

# Chapter 1

## The Nature of a CXO's Role

I was struck by something as I read over the nearly complete manuscript of *Startup CXO* for the first time: each CXO believes that their part of the business is the most important part. And they make a compelling set of arguments:

*Shawn:* If you don't have a good product, you don't have a business.

*Anita:* If you don't have revenues, you don't have a business.

*Ken:* If you don't develop the ecosystem, you don't have a business.

*Nick:* If you don't generate market opportunities, you don't have a business.

*George:* If you don't create exceptional customer experiences, you don't have a business.

*Cathy:* If you don't recruit, train, and develop the right people, you don't have a business.

*Jack:* If you don't have the cash, you don't have a business.

*Dennis:* If you don't bake privacy in at the beginning, you don't have a business.

We had a debate years ago at a Return Path Board meeting as to whether we were a sales-driven business or a product-driven business—and more important, whether we should be one or the other. Two of our Board members, both of whom I respect tremendously, were anchoring the different points of view, Scott Petry, on the product side, talking about how successful Apple was at

getting customers to camp out overnight to be the first ones to buy the newest iThing; and Greg Sands, on the sales side, talking about how successful Oracle was at getting product into the hands of customers. I took a devil's advocate point of view in the conversation, true to our operating philosophy at Return Path, which was that HR/People was the most important function because we were a people-driven business.

So, who is right? Are the best companies sales-driven, product-driven, people-driven, or something else? Which of the CXO's functions is the most important? My answer is—they all are important, just in different ways, at different times, and in different combinations. While it's the CEO's job to balance the functions out—to figure out which lever to pull at which time, it's the CXO's job to be at the ready when their lever is pulled. And that gets to the important question of what the nature of a CXO role is, and why those roles can be tricky. CXOs have three principal jobs that they must keep in balance at all times, although there is a clear priority in my mind of the three jobs.

CXOs are first and foremost members of the company's Executive Team. They must, must, must put that team, understanding of the different functions, and the relationships on it at the top of their agenda. They shouldn't show up on the team only advocating for their own team. CEOs must insist on that behavior and mentality. Without it, a company simply can't function sustainably. This concept is one that we have always called the First Team concept, and it's articulated very eloquently by Patrick Lencioni in a number of his books, particularly in *The Five Dysfunctions of a Team* and *The Advantage*. As members of the Executive Team, all CXOs are accountable to each other for the success of the business as a whole and must partner with each other to achieve that success.

CXOs are also the head of their respective functional departments. They must carry the flag of their team and wave it proudly throughout the organization, especially when working with their teams. They are the functional role model, the functional mentor, and the functional decision-maker for the people on their functional team. To be an effective leader, they must be The Quintessential X (sales professional, engineer, marketer, etc.).

Finally, CXOs are company leaders. They are role models for company values. They should always be on alert for things that are

going well or going poorly around them. Things that need attention or recognition. Situations that need calming down. Guests who are sitting unattended in the office lobby. Delivery people who need a check signed and who need to be tipped. Putting the new bottle of water onto the water cooler. You get the idea. Company leaders have the actual and moral authority to step outside of their departments and handle things as they need to be handled, regardless of which employees are involved.