



RISE OF THE CHIEF GROWTH OFFICER

With driving bottom-line results becoming a growing strategic priority, a CGO may be in your future.

By Scott Steinberg

Amid increasingly challenging commercial environments, organizations are prioritizing bottom-line results at a growing rate over more nebulous goals such as boosting general brand equity or awareness. With this resurgence in back-to-basics business principles, the C-suite is more than ever expanding to include a chief growth officer (CGO), whose mandate covers strategic growth activities of every sort.

While just 14% of firms had a CGO in place prior to the pandemic, per surveys by Singular, job postings and searches have continued to grow exponentially on LinkedIn ever since, with more than 2,600 open CGO positions being advertised at this writing.

Large global organizations are likely now to house these entrepreneurial thinkers, who are increasingly being charged with helping firms become more agile, growing their market potential, and meeting the fast-changing needs of internal and external stakeholders. Accordingly, while corporate chairs invariably remain involved in helping drive business growth, the rising presence and influence of the CGO is freeing them more and more to focus on a broader portfolio of responsibilities.

Originally created by media agencies, CGOs have found homes in virtually every field—from finance (Northwestern Mutual) to food and beverage (Anheuser-Busch InBev). In effect, a skilled CGO is charged with bringing C-level support and resources to new strategic initiatives that directly drive hard results, such as increased market share. “When I think about the role of CGO, the first image that comes to my mind is the conductor of a symphonic orchestra,” says Nigyar Makhmudova, CGO at Danone, a Spanish-French multinational food-products corporation based in Paris.

“And the reason is simple,” she says. “Just as a conductor does, a CGO has a key role to play in anticipating the rhythm of music—external market conditions, consumer insights, current and future industry trends. And like conductors, CGOs connect strong individual players—across functions and countries—which all play critical parts. In business, just as in music, when the symphony comes together and captures the imagination, we can expect sustainable, superior results.”

As Ms. Makhmudova points out, it takes strong leadership to make sure everyone knows their part and understands exactly what is expected. But most importantly, CGOs must know how each role fits into the overall delivery agenda.

Often, the buck now stops with the CGO, whose meteoric ascent to the C-suite has been driven by companies’ growing focus on data science, out-of-the-box thinking, building sustainable brands and driving profitable growth.

Think of it this way: Whereas chief marketing officers are often advertising and promotions professionals, CGOs are likelier to think more like entrepreneurs and marketing scientists. >>>

A photograph of two men in dark suits standing on a balcony in a modern building. The man on the right is gesturing upwards with his right hand. The ceiling is a complex, geometric structure with many white, angular panels. Large windows are visible in the background, and a thick pillar is on the left. The overall lighting is bright and airy.

“Just as a conductor does, a CGO has a key role to play in anticipating the rhythm of music—from external market conditions to consumer insights and industry trends.”

—Nigyar Makhmudova,
CGO, Danone

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GROWING UP
Revenue is king, but great CGOs build bridges to future opportunity and enable their firms to pivot as scenarios require.

By nature, CGOs take a more holistic view of corporate strategy than anyone in the business besides the CEO.

In other words, their role is to pioneer new pathways to growth by monitoring future trends, maximizing the use of investments and optimizing the use of limited resources while simultaneously leveraging organizational capabilities in innovative ways.

Boards generally look to CGOs to assist with tasks such as:

- **Boosting Alignment and Agility**
Accelerating the introduction of new solutions and strategies by bringing departments and resources together in more cost-efficient and productive ways.
- **Maximizing Impact and Investment**
Optimizing the use of organizational efforts and resources, setting and tracking milestones that drive progress, and ensuring enterprise accountability.
- **Charting a Path**
Researching and defining a road map for strategic growth, staying abreast of market and customer trends, and adjusting tactics when needed.

- **Promoting Organizational Resilience**
Introducing tools and workflows to enable greater enterprise agility, building bridges to future opportunity, and enabling firms to pivot as scenarios demand.

As Vista Equity Partners puts it, CGOs navigate changing organizational needs and market environments with one goal in mind: Strategic growth.

Boards thinking about adding them to the executive team should ask certain questions of themselves first, such as:

- **How many potential growth opportunities and unexplored verticals, geographies or audiences lie before your company, and how large is their untapped potential?**
CGOs excel at identifying overlooked areas for growth and making the most of lean resources. They're especially skilled at helping rising upstarts to increase audience reach, and incumbent market

Pop Quiz: Is a CGO Right for Your Business?

Whether a **chief growth officer makes sense for your organization** largely comes down to the present state of the business and how well its current capabilities and resources align with future objectives. **If you find yourself answering "no" to several of the questions below**, that may be a sign that a **CGO** could be a good fit for you:

1 **Are your** portfolio and product lineup aligned with today's marketplace and customer needs? >

2 **Have you** positioned your growth strategies to align with future client needs? >

3 **Is your** operational footprint robust enough to support your growth strategy? >

4 **Can your** supply chain and sales and distribution network withstand disruptions? >

5 **Have you** explored all technologies that could provide a path to sustained growth? >

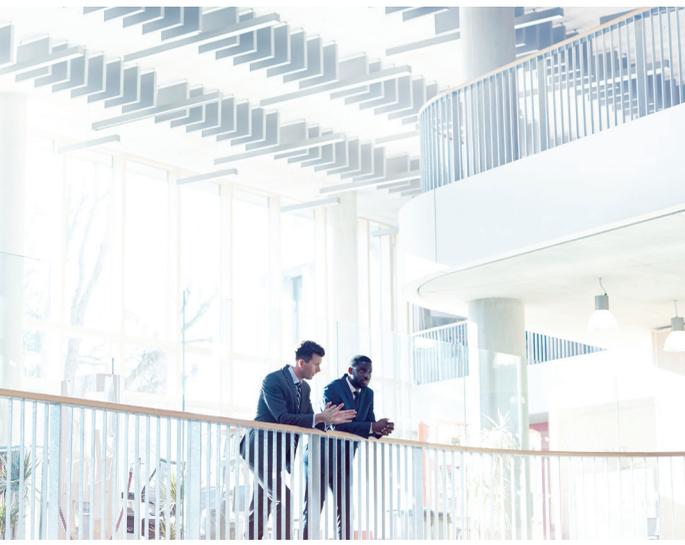
6 **Do you** consider your organization to be highly innovative, agile and adaptable? >

7 **Are you** insulated against potential losses of market share to new products or competitors? >

8 **Have you** identified every potential growth market for the coming years? >

9 **Do you** have all the capabilities, insights and resources to stay competitive? >

10 **Absent a** CGO, is a current member of your executive team skilled at building contingencies around these variables? >



EZRA BAILEY/GETTY IMAGES

leaders to expand or bolster bottom-line performance.

- **What are your future objectives as an organization?**

Consider where you're looking to be three, five and 10 years hence, and to what extent meeting these demands requires delivering immediate or sustainable long-term growth. Understanding the degree of urgency that surrounds these needs can help you identify whether a CGO might be of assistance, and what other skills and job roles you may need to hire for at present.

- **Where will you be looking to your CGO to add value?**

Some firms look purely to CGOs to promote heightened revenue, while others task them with bringing in new sources of income, exploring new markets or introducing new technologies. Responsibilities differ by employer, though a CGO will often be tasked with taking a more holistic view of corporate strategy than anyone in the business besides the CEO.

- **Who might best fit the role of CGO as an internal entrepreneur, or intrapreneur, in your business?**

A CGO's capabilities are generally defined by creativity, innovation and ability to drive growth versus skill at promotions and advertising. Likewise, their role is typically one that revolves less around media planning than aligning and steering cross-departmental capabilities toward common goals.

- **Do you really need to recruit new talent or replace current hires (e.g., your senior VP or CMO) to achieve your growth objectives, or is it their fundamental roles and responsibilities that need rethinking?**

If you're not meeting your present growth targets, consider whether it's

due to this talent's skill and expertise, or whether corporate politics, responsibility limitations, or organizational structuring may be holding current hires back.

- **What metrics will you use to track and measure your CGO's performance?** Sales numbers, market share, subscriptions, sign-ups, new partnerships obtained or products introduced, boosts in savings or cost efficiencies, and other key performance indicators (KPIs) may all provide baseline metrics from which to measure success.

While demand for CGOs is surging in the wake of the pandemic, it's critical to know if adding one to the team makes sense for you, and where they can most add value.

Companies who elect to bring on a CGO largely hire them for three reasons: when they need to **(1) grow quickly; (2) bring different departments, roles and disciplines together more effectively; and (3) identify a leader to steer these efforts.**

That is because the CGO role is effectively a hybrid construct that is designed to promote greater collaboration and creativity throughout a business while also instituting processes, programs and partnerships that enable organizations to be more agile and innovative. Speed, scale and sustainability lie at the core of their work, which often sits at the nexus of both art and science.

A CGO is therefore ideally placed to break through operational silos that naturally exist across a business and serve as a catalyst for driving cultural and organizational change. Able to split the difference between teams and departments, they essentially serve as cross-functional specialists who can help steer enterprises toward continuing success, whatever the future brings. **IQ >>>**

A CGO's skills are generally defined by creativity, innovation and ability to drive the enterprise forward.



DANONE'S DYNAMIC DEVELOPER

How authenticity and integrity accelerated the multinational success story of Danone's chief growth officer.

BIO: Nigyar Makhmudova Chief Growth Officer, Danone

Born in Azerbaijan, Ms. Makhmudova brings over 25 years of experience in pharmaceutical and FMCG companies to her role as CGO at Danone. Having lived and worked in five countries across three continents, her multinational perspective affords Ms. Makhmudova well-rounded insight into the company's global marketing, innovation, R&D and sales functions.

Nigyar Makhmudova is perhaps the ideal representative of the skills and attributes a chief growth officer (CGO) must possess to be successful. And success is something she has been able to cultivate across the globe, in a variety of roles and verticals. At Danone, Ms. Makhmudova steers the company's growth trajectory, which accounts for €24.3 billion in revenue in 2021. To better contextualize the value created by this rapidly growing executive seat, IQ went straight to the source and spoke to Ms. Makhmudova for a real-world example of the impact high-performing CGOs can have on a matrixed organization like Danone.

IQ: You joined Danone at an important time for the company, where you are responsible for leading the "Renew Danone" plan. What does that entail?

Ms. Makhmudova: First, I have always admired Danone as a company which pushed the boundaries beyond conventions in every aspect of the business. Danone has a strong track record in creating new categories; bringing to markets and quickly scaling up innovative products; and building meaningful, iconic global and local brands.

We also have a unique heritage and culture—where entrepreneurship and social and environmental responsibility feed each other rather than fight each other.

Since joining Danone three years ago, I continue to be impressed and inspired by the passion and engagement of our people, now all mobilized behind the very clearly spelled out Renew Danone plan.

The plan is articulated around four strategic pillars: (1) restoration of Danone's competitiveness in core categories and geographies; (2) selective expansion of Danone's presence, in terms of segments, channels and geographies; (3) active seeding of future growth avenues; (4) active rotation of portfolio.

We are confident that this plan will allow us to reconnect with a sustainable, profitable growth model. We are focusing on driving end-to-end step-up in the quality of execution, further strengthening an innovation model geared for scale and impact, delivering better consumer value, and building powerful brands and commercial partnerships.

IQ: As flexitarian diets continue to gain in popularity, what potential growth opportunity or expansion in your core customer segments does this represent for Danone?

Ms. Makhmudova: All the categories in which we operate are healthy, on trend and growing. We are committed to giving people a choice of products—no matter their lifestyle. Consumers do not want to compromise between taste, health, environmental impact and benefits for their communities.

We are the largest flexitarian company in the world with leading shares in both dairy and plant-based yogurts and beverages, which makes us confident in our ability to deliver on our commitment to serve the varied needs of people and solve the daily challenges they face when choosing foods and drinks.



IQ: *Danone's growth strategy is to focus on practices and formulations that are good for the planet. Why is this an important facet of your core brand, and what returns on investment do you see from environmentally sound practices?*

Ms. Makhmudova: We believe that healthy food depends on a healthy planet; it is our responsibility to protect and nourish both. Our approach is driven by four key ambitions: fight climate change, promote regenerative agriculture, protect water cycles and co-build a circular economy of packaging.

Specifically, climate change is a profound, systemic challenge—not in the future, but right here, right now. Danone is meeting this challenge head on by aligning to Science-Based Targets and committing to achieving net zero emissions across its full value chain by 2050. Citizens today want companies to take a leading role in combating climate change. Danone is determined to help lead an industrywide transition to a low-carbon economy.

Our zero net carbon commitment means that we are responsible for the greenhouse gas emissions from the farms where we source our ingredients to the facilities that manage packaging once our products are consumed.

Danone's strategy to achieve net zero emissions is based on reducing emissions, transforming agricultural practices, eliminating deforestation from our supply chain and investing in nature-based carbon-removal programs.

When thinking about ROI on all environmental, social and governance

investments, I always invite people to unpack the sustainability. For us it is about sustaining the resilience of our business ecosystem, as well as strengthening our ability to keep investing in growth and protecting relevancy of our brands for generations to come.

IQ: *You began your career in a very different sector (working for Boots and SmithKline Beecham in the U.K., Belgium, Germany and Russia). What lessons were imparted by those early experiences, and did they influence your leadership style and approach to serving as a CGO?*

Ms. Makhmudova: Firstly, I was not planning to have a career in business. I studied to be a molecular biologist and was dreaming of working to advance science. I had also studied for a business degree and was intrigued by the possibility of applying a scientific mindset to solving business problems.

Over time, I realized that with the scale of the businesses I worked for I can make a difference and I can truly live my personal purpose—to bring positive energy to people and places I touch.

Throughout my career I always worked for companies where my personal values—family, authenticity, integrity—were intact. And that is my biggest lesson in life; you can only be happy if your personal purpose and values are in sync with those of the company and teams you work for and with.

Life is too short and hours we spend at work are too long for one to be unfulfilled at her or his job. My motto in life is very simple: Love what you do, and do what you love. **IQ**

“Nigyar impresses me because she only spends her time on topics where she knows she will have maximum impact, be it developing people or strategizing on the next growth opportunity.”

—Insigniam Partner
Katerin Le Folcalvez

COURTESY NIGYAR MAKHMUDOVA