’s easy for lawyers’ growth to become stunted, Zappa says, because they are often ensconced in one business unit, doing the same task again and again. “In order to have professional and personal growth, legal professionals and others need to be asked to do different things along the way,” he advises.

At CHS, that’s easy to do. The cooperative ownership structure is rare among Fortune 100 companies. The company is owned by half a million American farmers; either farmers who do business directly and therefore have direct ownership, or farmers who have indirect ownership through their local cooperatives. In a co-op, no single entity can own a majority of the business. Under CHS’s operating model, its profits are shared with owners based on the amount of business they do with the company. While profits are critical, a co-op’s first obligation is to its members. Thus, it may forgo profits in the short term to better serve its members in the long term.

CHS provides everything that a modern farmer needs, says Zappa. Its four core businesses are energy, agronomy, grain marketing, and processing. The company owns two oil refineries that provide diesel fuel to farmers and their communities under the Cenex brand name. The agronomy business supplies farmers with seeds, fertilizer, and other necessities. CHS also purchases grain from farmers and sells it, both within and outside the United States. It purchases grain from other regions to provide year-round market access. The fourth business line is processing, such as soybean oil or soybean meal, which is a livestock protein.

CHS has about 10,500 employees and a far-flung legal team to support them. Eight lawyers are in the headquarters in Inver Grove Heights, Minnesota, with an additional four lawyers in Brazil and one in Argentina. Lawyers may be assigned to specific business units, but may also spend time working across subject matters, in other divisions, and at an enterprise level. Litigation and labor and employment are fulltime positions. “I’m a big believer in business lawyers having generalist assignments, but also having the ability to specialize if they’re interested in a particular field,” Zappa says.

He joined CHS because he was eager to take his leadership to the next level as a general counsel. The global nature of CHS appealed to Zappa. Its ownership structure, combined with it being a public company, and therefore subject to federal compliance responsibilities, promised to be challenging and interesting, he says. Once he met his colleagues and saw their passion and commitment, he knew he wanted to be part of CHS.

A Minnesota man

Zappa grew up in not far from where he works now, the youngest of five children of a police officer and a homemaker. His attraction to the law stemmed from his study of classical rhetoric. While he was in southern California, planning to pursue a PhD and teach, he saw the connections between the law and communication and decided to try law school. Zappa enjoyed judicial oratory — as it’s known

in classical rhetoric — but also realized many types of communication are necessary to be a good lawyer. “Whether it’s group communication, the persuasion you do in court and litigation, the client relationships that you establish and all of the themes that relate directly to effective communication — all of that was of great interest to me,” he recalls. While in law school, he was initially attracted to labor and employment (L&E) because the conflicts boiled down to relationships going right or wrong, he says. That is to say, it comes down to communication.

Zappa’s first in-house position was at an iconic Fortune 100 Minnesota company, 3M, a massive conglomerate that produces everything from electronic circuits to Post-It notes. He started there as a business lawyer but missed the L&E practice. So he returned to his previous firm, only to be recruited back to 3M as an L&E lawyer two years later. By this time, he knew that a company as complex and sophisticated as 3M would provide various opportunities for growth.

He worked at 3M from May 2001 until April 2015 (except for a year and a half gap when he joined UnitedHealth Group to try to better manage his work-life balance, as the father of young twin boys). During that time, he rose through the ranks, eventually becoming vice president, associate general counsel, and chief compliance officer. That role prepared him for his step to general counsel.

A chief compliance officer is concerned with certain types of compliance issues, whether import/export, environmental, or health and safety, Zappa explains. The work of compliance officers is incredibly important to corporations’ success, though the work, in general, is more practical, such as implementing the code of conduct. A general counsel needs to stay focused on overall risk management by playing a central role in the company, by helping to develop and then execute the company’s risk strategy. Regardless of the position, a compliance officer and general counsel need to work together to protect the company.

Right now, Zappa is focused on bringing in and developing his team’s talent. He says the biggest challenge facing CHS as a company is making sure they maintain the standards of excellence for which they are known, something that is becoming increasingly difficult with today’s talent market, and especially for many of CHS’s positions in rural America where the talent pool is particularly competitive, he says.

Giving back

Zappa’s official responsibilities include overseeing the company’s charitable and corporate giving teams. He’s proud to bring some of that work home. His wife and family focus on providing basic needs or strengthening the safety net in their community, including through Zappa serving on Boy Scouts and United Way boards in the Twin Cities. They are involved in initiatives from safe housing, food insecurity, and children in unsafe environments. “We have a big passion for helping children,” Zappa says.

He also likes to give back to other in-house lawyers. In 2014, he attended ACC’s Executive Leadership Institute, an exclusive leadership program for the next generation of general counsel. The program suited his communication style. An informal setting limited to 30 participants meant that he could talk about the general counsel’s interaction with the board of directors, for example. “It’s a concrete opportunity to learn more about what it is to be in the general counsel chair as a point of reality, not a theoretical exercise,” he explains.

Since he became GC of CHS in 2015, Zappa has gone back to ELI over the past three years to speak with participants about his relationship with CHS’ chief financial officer. They explained how

they worked together, what financial skills Zappa needed to hone to be an effective general counsel, and the challenges they have faced. The pair will take a specific problem they have overcome and explain how they worked through it.

According to Zappa, clear communication — whether with his CFO, colleagues, or community — is the key to achieving results.

Getting to know... Jim Zappa

OUTSIDE OF THE OFFICE, WHAT'S YOUR PASSION?

I'd say my passion is for my family. And there are some charitable causes and community groups that I'm involved with in town that I'm really passionate about.

DO YOU HAVE A BOOK OR MOVIE THAT HAS MADE A LASTING IMPRESSION ON YOU?

There is a Buddhist book on finding the path of your life. The focus of the book is to be conscious and intentional about why you're living your life the way you are and spend time investing in that thought process. I turn back to that book more than a few times to ask myself: Am I being intentional about what I'm doing and how I'm living? It sits on my nightstand, and I flip through it every now and again.

DO YOU HAVE A BUCKET LIST?

I would love to know what waking up at 10 am feels like — I typically wake up at 4:30 am during the week and 5:30 am on the weekends. Additionally, my wife and I have a strong desire and intention to travel for pleasure. I've done a lot of international travel, but it's always been for business. I've been in some of the great cities of the world and barely know them.

WHAT CITIES ARE ON THE TOP OF YOUR LIST?

Istanbul, Bangkok, and Singapore to start. They exist in parts of that world that themselves are beautiful from a natural, as well as a cultural, standpoint.

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