

AS COMPANIES STRIVE TO INCREASE REVENUE AND REMAIN RELEVANT

WITH SEGMENTED CUSTOMERS, A NEW C-SUITE POSITION HAS EMERGED:

CHIEF GROWTH OFFICER (CGO). THOUGH THE CGO TITLE WAS INITIALLY

CREATED BY MEDIA AGENCIES, TECHNOLOGY AND SOFTWARE COMPANIES

HAVE RUSHED TO EMBRACE AND DEFINE THE POSITION. BUSINESSES TODAY

ARE CHALLENGED WITH BECOMING MORE AGILE, EXPLORING MARKET

POTENTIAL WITH LIMITED RESOURCES, AND MEETING THE CHANGING NEEDS

OF STAKEHOLDERS. THE FIRST GENERATION OF CGOS IS COMMITTED TO

NAVIGATING THESE ISSUES WITH ONE GOAL IN MIND: STRATEGIC GROWTH.

SLOW GROWING

Today, traditional methods of incremental expansion and innovation are not sustainable for B2B businesses. Growth in today's market requires a long-term, forward-facing vision that serves as the foundation for a company-wide strategy. To successfully achieve these overarching goals, companies need to execute decisions quickly and effectively. In particular, larger organizations need to adapt to the changing climate.

For CEOs, it can be difficult to oversee an entire business while dedicating the time necessary to this forward vision. They require a trusted hand to help define growth goals and oversee execution. The CGO fulfills this role.

In January 2016, Foundation Software¹, America's leading construction accounting software, hired their first Chief Growth Officer, tasked with facilitating growth, improving current products and services, and exploring new markets.

WE'RE AT THE POINT NOW WHERE WE FEEL HAVING SOMEONE AT THE EXECUTIVE LEVEL FOCUSING JUST ON GROWTH IS ESSENTIAL.

- FRED ODE, CEO AND CHAIRMAN OF FOUNDATION SOFTWARE
DISCUSSING HOW GROWTH IS DIFFICULT FOR OLDER COMPANIES

THE RISE OF A ROLE

To achieve desired growth, B2B software businesses need to adopt a company-wide agile and holistic approach. CGOs are increasingly tasked with responsibilities that transcend existing departments. Their position includes collaborating with business operations and development, sales, marketing, and IT. Conflicting agendas should be consolidated to help streamline priorities for the company as a whole.

CGOs are valuable because they are committed to disrupting the status quo of a software company. By dismantling silos, a CGO can align a company for future growth and departments can create a seamless customer experience. With more open communication, transparency and flexibility can flourish, and with a full view of internal processes, CGOs can help optimize a business' limited resources.

Most importantly, the CGO should focus energy on external factors for the company. GGOs should study and weigh market dynamics, customer feedback and needs, and consumer trends. These areas will determine how the business is reshaped as a whole, and reveal new pathways to growth.



LOOK CLOSELY FOR CGOS

Most software executives will not have to look far to find a qualified CGO. Successful CGOs are often described as a trusted advisor and challenger to the current CEO. As a result, the majority of first generation CGOs are appointed internally. In a Russell Reynolds Associates' study, 57 percent of CGOs were appointed internally. In the case of external hires in the study, 71 percent had an existing working relationship with the CEO from a former position. Previously, CGOs have held management positions in marketing, innovation, e-commerce, and sales.

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GROWTH BENEFITS

With the addition of a CGO, companies can benefit from a dedicated strategist and streamlined processes.

- **Agility and Transparency:** With departments aligned, and strategies in motion, your company can increase momentum. CGOs will save time by ensuring less duplication of activities across departments. More insight creates transparency. Best practices can be better shared and implemented.
- Increased Investments: The CGO is tasked with researching and enforcing a business' long-term agenda. This executive position sets and tracks key checkpoints in a process. CGOs become the source for accountability.
- **Resilience:** The CGO can reorient even the largest, slowest-moving companies. With their sights set on the future, their business can march toward addressing trends, market change, and customer needs.



Which companies could benefit from a chief growth officer? Consider the following questions:

- Does the company reflect today's market?
- Is it currently agile?
- Are best practices shared and adopted company-wide?
- Do its products cater to current and future customer needs?
- Is the business losing market share to new products/categories?
- Does the company's current investments reflect future growth plans?



SOURCES

Marketri.com, RussellReynolds.com, CampaignLive.co.uk, FastCompany.com, CMO.com, Northwestern.edu, Busineswire.com



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