The 2023 CPO Insights Report

Studying the business impact of Chief Product Officers

In partnership with

MIGHTY CAPITAL

Capgemini

Presented by

PRODUCTS THAT COUNT



Foreword by Renée Niemi

I am pleased to share with you the 2023 CPO Insights Report, produced in collaboration with Capgemini. As Chief Product Officer at Products That Count, I have had the privilege of speaking with **over 600 CPOs** over the past 2 years. I am excited to present this report built up from the insights of these amazing executives.

The research shows how CPOs are driving strategic growth and innovation, especially in times of economic uncertainty. We highlight the distinction between good CPOs and great CPOs, the latter of whom are not only cutting costs but also **investing in innovation, hiring top talent, and driving the M&A agenda with CEOs**. Great CPOs are emerging from the downturn by leapfrogging competitors and demonstrating superpowers in business management and innovation. They are influencing the conversation in the C-suite and are well on their way to becoming CEOs.

With the battle for ownership of the Voice of the Customer intensifying in the C-suite, our report provides a roadmap for CPOs to navigate these challenging times. We draw on insights from both good and great CPOs to provide valuable resources for product leaders as they steer their teams and products through these unprecedented times.

Finally, we predict that by **2028, 70% of the Fortune 1000 companies will have a CPO who drives P&L ownership**. Simply put, the ability of CPOs to effectively pull business levers will be the key to success in all industries. More often than not, behind sustainable growth and innovation is a CPO possessing a combination of strategic vision, product expertise, and leadership skills.

Thank you for your interest in the CPO Insights Report. I hope you find it to be a valuable resource for your product leadership journey.

Best regards,

Renee Niemi
Chief Product Officer at Products That Count

Renée Niemi Bio

Chief Product Officer Products That Count

Renée Niemi is the Chief Product Officer at Products That Count, where she leads the annual CPO study. One of the first-ever Chief Product Officers, Renée has become known for collecting outstanding people and building high-performing teams that deliver results. Prior, Renée earned a reputation for fixing and growing businesses by delivering amazing products and customer experiences for some of the best companies in technology, such as Plantronics, Google, and Logitech.

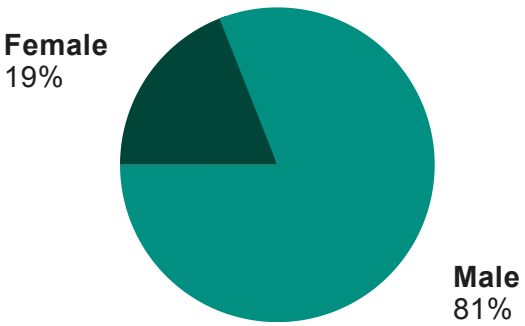
Methodology

What makes a great Chief Product Officer (CPO)? That has been the guiding question of our CPO study, but "great" is not a one-size-fits-all designation. Rather, it is a combination of factors and varies by company size and industry. In essence, the definition boils down to this: ***the great CPOs are the few doing today what the many will be doing tomorrow***. Nobody has a crystal ball, but through our methodology we believe we have identified several trends which will shape product leadership in the coming years.

The methodology behind this report is based on qualitative and quantitative research, over the past year, involving more than 300 CPOs from various companies around the world. Through interviews and survey data, we focused on gathering information on the CPOs themselves (including demographics and prior roles) as well as the companies they work for (such as company size and industry distribution). The following charts provide some of the relevant statistics collected for the present report.

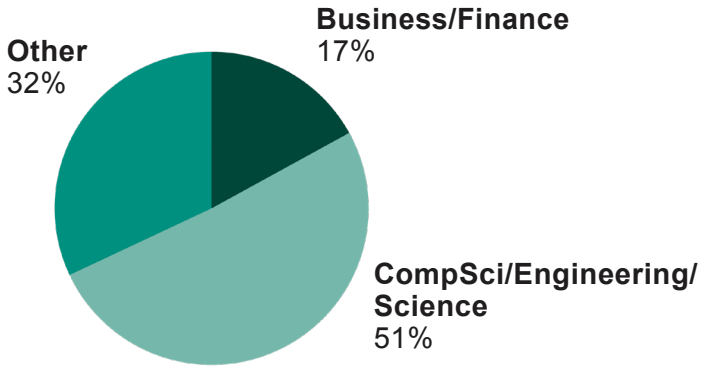
This research fills a significant gap: there is a dearth of primary research on the Chief Product Officer. We have even seen major publications confuse the Chief Product Officer with Chief Procurement Officer or Chief Project Officer. Considering the importance of Product in the post-pandemic world, understanding the rise of the top product leader, with reliable information, is a necessary step in understanding the present (and, we believe, future) world of business.

Gender

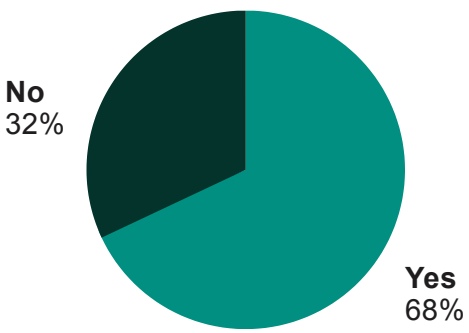


Education

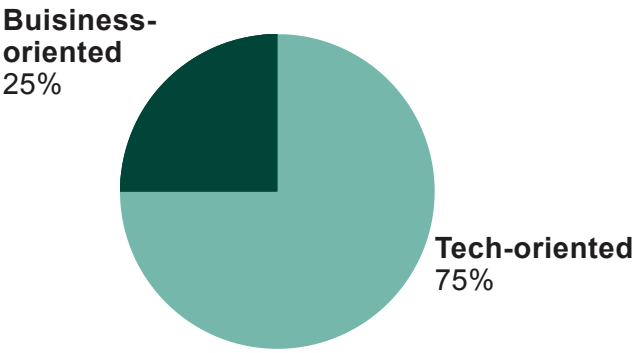
Undergrad Education



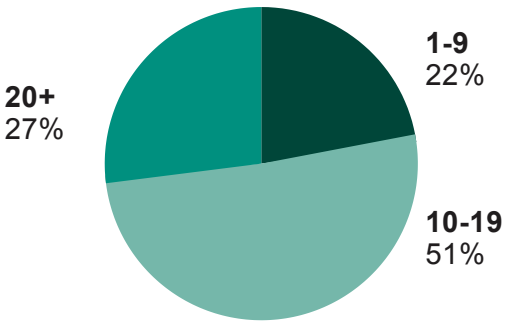
Graduate Degree



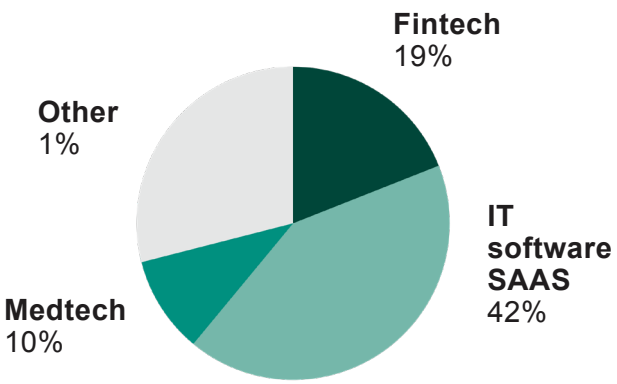
Prior Roles



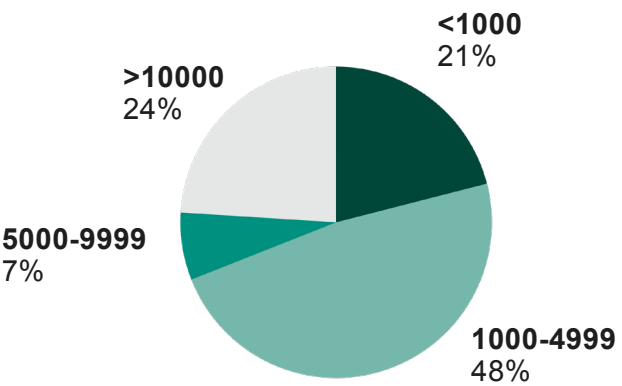
Years in Product Management



Industry Distribution



Company Size



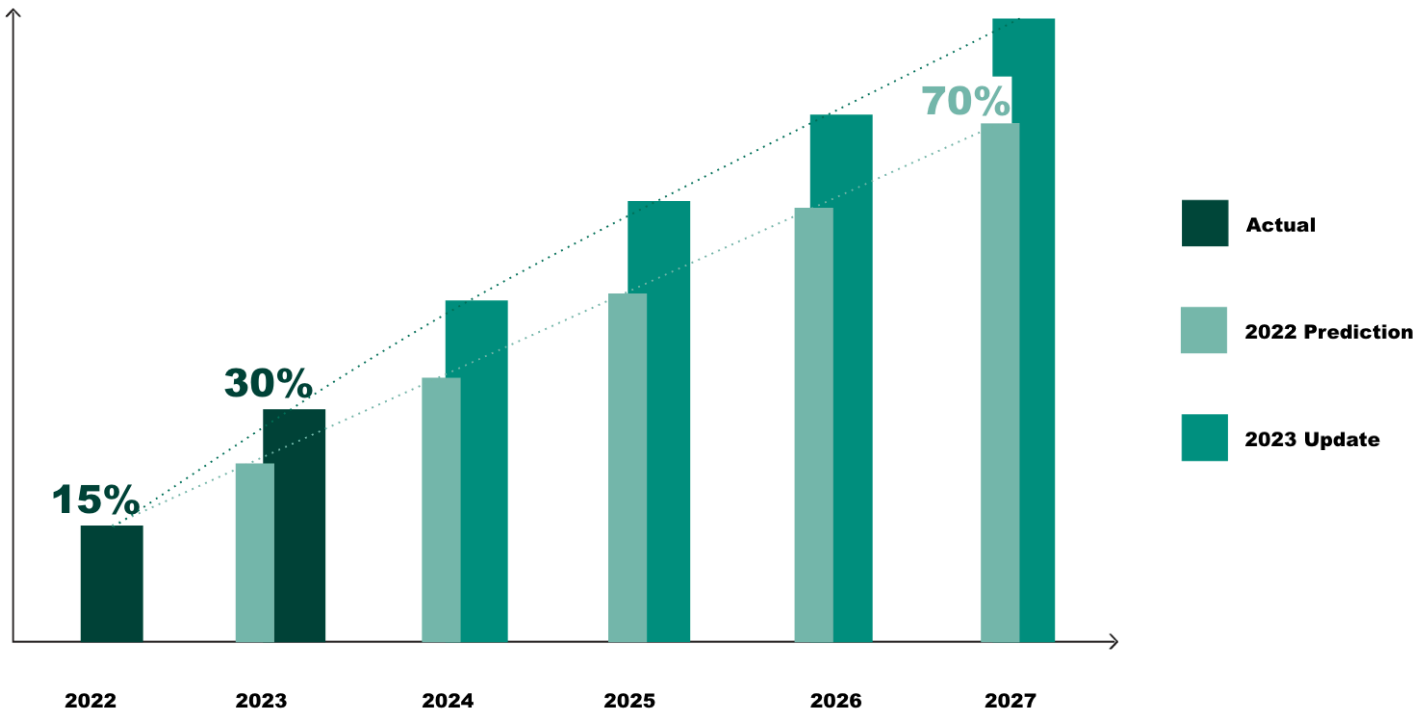
Part 1:

2022 Prediction accelerates

Until the 2010s, the CPO role did not exist in any widespread capacity. (Renée Niemi may have been the first CPO, in fact, when she assumed that role at Plantronics in 2009.) Since then, the role gradually grew, but with the digital revolution accelerated by the 2020 pandemic, businesses large and small have come to see the value in a dedicated product role in the C-suite.

By 2022, as we reported in our CPO study last year, approximately 15% of Fortune 1000 companies had a CPO. At that time, we predicted that the percentage of Fortune 1000 with a CPO would grow to 70% within five years. However, the data for 2023 already shows that this share has been increasing even faster than expected, with 30% of the Fortune 1000 now having a CPO.

As Capgemini Americas Portfolio Lead Lisa Mitnick says, **"The Chief Product Officer is now an integral part of the C-Suite of Fortune 1000."**



The growth of the Chief Product Officer is reminiscent of the evolution of the Chief Marketing Officer role in the early 2000s. At that time, as marketing was going digital, the CMO role was suddenly prominent in every organization, very quickly moving up the ladder as digital marketers tied their success to company growth. Similarly, the rise of the CPO reflects the importance of the product function in driving digital transformation and the growth engine for most companies.

This growth represents a massive impact for the product function in general, and for every product manager.

Needless to say, at Products That Count we remain confident in our prediction that 70% of Fortune 1000 companies will have a CPO by 2027, if not sooner.

Part 2:

Battle in the C-suite

"Ultimately, all decisions must align with the North-star experience that we aim to deliver," says Okta CPO Shiven Ramji. "At times, our approach as CPOs may create some friction as we prioritize longer-term objectives over short-term gains in efficiency."

Traditionally, product teams received customer input through the filter of Sales or Marketing. However, the economic slowdown is providing an opportunity for CPOs to take ownership of the Voice of the Customer.

Why is that significant? By owning the Voice of the Customer CPOs can better balance long term strategy with the short term tactical. CPOs are now **engaging customers directly and utilizing data** to better understand their needs.

Roofstock CPO Anthony Enzor-DeMeo told us that owning the customer interview is crucial, stating, "It is the most valuable thing we can do." To ensure this, the CPO mandates their PMs to participate in a certain number of customer interviews each week.

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Shiven Ramji
Okta CPO

Direct access to the Voice of the Customer is critical to CPO success. It results in less reliance on customer-facing organizations, and CPOs have taken on a more substantial degree of responsibility and ownership over their organization's business, customers, and products. To succeed in this challenging environment, CPOs must embrace an Ownership mindset, balance short-term and long-term priorities, and drive innovation to increase their organization's competitive position.

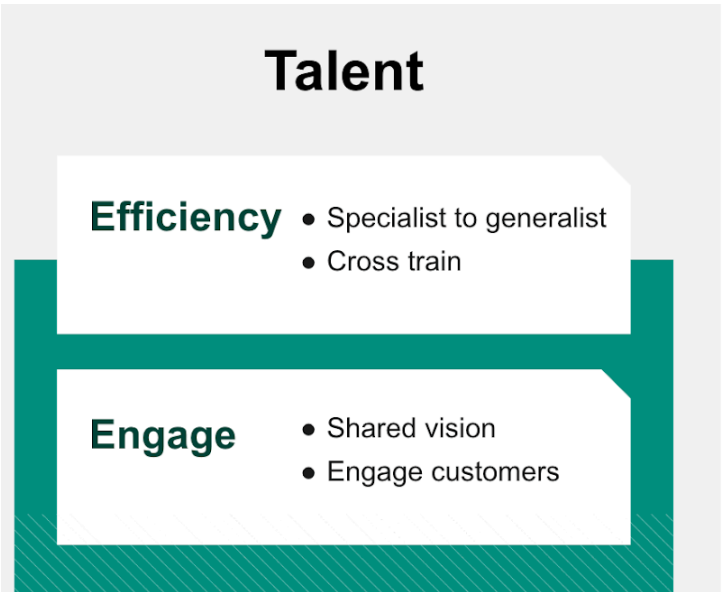
This shift in ownership has resulted in tension in the C-suite. As a CPO starts to take on more responsibilities, that takes power away from others including the Chief Revenue Officer, customer support, and potentially onboarding teams. Our study shows that some CPOs are in a tug-of-war with Chief Customer Officers and Chief Marketing Officers trying to reclaim the Voice of the Customer.

These tensions must resolve, and truly product-led organizations would do well to ensure that CPOs can focus on delivering value to customers quickly. Direct line to customer insights allow product teams to be proactive rather than reactive. This is especially true in an economic downturn when business is softening, and product teams have more time to place bets towards delivering against their vision. The role of Product has significantly evolved over the past few years, from **providing solutions to well-understood problems to being the top of the funnel for customer discovery, onboarding, and success**. Prioritizing ease of onboarding is critical in this regard. All of these efforts are centered around the Voice of the Customer, which is essential to understanding customers at their roots and ultimately succeeding in the marketplace.

Part 3:

Doing more with less

“CPOs are at a critical inflection point post-pandemic,” says Products That Count CPO Renée Niemi. “In this uncertain economy, good CPOs will play defense by doing more with less. The great CPOs will play offense, and use this time to innovate, emerging from the downturn by leapfrogging competitors.”





The average CPO manages budgets of approximately $30 million, with 28% managing budgets of $75 million and 21% managing $5 million budgets. A majority of the CPOs we have spoken with since the end of 2022 have said that they expect their budgets to decrease.

So how are the great CPOs able to do more with less?

For one thing, they are focused on innovation. Great CPOs are **maintaining momentum** and driving their organizations through the economic downturn by taking ownership of the business, from ideation and design to delivery and customer satisfaction. They are modifying roadmaps to impact all aspects of the business, including revenue acceleration and operational efficiency, and spending more time with customers to understand their needs.

For another, the great CPOs are focused on retaining top talent. Last year, businesses were scrambling to get a handle on “The Great Resignation,” when good people were leaving in spite of plentiful

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Renée Niemi
Products That Count CPO

salaries and open positions. Now, in 2023, holding onto those good PMs is a challenge for different reasons: **reduced budgets and hiring freezes**.

CPOs are responding by convincing their companies to invest in their people. Nearly all of the CPOs (94%) surveyed provide training or other professional development to their PMs. Training and learning programs help product teams to acquire new skills and reimagine their vision for a post-economic slowdown era. This is effective in retaining top talent by making employees feel valued and motivated to stay with the company.

“As Chief Product Officers, we must be adaptable and agile in responding to changes in the market, competition, and workforce,” says Cognizant Health CPO Diana Benli. “As product leaders, we face changing priorities every day, and we prioritize our people’s well-being to ensure they feel valued and able to contribute to our organization.”



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Diana Benli
Cognizant Health CPO

Part 4:

Ownership of Business Results: P&L

"Today's forward-thinking Product and Portfolio Officers are focused on delivering great products that disrupt markets," says Capgemini Americas Portfolio Lead Lisa Mitnick. "Moving with agility and scale has never been more important, given the rapid pace of market change."

In 2023, top CPOs have taken on P&L responsibility and are delivering business results through metrics such as margin and revenue. According to our study, 31% of CPOs are accountable for P&L. We believe this will increase in the coming years. The key differentiator between good and great CPOs is taking ownership of business results, which is essential for driving **innovation, revenue, growth, and bottom-line results**.

The Chief Product Officer has emerged as a critical player in the business landscape, particularly during an economic downturn. Good CPOs recognize the need to **anticipate and plan for the future.** However, they often lack the team and staff to move as quickly as necessary. In recent years, many companies have turned to strategic acquisitions as a way to accelerate growth, particularly during challenging times. As of January 2021, 60% of the Fortune 1000 firms have made at least one acquisition

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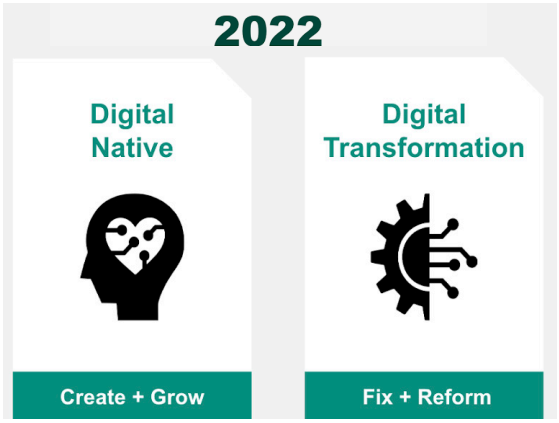


Lisa Mitnick
Capgemini Americas Portfolio Lead

The theme of M&A was very prevalent during this year's CPO interviews, and markedly more than in last year's sample. For example, Glassdoor CPO Andy Chen had the following to say:

"At my former company, 90% of the platform was acquired," said Glassdoor CPO Andy Chen. "I have seen the playbook. You use M&A to acquire market share, talent, or some fundamental technology, but I've rarely seen it used to buy new revenue streams."

Path to CEO: Act as Business Owner





The best CPOs use M&A tactically to fill skill or technology gaps, but more and more they are taking a strategic approach to M&A. They see the future and are urgently striving to get there. They are accelerating their efforts through acquisitions, recognizing that this approach has challenges, but also offers significant advantages.

It is important to note that the CPO's role is evolving; CPOs are working ever more closely with CEOs. Whereas last year we noted that these executives were working together to broaden metrics, now the conversation between the CPO and CEO is all encompassing: it is focused on maximizing budgets and the CPO's ownership of the Voice of the Customer, as well as the CPO's recommendations for two or three companies that should be acquired to avoid falling behind the competition. In the best companies, the CPO is not just a voice in the C-suite anymore, but the key partner to the CEO in ensuring the long-term viability and success of the business. And, in fact, CPOs are developing skills that make them attractive CEO candidates at product-forward market leaders.

"The role of CPO serves as an excellent training ground for anyone, particularly those with aspirations of becoming a CEO," says Okta CPO Shiven Ramji. **"The experience will equip them to become a CEO of whatever stage company makes sense for them. I see this as a big stepping stone to ultimately leading a company."**

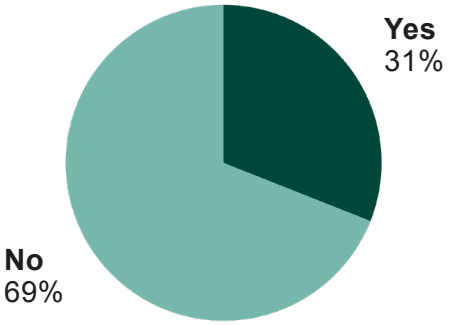
The CPO's role is critical in a rapidly changing business landscape, and their ability to leverage M&A strategically will be key to the success of businesses in all industries.

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Andy Chen
Glassdoor CPO

Accountable to P&L



2022 prediction stands: 70% of Fortune 1000 will have a CPO by 2027

2023 prediction: 70% of CPOs will have P&L ownership by 2028

Wrapping up

Where will the great CPOs take product-led organizations next? The CPO Insights Report highlights the increasing prominence and importance of the Chief Product Officer role in today's business landscape. The trend of promoting product leaders to CPO positions is accelerating, with the share of CPOs at Fortune 1000 companies already having **doubled in just one year**.

The rise of CPOs is shifting the balance of power in the C-suite, as they play a critical role in driving strategic growth and innovation. Good CPOs focus on cutting costs and improving productivity, but great CPOs invest in innovation and hiring superior talent, while taking ownership of both product innovation and business success. This shift in responsibility, combined with many CPOs' combination of tech- and business-oriented backgrounds, is making it likely that CPOs will move up to CEO positions.

Lastly, this report predicts that in 5 years, **70% of CPOs will have P&L ownership**. The ability of CPOs to effectively pull business levers will be the key to success in all industries. As such, companies must prioritize their CPO role and invest in top talent to drive innovation and growth, and in doing so will stay ahead of the competition.

PRODUCTS THAT COUNT

About Us

Products That Count is the most influential Product Acceleration Platform in the world.

Empowers 300,000+ PMs via:

- 100+ events globally each year
- Thousands of videos, podcasts and articles online
- Best practices from Netflix product VP, Box CPO and more
- A focus on answering the question, “What makes a great product?”
- Its commitment to inclusion and increasing diversity in product











Products That Count helps 300,000+ product managers accelerate their careers. It engages >20% of all product professionals globally through highly-rated programs, such as an award-winning podcast show, curated executive roundtables, and coveted Product Awards. It partners with leading brands, including Capgemini, SoFi, Amplitude, Cisco and Teladoc, to accelerate the rise of product to the C-suite and transform product teams into a competitive advantage.

Learn more at **productsthatcount.com**

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