

THE CHIEF PARTNERSHIP OFFICER REPORT



PARTNERSHIP
LEADERS

IN COLLABORATION WITH



WorkSpan

Table of Contents

Introduction	1
Asher Mathew, CEO & Co-Founder, Partnership Leaders	1
Amit Sinha, Workspan President & Co-founder	2
Note from the Author on our Methodology and objectives	4
Making the case for a C-Suite Partnerships Leader	4
Partnerships are Critical for Navigating the Challenging Market Conditions Experienced by Technology Companies	5
1. Revaluing tech companies in the public market	6
2. Tech layoffs impact product innovation	7
3. Scarce funding creates acquisition opportunities	8
4. Inflation around the world makes direct international GTM risky	9
Rapid Ecosystem growth makes it impossible for CEOs to remain experts in their ecosystem	10
The Need for a Dedicated C-Suite Role	13
The CRO, CMO, and charting a path to CPO	14

Introduction



Asher Mathew

CEO & Co-Founder
Partnership Leaders

GTM is in a state of transition, CxOs and boards are looking for ways to increase impact and efficiency. The market is talking about partnerships as the lever to pull on.

Partnerships are in a state of transition, new routes to market are being created and existing ones are getting more complicated i.e. multiple partners serving the same customer at the same time. Partnerships teams need more resources but need to show outcomes that align with corporate objectives.

Partners of all types are feeling the pressure too, they want to provide more services to customers and build tighter relationships with vendors. People, process, technology and data, you can now partner across all of them, in fact modern businesses are doing exactly that.

These conditions are perfect for the emergence of a new C-Suite leader, the Chief Partnerships Officer.

Linkedin shows 152K CMOs, 34K CROs and 10K CCOs, I believe those leaders are dealing with their own challenges and are looking for a C-Suite counterpart to join the executive ranks to drive business.

The future of partnerships needs a leader who spends all their time thinking about new ways to partner, optimize existing ones and has C-Level authority to drive transformation and deliver results.

If you are a sales, marketing or customer success leader, this report should encourage you to show support for another executive leader who will help you drive higher levels of business performance.

If you are in partnerships you now have a clear path to the C-Suite, one that provides similar rewards as other roles at the same level. The path forward is not easy but you can rely on a private network of professionals and executives where you can discuss best practices, learn from failures and celebrate success

I look forward to congratulating you as you finally rise to the C-Suite.



Amit Sinha
Workspan President
& Co-founder

We are right at the start of something that's new, that's big, and that will permanently shape the future of business.

We're in the early innings of what's been called "The Decade of Ecosystems". That's a big promise with major expectations for those leading partnerships. What processes and strategies do you put in place to manage the value orchestration required across your own organization let alone an ecosystem of partners. From the inside out, it starts with a shift in the revenue plan. It requires managing partnerships, ecosystems, and co-sell processes driving repeatable, measurable growth. And it needs a special breed of leader.

The earliest Chief Partner Officers have shown the impact that putting the ecosystem at the center of your business strategy can have. A recent survey of business leaders by EY showed that companies with high-performing ecosystems drive double revenue growth versus their peers with a simultaneous 150% reduction in cost. Especially in a tough macroeconomic environment where sales & marketing investments are hard to justify, there are growing expectations that the alliances org can take the mantle and find profitable paths to growth. So CPOs and rising CPOs have a great opportunity to positively impact their organizations, but that opportunity comes with great responsibility. In addition, managing a high-performing ecosystem is not easy.

There's a good reason partnerships are the last frontier to go fully digital. Even within a specific type of partnership — GSIs, cloud hyperscalers, ISVs — every single business process is shared between your organization and one or more external parties, and each of those processes is usually different, nuanced and relationship-specific. Working with the AWS Marketplace and AWS ACE is different from working with the Azure & GCP marketplaces. The way that Deloitte co-sells with partners is different from how EY co-sells with partners.

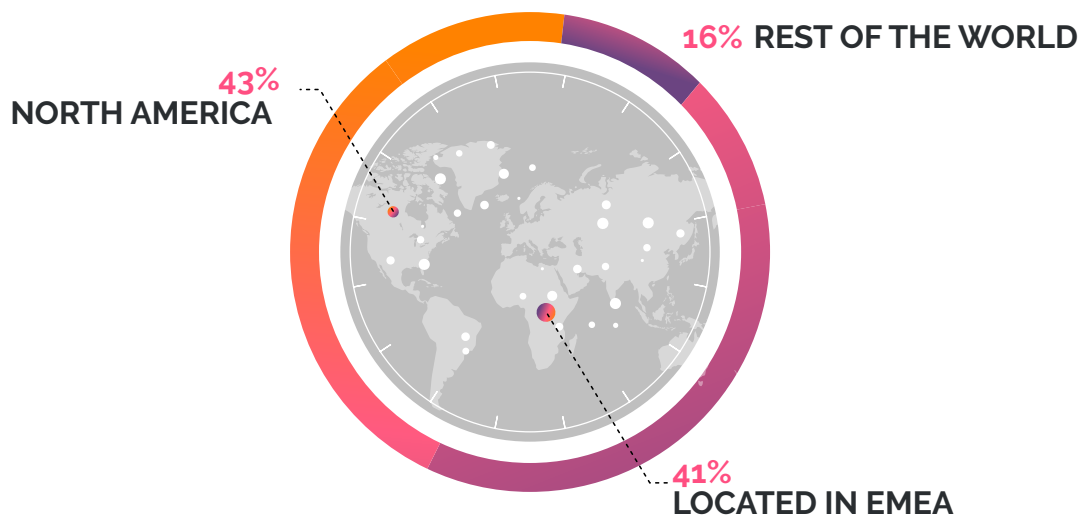
Across the breadth and variance of partner motions, partner leaders are expected to drive rigor, to scale programs that are working and make good investments with their time and resources. The rise of the CPO would not be possible without the evolution of tools, best practices, and the practitioner community.

This is a turning point. An exciting moment for anyone that's had a career or is just starting their career in partnerships. We are thrilled to be a part of this movement.

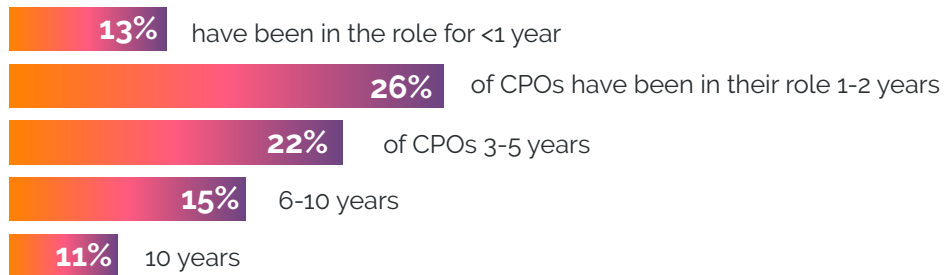
Amit Sinha
WorkSpan President

267 Executives with Chief Partnerships or Chief Partner Officer as their title

The presence of Chief Partnership Officers today



CPOs by Tenure





Tai Rattigan

Co-Founder & COO at
Partnership Leaders

Tai has over 15 years of experience
building partnerships & BD teams at:



Note from the Author on our Methodology and Objectives

The data and conclusions presented throughout this report were collected by the Partnership Leaders team through interviews, surveys, and analysis of top partner organizations unless otherwise stated.

Each survey has a minimum of 100 respondents, and the questions were carefully designed to gain an unbiased view of how Partner Organizations are being operated. The conclusions were drawn from the data rather than finding data to support our conclusions!

You'll note we split the Chief Partnerships Officer series into two parts - the Report, where we analyze industry data, and market trends, and draw conclusions on the trajectory of the CPO. The CPO Playbook follows with actionable tools and resources to build a strategy and unlock the resources needed to take the next steps in your journey.

The conclusions and recommendations are my best efforts to draw tactical lines from our research to enable Partnership Leaders worldwide to elevate their work. Some of them might not stand the test of time, and I know you'll be patient with me on that front.

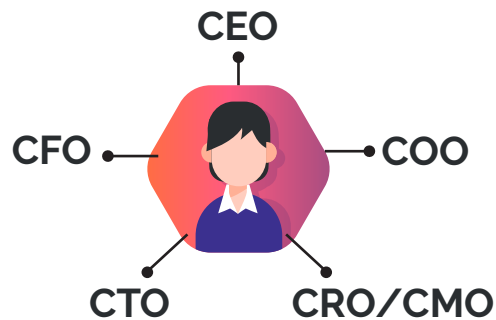
This is the first report of its kind. We are building the future of partnerships and hope this becomes a valuable tool for you in the year ahead!

Making the Case for a C-Level Partner Leader

CPO: A C-level title or a seat at the C-suite table?

As we embarked on building this report, the question we started with was 'Is there a need for a Partnership Leader in the **C-Suite team?**'. This is not the same as 'Should a top performing Partnership Leader gain a **C-Level title?**', there is plenty of precedent for VPs graduating to a C-level title whether it is a Chief Information Security Officer, Chief Growth Officer, Chief People Officer etc.

The C-Suite Team



C-level Titles

C-level titles which often don't have a seat at the table

- Chief Information Security Officer
- Channel Chief
- Chief People Officer
- Chief Talent Officer
- Chief Procurement Officer
- Chief Digital Officer

A good rule of thumb is: if they report to anyone other than the CEO, they are likely not on the C-Suite Team.

There are many reasons why Partnership Leaders should be elevated to a C-Level title based on their revenue contribution, strategic nature of the position, experience level and skills, etc.

With 34% of our survey respondents indicated they expect to source more than 25% of their company's revenue in 2024, and 18% saying they expect their team to source more than 50%. This revenue alone would justify C-Level representation in many companies. This is not news to the industry, so we sought to dig further into current business needs and priorities.

What percentage of company revenue are you forecasting will come from partners in 2024?



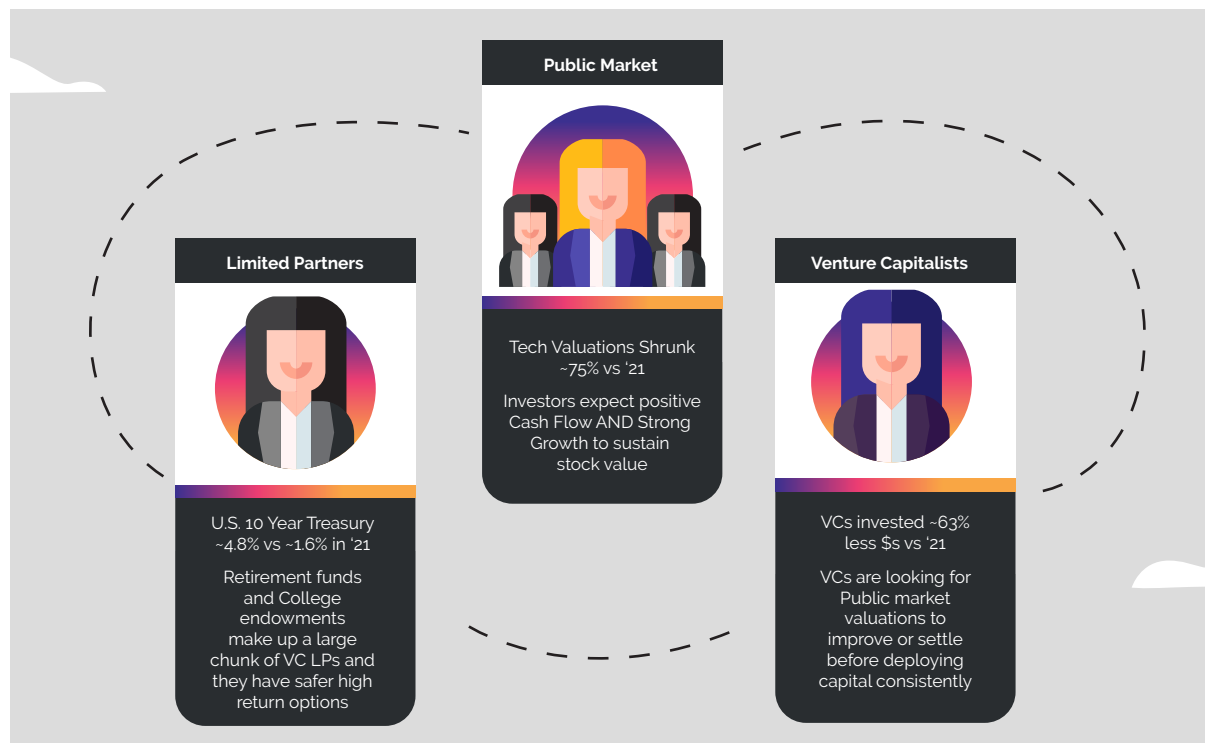
Based on our research, we believe there are two strong additional arguments for why a CPO should be elevated to the C-Suite Team, reporting directly to the CEO.

1. **Challenging market conditions for tech companies**
2. **Increased complexity in the ecosystem**

Partnerships are Critical for Navigating the Challenging Market Conditions Experienced by Technology Companies

We are in a crucible moment for all technology companies. In the next 12 months, we will see more bankruptcies, consolidations, and shutdowns in the tech space than in the prior decade. There is a solid case to be made that this economic situation has made increased investment in partnerships essential.

1. Revaluing tech companies in the public market



Let's begin with the stark financial reality of 2023. The median stock price revenue multiples for top technology companies have plummeted from **45.1x** in October 2021 to a sobering **12.3x** this year, according to Jamin Ball's reporting on public technology companies in the Clouded Judgement Substack.

The primary driver of the above dynamic is the interest rate increases implemented by the Federal Reserve, which both increases the cost of borrowing capital for non-profitable companies (making non-profitable tech companies more risky) and simultaneously creates more appealing alternative investment options like US Treasury bonds.

Public Market investors value companies on cash flow AND growth, expecting technology companies to be profitable/cash flow positive to demonstrate they can survive the current market conditions while growing at high rates to receive high revenue multiple market caps. The benchmark for public tech companies has become the 'Magnificent Seven' - Microsoft, Amazon, Meta, Apple, NVIDIA, Alphabet, and Tesla who have all been able to demonstrate strong unit economics and growth and have been able to maintain their market caps.

We are not just seeing challenges in public markets. Venture Capitalists (VC) use Public Market comparisons to decide how to value their investments. The bar for receiving VC dollars has dramatically increased.

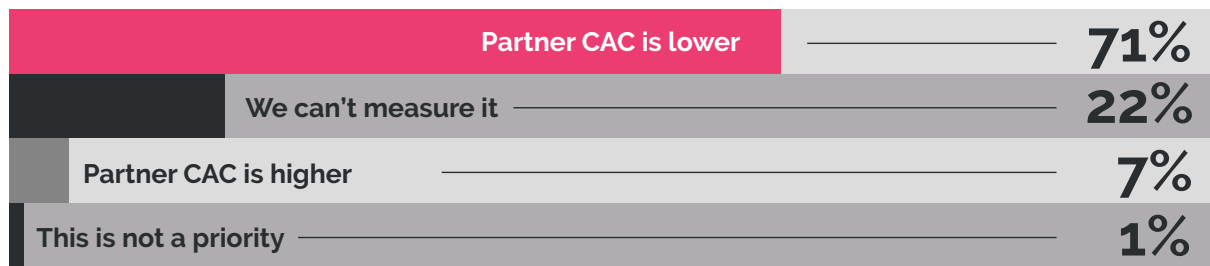
The trickle-down effect makes its way to the Limited Partners (LP) who invest in VCs. Many of them are reconsidering giving VCs funds to deploy when they can find lower-risk investments like **US Treasuries offering returns upwards of 5%**. Although an LP will commit capital to a VC fund, they will not transfer all of those funds until the VC needs them for investment - VCs are hesitant to shake the boat with LPs by making 'capital calls' in this environment.

The uncertainty the above dynamics have created means both private and public tech companies have to prioritize excellent economics and growth to be appealing to investors.

The Partnerships Opportunity

Partnerships are cost-efficient, often with **71% of survey respondents indicating their Partner CAC is lower** than direct channels. We also believe Partnership teams are underutilized in most organizations today due to a lack of organizational support and alignment. As CFOs look to reduce costs while increasing growth, they should see the Partnerships team as a strategic opportunity.

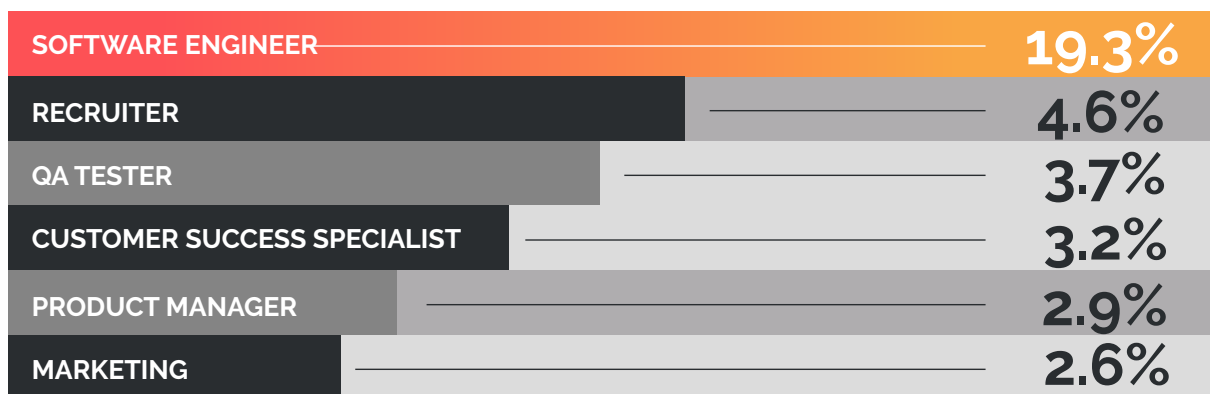
How does your Cost to Acquire a Customer (CAC) from Partners compare to Direct?



2. Tech layoffs impact product innovation

Let's delve into the innovation vacuum caused by resource cuts. In 2023, software engineers have been the most reduced role at technology companies. **Software Engineers formed 19.3% of all layoffs**, with the next closest role being recruiters at 4.6%.

Tech layoffs in 2023 by role



With fewer resources to innovate and more competition for the customer's budget, the environment has never been more challenging.

The Partnership Opportunity

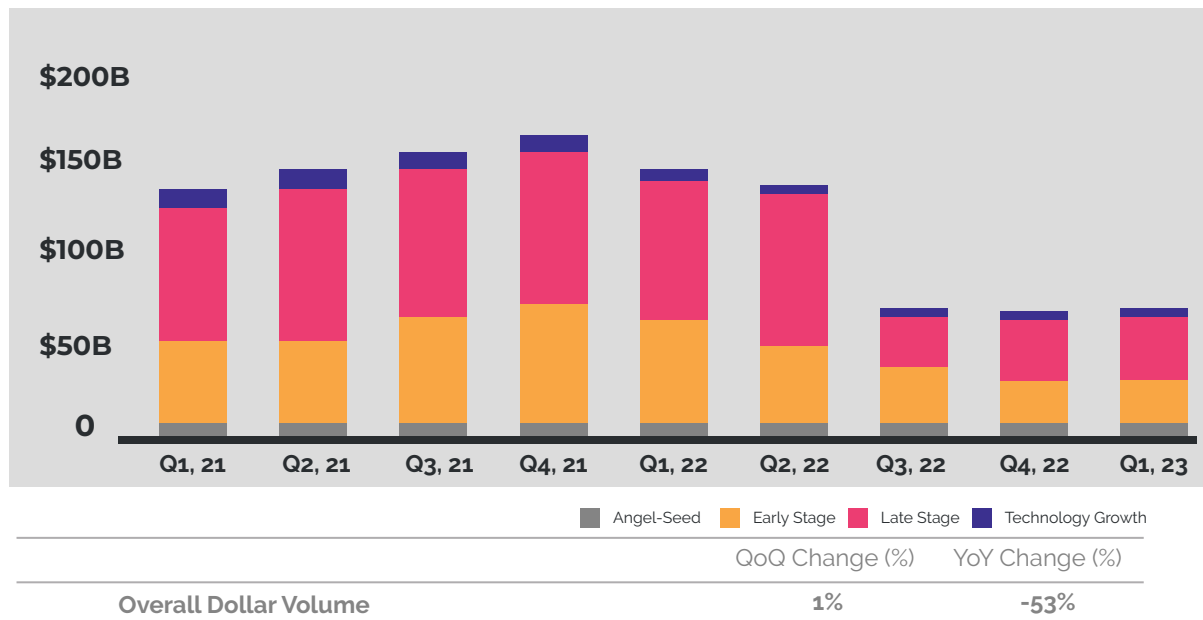
Strategic partner integrations and developer ecosystems are the answer. Platforms like Apple's App Store with \$185B in transactions forecasted for 2023, Salesforce's Marketplace with 12M+ integrations installed by their customers, and Shopify's app store offering 2,643 product extensions to their users demonstrate the **scale of innovation possible when investing in a technology partner ecosystem**.

This reduction in engineering resources also presents opportunities for smaller and emerging technology companies to build into these ecosystems to tap a larger customer base and distribution opportunities.

3. Scarce funding creates acquisition opportunities

In the current landscape of scarce venture capital funding, start-up founders face a stark choice: get profitable, seek strategic acquisitions, or risk going under.

Global Venture Dollar Volume Through Q1 2023



For industrious founders, the low VC activity means there are deals to be made to acquire strategic technology, hires, or additional ARR into the business at the best prices in a decade.

The Partnership Opportunity

The partnerships team becomes invaluable in an acquisition scenario, as they have unique visibility into the ecosystem. They can identify which companies are thriving, culturally aligned, and where mutual customer interest lies. Leveraging this insight, **the partnerships team can guide the company toward valuable acquisition opportunities** that offer financial and strategic advantages, both as an acquirer and an acquiree.



- HubSpot was Clearbit's most adapted integration by far.
- Clearbit brings over 400,000 customers and a suite of advance tools for sales, marketing, and operations which help HubSpot chip away at Salesforce's grip on the market.
- Clearbit has been at the forefront of leveraging AI to transform unstructured data into standardized datasets, making it a way to fast-track HubSpot's own AI initiatives.



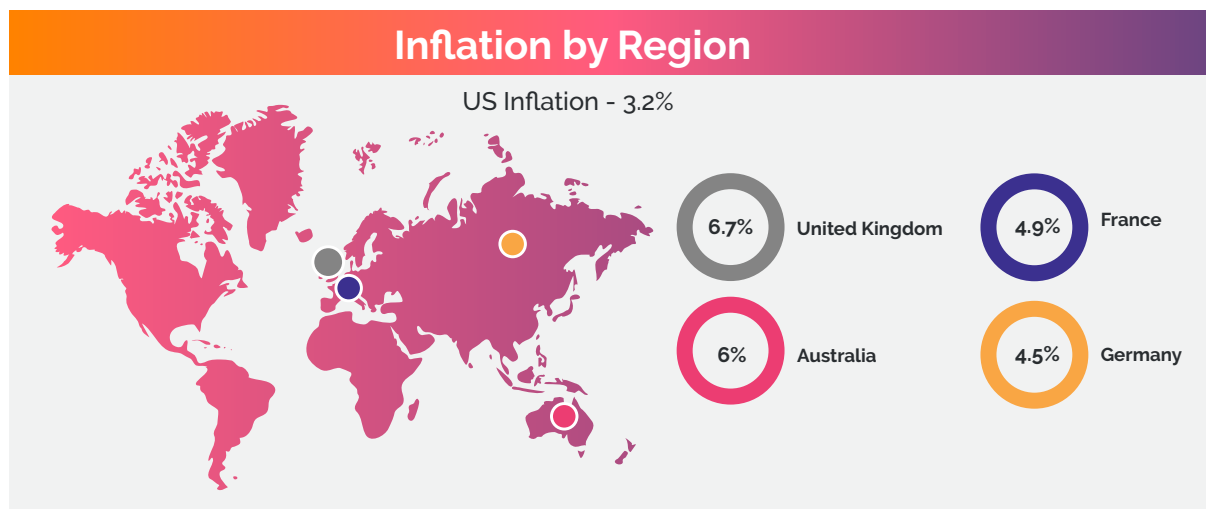
- Atlassian was Loom's biggest customer with 11K employees using Loom today.
- Loom Launched their killer Jira integration in 2020. it's heavily adopted among Product teams.
- In 2022 Loom moved into the Australian market based on strong adoption in the Atlassian ecosystem and strong relationships there.

4. Inflation abroad makes direct international GTM risky

'The unavoidable consequences of inflation are a change in the distribution of wealth.' - Keynes

The US is both the biggest market for start-ups and technology buyers, making it both an appealing market for non-US companies to expand into and useful benchmark for the rest of our analysis. With the US economy at 3.2% Consumer Price Index inflation as of October 2023, consumers have felt this in their wallets at the grocery store and gas pump, and the resulting interest rate increases in their car and home payments. Companies have adjusted their strategies accordingly to trim budgets for technology spend.

Many critical international expansion markets for tech companies are in an even more challenging position:



Companies need to find revenue to grow and will look internationally for it, yet with more challenging economies outside of the US, these strategies become significantly more risky as a way to lose vs make money.

The Partnership Opportunity

Regional channel partners and resellers offer a lower-investment and lower-risk strategy for accessing new markets and can unlock growth while maintaining capital efficiency.

Beginning an international go-to-market strategy with partners should become the default for companies looking to take their products to other markets, following with additional resources or even sales reps on the ground if success milestones are hit.

Conclusion:

These are 4 critical C-Suite challenges where the Partnerships team can have an outsized impact. Partnership Leaders should be probing their executive team for interest and factoring them into their plan in order to become a more strategic partner in the organization.

In the next section of the Report we'll analyze how the rapid growth in technology landscape complexity has made it impossible for CEOs to make informed decisions.

Rapid Ecosystem growth makes it impossible for CEOs to remain experts in their ecosystem

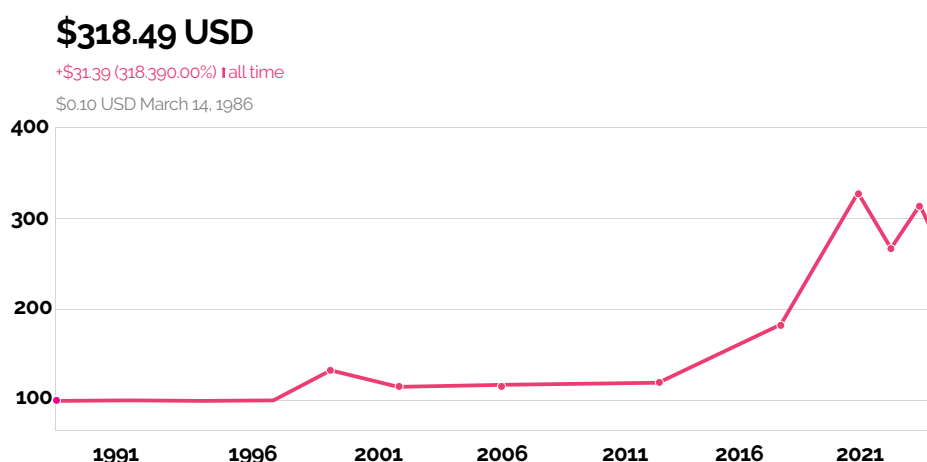
CEOs must think beyond their immediate circle of company, customers, and competitors in today's rapidly evolving business landscape to make strategic decisions. The risks of maintaining a myopic view that doesn't account for the broader ecosystem at play are stagnation, customer churn, and, ultimately, the slow death of the company.

Below are some examples of strategic Ecosystem-Led decisions top CEOs have made in order to innovate beyond their competitors.



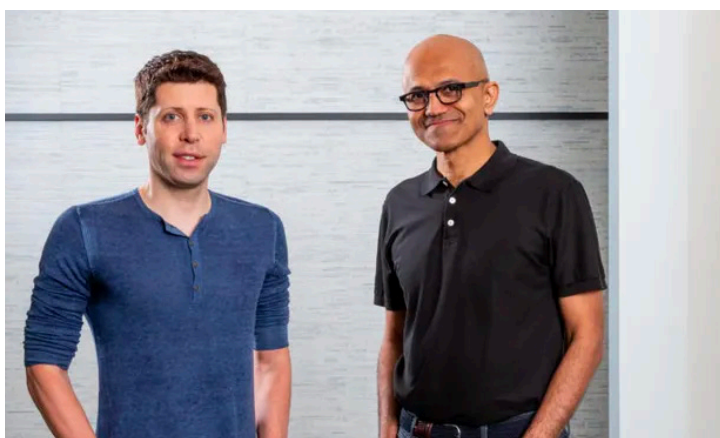
Microsoft accelerates to AI leader through OpenAI partnership

Microsoft has transformed its culture from one of aggressive competition to a partner-first model, which has resulted in a transformation from stagnation to one of the best-performing companies in history.



Microsoft and OpenAI

In 2019, Microsoft invested \$1 billion in OpenAI to enhance its Azure cloud services. This partnership has been pivotal in expanding the capabilities of Microsoft's Office products through AI-driven features. Satya Nadella, Microsoft's CEO, stated, "AI is a game-changer for humanity." In Jan 2023, they deployed an additional \$10 billion to increase their commitment to this strategic partnership.





Apple's Appstore Ecosystem transformed their business

Apple's App Store: Launched in 2008, the App Store revolutionized software distribution for developers. For the first time, entrepreneurial developers could build great products and leverage Apple's platform to gain customers quickly worldwide. **The App Store ecosystem facilitated \$1.1 trillion in developer billings and sales in 2022.** "We've never been more hopeful about — or more inspired by — the incredible community of developers around the world," said Tim Cook, Apple's CEO.



Partners generate \$6.19 in service revenues for every \$1 Salesforce makes

Salesforce has built strong relationships with Systems Integrators like Accenture and Deloitte. Marc Benioff, Salesforce's CEO, noted, "Our partner ecosystem is a growth multiplier." According to IDC, ~1,100 Salesforce consulting companies are operating in the United States today, **forecasted to generate \$1.6 trillion in new business revenue and 9.3 million jobs by 2026.**



Partnerships are critical to an organization's strategic leverage and revenue growth, justifying the need for C-level representation.

Mike Moore

VP for Partners and Alliances
at Productive Edge

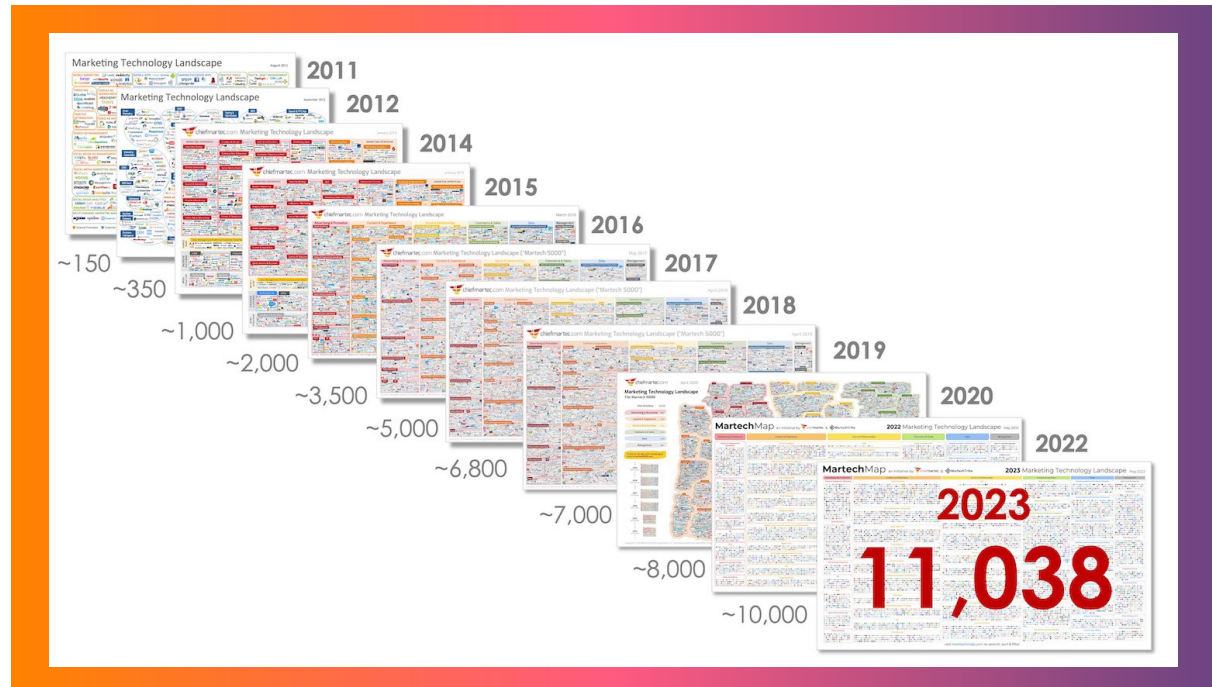


**PARTNERSHIP
LEADERS**

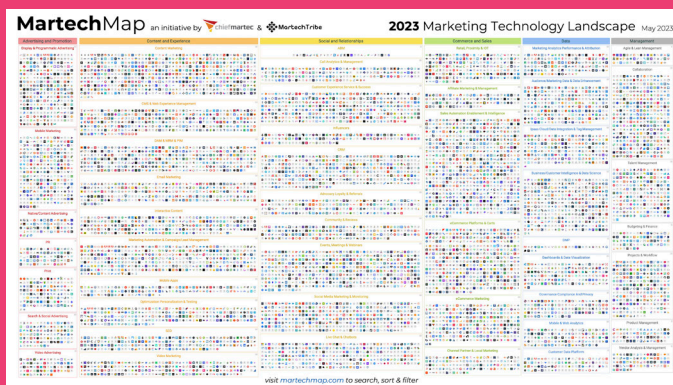
The need for a C-suite ecosystem owner

The most effective CEOs are those who consider every step in their customer's daily work routine and how that will evolve. This was possible over a decade ago when Apple and Salesforce announced their ecosystem strategies. We're not sure it is possible today for a CEO to remain an expert in their ecosystem, given the rate at which the technology landscape has expanded.

Take the Marketing Technology landscape as an example - Scott Brinker has been producing this market map for over a decade. In 2011, it was feasible for a CEO operating in this ecosystem to be aware of the different technology categories a customer is leveraging, the ~150 players in each category, and how their solution complements the customer workflow. However, the number of technology providers solving customer problems has scaled **dramatically** since then.



'Build, Buy, or Partner' discussions have to happen at the C-level. That team must be well-informed of the ecosystem their customer's workflow exists in to make the right strategic decisions and win in their competitive landscape. These are critical insights for success.



In 2023, the Marketing Technology landscape was **72x larger** than in 2011. There are ~11,038 featured companies across 49 categories. A CEO can't remain informed about this ecosystem beyond a few standout companies. This lack of visibility will result in a siloed strategy, missed opportunities, and stagnation.

The Need for a Dedicated C-Suite Role

In the rapidly evolving landscape of technology, the ecosystem a company operates within has grown too complex and expansive for a CEO to understand completely. The sheer volume of technology companies, service providers, and potential partners has exploded, each offering unique solutions to customer problems. This makes it increasingly challenging for CEOs to stay abreast of every opportunity and threat in the ecosystem.

Given this complexity, **there is a pressing need for a dedicated executive role focused on external company strategy** - the ecosystem the company exists within. This role is distinct from purely customer-centric functions like Sales, Marketing, and Customer Success..



I believe a Chief Partnerships Officer's responsibilities encompass a more holistic approach to product integration, ecosystem Go-To-Market (GTM) strategy, revenue targets, and partner benefits programs. They also likely co-own the M&A strategy where it applies.

Sharice Siegel
Partnerships at Snowflake





BUILD

This is the domain of most executive teams today, hooked on a glut of VC funding, allowing them to overspend on engineers and try to build everything.





BUY

Corporate Development - Acquisitions, Investments, Joint Ventures





PARTNER

Partnerships - Technology, Solutions, Resellers, Channel,





"A CPO will oversee multiple partnership relationship structures across the managing team. They also have the broader scope, authority, and strategic focus of C-level executives."

Ben Roodman
Partnerships Leader Expert
in Residence



The title for this role and the circumstances for when it is needed are still very much open to debate. Whether it's a Chief Partnerships Officer, Chief Business Officer, Chief Strategy Officer, or any other title, what's clear is that someone needs to be responsible for engaging with and thinking strategically about the company's broader ecosystem. This executive must act as the CEO's right hand in navigating the intricate web of relationships and opportunities that define success in today's tech industry.

The CRO, CMO, and path to CPO

So, how can a VP of Partnerships prepare for an elevated role in the C-suite? We should look to other positions that emerge from the changing business landscape for inspiration.

Both the CRO and CMO took on additional responsibilities in order to be elevated to the C-Suite and after reviewing those journeys we posit what additional responsibility a CPO could take on to make that leap.

The rise of the CRO - the new business and retention czar

The Chief Revenue Officer (CRO) role gained prominence in the early 2000s, particularly within SaaS companies. As businesses learned the immense value of subscription-based revenue models, they also recognized the necessity of having a commercial leader to prioritize new business and retention. The role of the CRO was to further the interconnectedness of a company's revenue-generating functions — Sales, Customer Success/Account Management, Partnerships/Channels, and often Marketing.

The CRO was introduced to oversee and align all revenue-related activities, ensuring the company's revenue strategy was cohesive and aligned with its overall goals. This role has since become a staple in many organizations, reflecting the increasing complexity of customer acquisition and revenue growth in the modern business environment.

The transition from VP of Sales to CRO

Being a VP of Sales isn't the only path to CRO, but is undoubtedly the most traveled.

The transition from a VP of Sales to a CRO involved broadening responsibilities—from meeting sales quotas to making revenue forecast commitments to the board—VPs of Partnerships must also prepare for a more expansive, strategic role. The sales organization serves as an instructive example, illustrating how leaders can successfully transition to C-level positions that require a more holistic view of the business.



VP OF SALES

Owens the new business forecast and performance

- Responsible for meeting sales quotas
- Manages the sales team and individual territories
- Focuses on tactical sales techniques and customer acquisition
- Interfaces with Ops team to provide pipeline forecasts and meet revenue targets



CRO

Owens company revenue

- Oversees all revenue-generating processes, including sales, customer retention, and often partnerships.
- Can own marketing as it is a pipeline-generating function.
- Sets company revenue targets with CEO and CFO.
- Forecasts revenue (not just pipeline/new business) commitments to the board.
- Aligns revenue processes with the company's long-term goals.
- Responsible for pricing strategy and revenue model.
- Coordinates with finance and operations to build budget, territory, and headcount capacity plans.

The resurgence of the CMO in Tech

For a period, the trend in most SaaS organizations was to have Marketing report directly to the CRO, aligning it closely to revenue generation. However, this approach should have noticed the multifaceted responsibilities that marketing departments carry, which extend well beyond pipeline generation.

Responsibilities of a Marketing Executive



CMO

Pipeline Generation

Overseeing lead generation and customer acquisition strategies.

Public Relations

Managing the company's public image and media relations.

Brand Management

Defining and maintaining the company's brand identity and values.

Corporate Communications

Handling internal and external communications, including crisis management.

Customer Communications

Ensuring a cohesive customer journey across all touchpoints.

Market Research

Guiding product development and market entry based on consumer insights.



CRO

Recognizing the breadth of these responsibilities, many companies have reverted to giving Marketing its seat at the executive table through a CMO. This shift ensures that the marketing strategy is practical and aligned with the company's overall objectives and brand vision.



I see benefits in having a partnerships leader reporting to the CRO, especially for aligning with your sales efforts. However, it's crucial to maintain an independent partnership role to avoid it becoming an afterthought. Additionally, partnerships involve various disciplines, so unless we establish a dedicated entity, we might struggle with proper organizational alignment and risk neglecting essential aspects of partnerships.

Gilad Zubery

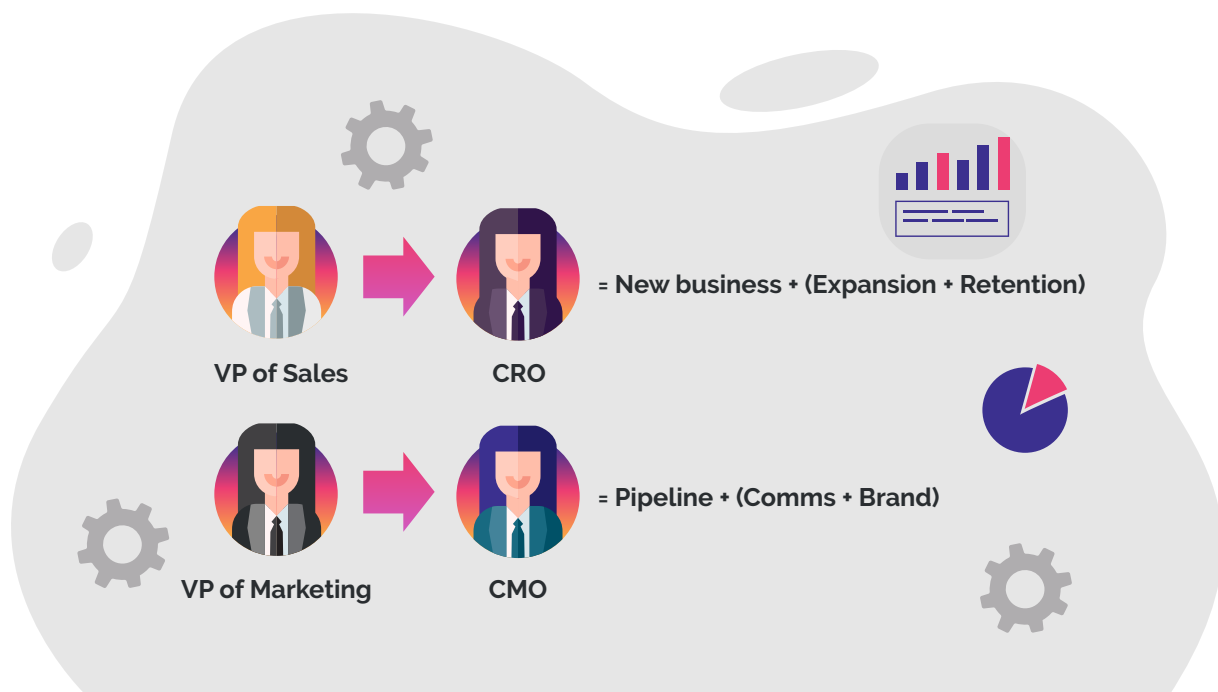
Executive VP for Global Business
Development & Partnerships
at Contentsquare



**PARTNERSHIP
LEADERS**

What additional responsibilities could a CPO take on to get a seat at C-Suite Table?

In both the case of the CRO and CMO, it was an additional scope of responsibility, strategic to the business, which necessitated this change.



Does this mean the VP of Partnerships needs to seek additional responsibilities to justify a seat in the C-suite? As we already explored - the Partnerships team often has the best visibility into the ecosystem of potential acquisitions and acquirers, making Corporate Development a compelling pairing with existing responsibilities.

Are Current VPs of Partnerships ready?



Partnerships, being highly cross-functional and closely tied to strategic initiatives, require representation at the C-level. A CPO will focus on long-term strategy and cross-functional integration, whereas VPs may have a shorter-term outlook.

Kyle Schroeder
VP for Global Partnerships
at Movable Link



The question that naturally arises is: Are the current VPs or Heads of Partnerships adequately prepared for such a multifaceted role?

In the second part of the report, we will explore the key areas we believe Partnership Leaders need to evolve, based on our research, to prepare for broader C-level responsibilities.

These are:

1. Setting Goals and Expectations
2. Communicating the Vision and Strategy
3. Gaining and allocating resources



Partnerships have a holistic viewpoint across strategic and operational areas, necessitating C-level representation. Also, C-level Partnerships executives have more significant budgets, resources, span of control, and visibility

Jim Misuraca
VP for Strategic Partnerships and
Corporate Development
at Rainfocus



About WorkSpan

WorkSpan is the #1 Co-Sell platform that empowers companies to turbocharge and scale their co-sell revenue growth. Partnership and Sales teams use WorkSpan's secure SaaS solution to exchange co-sell referrals from inside their CRM, manage shared pipeline, collaborate with partners on deals, and track performance on a live dashboard. We power the top 10 business ecosystems in the technology and communications industry today, managing over \$50 billion in joint pipeline.

About Partnership Leaders

Partnership Leaders is the leading industry association for partnership, channel, and business development leaders. We empower partner teams through an online community of over 1,500 professionals worldwide. Members actively engage in physical and virtual events, peer-to-peer insight sharing, and knowledge sharing to drive personal and professional success. For more information about Partnership Leaders or how to become a member, please visit our website.

Contact



Partnership Leaders

11 Atlantic Point, Saint Simons Island, GA
31522



www.partnershipleaders.com
sales@partnershipleaders.com



Workspan

473 E. Carnegie Dr., Suite 200
Sand Bernardino, CA 92408



www.workspan.com
contact@workspan.com