

Why more SMEs are hiring a part-time CPO

Chief Product Officers aren't just found in big businesses anymore. These experienced specialists lead innovation across a company's entire portfolio of products and services. They guide and execute the product development strategy from idea to execution with a customer-centric approach delivering revenue and growth.

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Looking at the FTSE 100, product hasn't traditionally made it into the Big 8 C-Suite spots of chief executive, finance, legal, human resources, information, operations, communications, and marketing. CPOs are found in the next level down.

In contrast, the Digital Giants, the likes of Alphabet Inc., Apple, Amazon, and Facebook, already have the CPO as part of their inner circle. They are ahead of the game and at the forefront of digital transformation, artificial intelligence, automation, and big data.

They know customer experience is what counts. It is their cutting-edge innovation through the development of relevant and user-friendly products and services that give them their competitive advantage. And that's why the CPO role has been central to their top team for so long.

What does this mean for SMEs?

Innovation is their native language and their raison d'être. They are known for it. Big corporates compete to acquire them because of it. They are nimble, flexible, and ambitious. Without the baggage of maturity, they

can experiment and take risks and if they come off, they reap the benefits, if not, they get back up and try again.

The entrepreneur or business owner often starts off as the CPO. They create their business because they have an idea, an invention they need to take to market to solve a problem or meet latent needs. They are the expert in their product or service, the evangelist.

However, there's more to being the CPO than this. The role is multi-faceted. Product is core to enhancing the intellectual property (IP) value of the business. It involves establishing patents, trademarks, and copyright to protect the product suite. They must plan the product roadmaps from cradle to grave and manage product partnerships with other organisations to maximise cash and profit return, for the short, medium, and long term. The role is strategic, commercial, and operational, and central to organisational design and talent acquisition. It's far reaching.

For that reason, at some point, it becomes too time-consuming or complex for the entrepreneur. Besides, they want to get back to the lab and concentrate on inventing their next product brainchild. It's time to call in the functional experts.

And that's where the access economy for the C-suite comes in. Part-time or fractional C-suite execs are becoming the norm. SMEs can access the big company C-suite skills they need in all functional disciplines, in the right quantity, at the right time, for as long as they need. Critically, the C-suite professionals who deliver these services split their time across a portfolio of businesses so the organisations they serve only pay for the time they use. This makes it affordable from the get-go for SMEs and able to fit most budgets. Not only that, working with a range of businesses enables these top calibre professionals to deliver more than skills and competency. They bring valuable professional and sector networks and

up-to-date learnings and benchmarking insights from their work across their whole portfolio alongside wider industry knowledge.

Access to vital skills needed to scale

This is 'Strategy and Leadership as Service' in action and means entrepreneurial organisations get access to the vital skills to scale, something that was out of their reach before this concept came along.

From the product perspective, this is particularly exciting. Digitalisation, automation, and artificial intelligence demand product-led consumer focused responses. While SMEs have always been the backbone of economic growth, their success in this arena has never been more needed. Bringing in experienced CPO skills earlier in their development will turbo-charge success rates, reduce failures, and importantly attract and optimise funding solutions. Investors will have more confidence that their finances will grow and yield a return. Ultimately this enables more of these businesses to make it big, bringing a tangible benefit to global economies and customers.

On the supply side, more and more C-suite executives are entering the access economy and joining this privileged end of the gig economy. They are disillusioned with corporate life. Big corporates are great for training and building experience, yet in-role demands are becoming unrealistic with heavy workloads causing stress and burnout. Caught up in corporate politics they are finding themselves further and further away from the sharp end of business. They are starting to look for alternatives, lamenting "There must be more to life than this." Ultimately, they are seeking freedom. They want more meaning, flexibility, variety, and control over their lives. They want agency and to live and work differently, earning the money they need, with the people they like, doing the work they love.

Organisations wanting to engage with part-time C-suite professionals must identify those with the right drivers and fit for their business. Successful part-time professionals have both functional and emotional intelligence and can build Psychological Ownership with the SMEs – that’s the killer app when it comes to these non-employment access relationships. They need common goals, shared identity, and feelings of belonging which they carefully develop through responsiveness, intimacy, collaboration, and creating psychological safety. They become insiders, trusted members of the team.

Typically, for the CPO role, businesses need talent who crave new challenges and love the pace and excitement of innovation. They must have a proven track record of the product role in larger organisations, know what it is like to ‘feel’ big, and what it takes to get there. A strong reputation with the investor community and for getting things done at scale are crucial. Managing stakeholder expectations with a sixth-sense for market timings and customer sentiment are core capabilities.

We are experiencing the rise of the part-time CPO for SMEs. The access economy for the C-suite has arrived and the time to engage is now, after all, you can’t afford not to!

Sara Daw is the author of *Strategy and Leadership as Service – How the Access Economy Meets the C-Suite*, published by Routledge on 09 May 2024.



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