



WHY ALL BUSINESSES SHOULD HAVE A CxO
And how every company can afford one.

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Running a business is too often a solitary effort; many business owners feel that they have to drive the business on their own power and very often face critical external and internal challenges single-handedly. They have never felt they have had the time or luxury to surround themselves with a strong Executive Leadership team across all key areas of their company – marketing, financial, operations, & technology.

Consequently in almost all of these companies lacking this strategic leadership, opportunities are squandered, efficiencies are missed and necessary changes are not implemented quickly enough.

This article wants to make 3 key points:

- a) *Every business should have at least 2-3 C-level roles focused on developing and implementing strategic changes for the driving the growth and profitability of the firm*
- b) *Every business can afford it; it is just a matter of the right ‘dosage’ – full-time, part-time, advisor, or board member*
- c) *In fact each of these CxO roles will frequently become ‘self-funded’ in the first 3-9 months by indentifying and capturing growth or operational efficiencies that will other-wise be missed.*

First of all let us define the difference between a Senior Managerial leadership role and a C-level one, be it a *Chief Financial Officer, Chief Marketing Officer, Chief Technology Officer* or any other CxO role. This is important because any organization of respectable size will have multiple managers in its ranks to supervise staff and run departments.

The key differences - between a CxO and a Manager – are Focus, Expertise and Skill set of the individual. A manager can run a department or even a business unit, whereas a CxO will have a strategic outlook, a longer planning horizon, breadth of expertise, and strong communication skills required to build a profitable business.

Typically a business owner or even a President will spend the majority of his time running the business, focusing on the biggest most burning issues at hand for the current success of the business. He will be assisting the VP of Sales with finding new clients and closing business, working with Operations to honor the commitments made to customers, helping the Human Resources department with the latest employee issues. He will be sitting down with Marketing to approve the latest brochure or website and huddle with the Finance Manager over the latest cost projections. He is running the business to ensure success today. He is reacting to the leadership needs at hand.

Critically lacking in this routine leadership activity is spending time – pro-actively - with a similarly focused group of executives on developing and implementing plans required to accelerate the business' future growth and profitability:

- Anticipating the changes in the market to develop and implement multi-year product plans and market strategy
- Planning and optimizing cash flow, working capital and profitability
- Planning and optimizing operational processes - both costs and cycle time
- Planning and implementing growth strategies for existing clients
- Planning and implementing direct and indirect sales strategies

Any business owner - who takes the CEO part of his role seriously - should have at least 2-3 *'intellectual sparring partners'* to develop and implement a strategic plan for building and growing their business. Together, as a multi-faceted Executive Leadership team, they will tackle the key strategic issues identified in a 3-5 year plan, keep the organization focused on the opportunities and priorities identified for long-term success, and ensure company is run in such a way to stay ahead of competition.

The most common errors for most owners and CEOs from developing these Executive Leadership team is postponing the decision until they can afford to hire a full-time CxO for the for the area most *'critical area'* to the business – that is the one with the most problems and challenges today. However this *'just-in time'* CxO approach still leaves the same strategic thinking gap across the business in the all of the other key business areas.

Recently some of the more innovative companies across several industries have adopted a more efficient and higher ROI solution for building their Executive Suite: the *'Leveraged CxO'*. This Leveraged CxO is proven leader with the right level of expertise, vision and skill set to impact the business immediately as a Chief Marketing Officer, Chief Technology Officer or Chief Financial Officer – but is hired for flexible number of hours per month, based on the size of the business and scope of business change required to become the market leader.

In subsequent articles we will discuss what impact a well attuned CxO can have on very specific areas of the business, like Finance, Operations, Marketing and IT, along with the potential ROI from this critical changes and the different types of *'staffing'* models available to each business owner for implementing right Leveraged CxO model for accelerating their business' growth and profitability.