SMITHFIELD SEARCH · 2026 · CPO REPORT · EDITION 01

The product lens private equity is still missing

Insights from eighteen Chief Product Officers on the exits PE actually wants, and what it takes to lead product inside a PE-backed business. The Smithfield CPO Readiness Index lives inside.

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01
EDITION · 2026

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FOREWORDS

Be Kaler Pilgrim
Founder, Smithfield Search

I created this report because getting the right leader into the right role at the right time has a direct impact on how a business performs. In investor-backed companies, those decisions show up quickly in pace, execution and value. I have seen first-hand the difference between a well-judged appointment and one that looks good on paper.

My work has always sat at the point where leadership, talent and commercial outcomes meet. I have built a career and reputation for clear judgement, strong networks and a considered approach to leadership hiring.

For this report, the aim was simple: speak to people who have done the job for real, and pull out what actually matters. How the role is really understood and used, where it adds most value and where it is blocked. I have shared what needs to be true for a C-level product leader to move the dial on growth, performance and exit.

The process was simple yet rigorous. Direct, structured questions with lots of space for candid and non-attributed answers. Then the work of comparing experiences, testing patterns against what we see in the market, and focusing on the themes that keep coming up. The result is a practical view of how product operates in PE-backed software, technology and data businesses today, and how investors and boards can get more from it.

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Craig Unsworth
Portfolio CPO and Senior Advisor · Chiefly

Over the last few years, I've spent a significant amount of time inside PE-backed businesses operating at moments of pressure, transition, and ambition. Some were scaling rapidly. Some were rebuilding. Some were preparing for exit. Almost all were wrestling, in one way or another, with the same underlying question:

How do we create sustainable enterprise value in markets moving faster than the operating models built to support them?

Increasingly, the answer sits far closer to Product than many organisations still realise.

Product is no longer simply a delivery function sitting downstream of strategy. In the strongest PE-backed businesses, it has become a central lever for growth, retention, pricing power, operational efficiency, customer relevance, AI adoption, and ultimately valuation. The quality of product leadership now shapes not just what a company builds, but how effectively it adapts, prioritises, commercialises, and compounds.

The businesses where this works well tend to share something important in common: alignment. Everyone around the table understands the mission, understands the trade-offs, and understands that value creation is a shared responsibility across Product, Technology, Commercial, Finance, and Operations. In those environments, Product becomes a multiplier.

Where it breaks down is usually not capability, but misalignment. Product treated as delivery rather than commercial strategy. Roadmaps disconnected from GTM reality. Growth expectations disconnected from technical or organisational constraints. CPOs hired without a clear mandate, or without the authority to execute against it.

That is why I think this report matters.

What Smithfield Search has captured here is not abstract theory, but recurring patterns from leaders who have operated inside these environments for real. Many of the themes in these pages will feel familiar to anyone working closely with PE-backed software, technology, or data businesses today.

The context around us is only accelerating this further. AI is compressing execution advantage, increasing the premium on judgement, and raising the bar for leadership quality across the board. The firms that understand this earliest, and build accordingly, will create disproportionate value over the next decade.

BlackOps.

With huge thanks to BlackOps for the thinking, structure, analysis, design and business support throughout. It was a genuine partnership, and the report is much stronger for it.

Chiefly Product | CPO TRACK | SyncD A Futureheads Brand | Futureheads

With thanks to Chiefly for helping shape the thinking in this report, CPO Track for connecting us with some of the product leaders, and SyncD and Futureheads Recruitment for helping us reach the teams and people behind the work.

THE 60-SECOND READ

For PE deal partners and operating partners who want the punch-list before the prose. Each conclusion jumps to its full treatment.

What this report concludes

01

Product is a commercial function. PE houses still classify it as IT and delivery, and across these conversations that misread came up as the strongest predictor of mandate failure.

Every CPO we spoke to came back to this. The signal is the reporting line: a CPO reporting under a CMO or CTO sits downstream of every commercial decision before product weighs in.

JUMP TO SECTION 01 · COMMERCIAL MANDATE

02

Three failure modes kill exits and none reliably surface in standard financial diligence.

The Feature Factory, the Land of Lost Toys, and the Tech Debt Hangover. All three are preventable, and a financial-only diligence pass catches none of them. The Diligence Pack at the end of Section 02 shows how to surface them.

JUMP TO SECTION 02 · OPERATIONAL INTEGRITY

03

GTM misalignment is the failure mode boards cannot see. Roadmap delivers; NRR does not move.

It's the biggest blocker to the exit our interviews surfaced, and the most invisible at board level. By the time it shows up in NRR, the cycle is already twelve months behind.

JUMP TO SECTION 04 · GTM COHERENCE

04

Judgement is what AI can't touch. Financial fluency is what gets you in the room, and pure administrators are already being replaced.

"Every idea can be materialised very quickly now," one CPO told us. The CPO who hits the multiple is the one with the inner CFO, the focus on impact over speed, and the willingness to update wrong views in public.

JUMP TO SECTION 03 · PERSONAL CAPABILITY

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05 Use the Smithfield CPO Readiness Index to score the question, not just read the analysis.

The Index covers six dimensions, scores from 0 to 600 across four readiness bands, and powers two PE-team tools: a diagnostic to score a candidate or portco, and a heatmap to triage the portfolio for Monday's board meeting.

JUMP TO THE INDEX

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WHY THIS REPORT EXISTS

PE firms are still assessing companies through too narrow a lens

Private equity has well-established ways of assessing finance, commercial performance, and operational discipline. But across product-led businesses, that view keeps missing something.

Growth, retention, pricing power, AI readiness, roadmap credibility. These are now what separates a good exit from a great one. And they sit almost entirely in the product function.

When PE firms buy an asset, they routinely appoint a CFO and a Chair. Very few ask, with the same urgency: who owns the product lens?

This report answers that question. It draws on candid conversations with eighteen Chief Product Officers who have operated inside PE and VC-backed businesses, lived through full ownership cycles, and navigated the specific pressures of investor-backed product leadership.

> *"Product is often treated as a cost of delivery, not a value creation engine. It's more often the cost center as opposed to a value creation center. The value of product is not only in the things a team chooses to build, but also in the things they choose not to build."*
>
> CPO · VC-BACKED

> *"PE firms really see you as IT and delivery. You need to be a CPO who is very much business-oriented. If you're not capable of understanding a P&L, if you can't talk pricing and financial KPIs, you won't be successful in PE."*
>
> CPO · MARITIME SOFTWARE

THE COHORT

Eighteen product leaders. Candid conversations.

Practitioners across B2B SaaS, marketplace, fintech, enterprise software, maritime and logistics, transformation mandates, and PLG scaling. All with direct PE or VC-backed experience. All quotes anonymised by role descriptor; identifying details removed at source.

CPO 01 Growth stage	CPO 02 Chief Product and Ops Officer	CPO 03 PE-backed SaaS	CPO 04 Digital product	CPO 05 Fintech	CPO 06 Enterprise SaaS
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01
FIRST EDITION OF AN ANNUAL FLAGSHIP PUBLICATION, 2026

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THE PROPRIETARY SIGNAL

DRAWN FROM EIGHTEEN INTERVIEWS WITH PE-BACKED CPOS, MAPPED AGAINST THE SIX DIMENSIONS OF THE CPO READINESS INDEX.

9 of 18 CPOs we interviewed could genuinely own the commercial mandate in P&L terms, the exact trait PE deal partners keep telling us they're buying for.

3 of 3

Three failure modes (Feature Factory, Land of Lost Toys, Tech Debt Hangover) came up across the cohort. Two have a named primary source. The third is flagged for attribution in Edition 01, not asserted.

8 of 18

Named GTM misalignment as the most-cited blocker to the exit. In most of the named instances, the board could not see it from the roadmap delivery dashboard.

01

THE FUNDAMENTAL MISREAD

Product is a commercial function. It is not IT.

The message that kept coming back from the cohort: PE firms still misclassify the CPO role as a delivery or technology function. The misread shows up directly at exit.

When a PE firm installs a CFO, they expect them to own the P&L and drive financial discipline. When they install a CPO (if they install one at all) they often expect them to keep engineers on time and on budget. These are fundamentally different mandates, and only one of them moves the multiple.

One digital-product CPO put it directly: "I don't buy that product is a technology role. We're the people who say why and a little bit of the what. Technology is the big chunk of the what and all of the how. When you split it that way, it's clearly a commercial role."

A PE-backed SaaS CPO drew the same line between a product roadmap and a delivery roadmap: "A product roadmap should have value creation built into every item on it. Everything you launch should have an answer to: this is going to move GMV, this is going to increase margin. That's not a delivery function. That's a commercial function."

A VC-backed CPO added a dimension often missed: "The value of product is not only in the things a team chooses to build, but also in the things they choose not to build. When product is treated as a cost center, the strategic optionality disappears."

> *"I want someone who actually understands the P&L. Who cares whether or not customers like a thing. Does it make money, and how does it make more? The biggest gap in most product leaders isn't AI knowledge. It's financial literacy. And that has been true for fifteen years."*
>
> CPO · DIGITAL PRODUCT

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THE COMMERCIAL TEST

Does the CPO sit at the executive table? If the CPO reports into a CMO or CTO, they are downstream of every commercial decision before a product decision is made.

THE LANGUAGE TEST

Can the CPO fluently discuss EBITDA, NRR, ARPU, CAC payback, and exit multiples without translating from product vocabulary? If not, the board relationship tends to stay transactional.

THE OWNERSHIP TEST

Does the CPO own the commercial case for the roadmap, not just the delivery timeline? Roadmaps that lack a commercial case for every item are delivery plans, not product strategies.

DILIGENCE PACK · FOR MONDAY

Use this in this week's portfolio review

FIVE QUESTIONS TO ASK

01 Walk me through the last quarter's roadmap in P&L terms. What did each item move on EBITDA, NRR or ARPU?

02 Who does the CPO report into, and how often do they sit with the CEO and CFO together?

03 Pick one thing the team decided not to build last quarter. What was the commercial case for declining?

04 What is the CPO's view on the next twelve months' pricing strategy?

05 Of the last five hires under the CPO, how many came with P&L experience?

THREE RED-FLAG PATTERNS

- CPO reports under the CTO or CMO, and the title is silently a Head of Product.
- Roadmap items framed in delivery language, with no commercial case attached.
- The CPO defers pricing, packaging or commercial trade-offs to "commercial".

ARTEFACTS TO REQUEST

- The product roadmap with the commercial case per line item.
- Org chart showing CPO reporting line and direct reports.
- Last three board packs, filtered to product slides.

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02

WHAT KILLS EXITS

Three failure modes PE keeps missing in diligence

Three failure modes came up again and again in the interviews. All three are preventable, and standard financial diligence catches none of them reliably.

FAILURE MODE 01 · THE FEATURE FACTORY

"They get requests thrown over the fence on one side, and then they check features over the fence on the other side. They don't think enough about how to put this into the hands of customers. Taking orders without validation generates a feature factory culture. And when it fails, the executive who insisted on it isn't blamed. The product and engineering team is blamed, because you built it wrong."

CPTO · PE-backed enterprise software

FAILURE MODE 02 · THE LAND OF LOST TOYS

"Sprawl. Not understanding the path to value. Classically: one hit record that's monetized, and then a bunch of stuff built around it that doesn't really make any money, it's just being dragged along. A CEO recently called this 'the land of lost toys.' It shows up at due diligence and it's almost impossible to walk back."

CPO · Exit-stage businesses

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FAILURE MODE 03 · THE TECH DEBT HANGOVER

When the first twelve months of a new CPO's tenure are spent unravelling five years of accumulated tech debt, the story for the next investor is bleak. Sunsetting discipline is the protective measure: products that should be sunset and are not become the hangover that surfaces in due diligence and depresses the valuation.

Observed across the cohort. See Diligence Pack for the surfacing protocol.

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THE SCALING TRAP

Great products die because they cannot scale

Two CPOs in the cohort, one PE-backed SaaS and one in maritime and logistics, both noted that commercially sound products frequently fail at exit not because of the product, but because the infrastructure cannot sustain the valuation story under due diligence scrutiny.

THE AI DISRUPTION RISK

AI-native disruption is the new exit threat

A PE-backed enterprise-software CPTO identified AI-native disruption as "probably the biggest challenge affecting SaaS valuations right now." If a portfolio company's core offering can be replicated by a foundation model, the valuation thesis needs to be rebuilt, not defended.

THE VERSION ADOPTION SIGNAL

Version adoption rate as a hidden health metric

The same PE-backed CPTO tracked what percentage of customers ran the latest software version within three months of release. Slow adoption indicates legacy drag that compounds at scale and suppresses NRR. A metric boards increasingly scrutinise at exit.

THE HYPOTHESIS FAILURE

Roadmaps are hypotheses. Operating partners treat them as facts.

The cohort flagged this independently in different sectors. Operating partners "take roadmaps for facts" without understanding that every product idea is a hypothesis to be tested, not a guaranteed construction timeline. The misalignment creates unrealistic performance expectations.

DILIGENCE PACK · FOR MONDAY

How to surface the three failure modes in one week

FIVE QUESTIONS TO ASK

01 Walk me through the last five major features. Who asked for them, who validated demand, and what was the post-launch adoption rate?

02 Of the products in the portfolio, what percentage is monetised? Which ones have not been sunset, and why?

03 What is the version adoption rate within three months of release for the flagship product?

04 How much engineering capacity is spent on legacy maintenance versus net-new revenue?

05 Name a product hypothesis the team ran in the last six months that was wrong. What did you do?

THREE RED-FLAG PATTERNS

- "Customer-led" framed as a quality signal, with no validation gate between request and roadmap.
- Product portfolio chart shows more than three undermonetised products and no sunsetting plan.
- The CPO cannot quote a version adoption rate within three months of release.

ARTEFACTS TO REQUEST

- Engineering capacity allocation (last four quarters): new feature, maintenance, debt repayment.
- Product portfolio matrix with revenue contribution and active user count.
- Feature adoption cohorts for the top five releases.

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03

WHAT GOOD LOOKS LIKE

The traits that distinguish PE-ready CPOs

Across the interviews, the same patterns kept coming up in the leaders who moved valuations, and in the ones who struggled. Not soft skills. Specific, assessable capabilities.

01

Financial fluency · the inner CFO

A CPO who has led through market transitions described it as needing "an inner CFO to assess what you're doing and the return, and understand the expectations of return." This is not surface-level awareness of metrics. It means owning the commercial case for every product decision and being able to defend it at board level in financial language.

02

Velocity over speed · impact orientation

A VC-backed CPO drew the distinction: "Velocity is the impact you actually have on the business. Speed is how fast you go, irrespective of impact." PE-ready CPOs measure themselves by EBITDA contribution, not feature count or delivery pace. The orientation reshapes the entire product organisation toward commercial outcomes.

03

High agency · the barrel profile

An exit-stage CPO borrowed a Silicon Valley idea: the best leaders are "barrels", individuals with very high agency and critical thinking who can move things forward without enormous cross-functional overhead. In PE environments where speed of execution defines outcomes, administrators slow companies down.

04

Intellectual honesty · updating publicly

A PLG-scaling CPO prizes leaders who do not cling to old playbooks. The test: "The best CPOs have strong points of view and will update them publicly when they're wrong." In fast-moving PE environments, the ability to reverse a wrong call cleanly and quickly is more valuable than being right the first time.

05

Judgement as the primary asset

As AI lowers the execution barrier, a maritime-and-logistics CPO argued that judgement becomes the defining differentiator: "Every idea can be materialised very quickly now. That makes the capacity to take a step back and think, to assess which ideas are worth pursuing, the most important thing a CPO brings. You cannot outsource judgement."

06

CEO relationship management

The CEO relationship came up across the conversations as a primary reason CPOs leave roles. The failure modes are specific: the "shadow CPO" CEO who dictates features rather than delegates product strategy; the risk-averse CEO who fears change; the CEO who sets conflicting commercial targets without giving the CPO the authority to make trade-offs.

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> *"My experience of operating partners is that they generally get in the way. I've not really had an experience where I've said, 'I'm getting real value from this conversation.' They arrive with a massive list of unprioritised problems and no actual product expertise."*
>
> CPO · EXIT-STAGE BUSINESSES

WHERE IT LANDS WELL · CADENCE

A CPTO at a PE-backed enterprise business described his primary investor's European operating partner as "almost part of our executive team on a weekly or biweekly basis. Joining meetings, super helpful, very insightful about bringing the industry perspective and the outside challenge." Same business: multi-billion-euro exit.

WHERE IT LANDS WELL · PATTERN-SPOTTING

A growth-stage CPO: "So far I've only had extremely helpful operating partners. Their strength is they see all of the portfolio, so they see what's working across the whole gamut of companies the firm is funding. They share best practices, and I can adapt to the company I'm in."

WHERE IT LANDS WELL · M&A AND INTEGRATION

A mid-market-to-enterprise scaling CPO named M&A as the lane operating partners earn their keep in: due-diligence support, target identification, 90-day post-acquisition integration playbooks. "Lean on people with a lot of experience to take the pressure off a team trying to run a business and also suddenly have this huge programme to deliver."

WHAT BOARDS SAY THEY WANT

Product-led growth

A CPO who builds toward sustainable expansion: new revenue streams, high NRR, cross-sell, platform plays.

VS

WHAT BOARDS ACTUALLY INCENTIVISE

Product-led efficiency

Speed of delivery, headcount reduction, and EBITDA margin defence, often at the direct expense of the growth mandate.

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A PLG-scaling CPO: "I spent 80% of my time defending headcount rather than deploying it. They talked about PLG but behaved as if they wanted PLE."

DILIGENCE PACK · FOR MONDAY

How to read the leader, not the resume

FIVE QUESTIONS TO ASK

01 Describe one product decision in the last six months where the judgement call was harder than the execution.

02 Name a position you held publicly that you later updated. What changed your mind?

03 How do you measure your own week: by output, by impact, or by something else?

04 Describe your relationship with the CEO. Where do you disagree?

05 What do operating partners get wrong, in your experience?

THREE RED-FLAG PATTERNS

- Leader cannot name a public position they updated in the last twelve months.
- Self-measurement is framed in output or activity terms, not impact.
- Operating partner relationship described as "supportive" with no concrete give-and-take.

ARTEFACTS TO REQUEST

- Two reference calls with the leader's last CEO and last operating partner.
- The leader's quarterly self-review from the most recent role.
- Three written examples of strategic memos the leader has authored.

04

THE INVISIBLE GAP

GTM misalignment · the failure mode boards cannot see

Across the cohort, poor go-to-market alignment came back as the most-cited blocker to the exit. What makes it dangerous: it's invisible at board level until it shows up in NRR.

The pattern came up across the interviews. Product ships, sales sells, customer success onboards, and nobody owns the bit in the middle. The product never fully monetises because adoption never fully lands.

A multi-product SaaS CPO described the structural version of the failure: "It's your CTO and CPO sitting in the background playing with your toys, creating all of this stuff that has zero relevance to what sales and marketing are seeing on the front line."

A PLG-scaling CPO put the board-level invisibility plainly: "As far as the board is concerned, the roadmap is getting executed. They're seeing delivery. But the NRR isn't moving." The fix at a previous portfolio company was to embed a GTM sponsor into every PM role and create shared OKRs so teams moved in sequence rather than in parallel.

A PE-backed enterprise-software CPTO identified a specific version in B2B: product teams running beta tests that require professional services to do unbillable work, directly conflicting with PS team incentives and creating invisible friction that kills adoption.

92%	**40%**	**57%**
Single-product customer base before cross-sell motion was built (anonymised, one cohort PE-backed SaaS).	Customers moved to a 2.7-product average after GTM alignment was fixed at the same business.	Year-on-year growth at exit, driven by embedded upgrade paths in product architecture.

> *"You can make your user delighted all day long. If you don't convince the buyer to renew, you've lost. European product managers consistently mistake the user in a B2B world for the buyer. That is why they are less commercially effective than their US counterparts."*
>
> CPTO · PE-BACKED ENTERPRISE SOFTWARE

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GTM ALIGNMENT SIGNAL 01

Are product OKRs shared with sales and customer success, or do they sit inside the product function? Siloed OKRs are a structural predictor of low feature adoption.

GTM ALIGNMENT SIGNAL 02

Is NRR moving in line with delivery pace? A growing backlog and flat NRR is a specific indicator of the GTM misalignment failure mode.

GTM ALIGNMENT SIGNAL 03

Who owns onboarding? If customer success owns onboarding without deep product input, the gap between what was sold and what gets used grows with every release.

DILIGENCE PACK · FOR MONDAY

How to surface the invisible gap

FIVE QUESTIONS TO ASK

01 Show me the OKRs for product, sales and customer success. Where do they overlap, and where do they collide?

02 Has NRR moved in line with delivery pace over the last four quarters? If not, what is the gap?

03 Who owns the onboarding handover from sales to customer success, and what is the post-launch adoption target per feature?

04 How does product validate demand before a sprint commit?

05 What is the standing forum between the CPO, CRO and CCO, and how often does it meet?

THREE RED-FLAG PATTERNS

- Product OKRs lack any sales or CS signal in the success criteria.
- NRR has been flat for three quarters while delivery cadence has accelerated.
- No standing forum exists between product and revenue leadership.

ARTEFACTS TO REQUEST

- Cross-functional OKR matrix (product · sales · CS).
- NRR by cohort over four quarters, broken down by feature adoption.
- Last six product launches with adoption rates and CS-reported friction.

05

TIMING THE HIRE

When to appoint a first CPO, and when not to

The CPO is not a standard C-suite seat to fill at every portfolio company. The conversations surfaced clear trigger points for the hire, and equally clear signals that the timing is wrong.

01

At a transformation trigger

A maritime-and-logistics CPO: "I get called in when a company asks, what are we going to do with this? Where are we going? We need a bold and ambitious product strategy, and we need someone who can own it." The clearest trigger: a business that knows it needs to change its product trajectory fundamentally.

02

Post product-market fit, pre-scale

A PLG-scaling CPO: "The ideal moment is a business that has already proven product-market fit but hasn't yet figured out how to scale it, typically Series C to pre-IPO. Trying to find PMF while scaling under a PE mandate is a recipe for conflict that rarely resolves well."

03

When stagnation is product-rooted

A transformation-mandate CPO: "The trigger is stagnation, in products, in services, in market relevance. Companies looking for a change-agent CPO need someone who will come in, assess the situation honestly, and be willing to make hard calls about what to build, what to kill, and what to invest in."

×

When there is no real problem to solve

A market-transitions CPO: "If everything's going fine, if there isn't a transformation required, a platform to rebuild, a market to redefine, what are you adding? A CPO without a genuine product problem to solve becomes an expensive overhead and a source of organisational friction."

SEVERITY SIGNALS · COUNT THEM

Declining NRR, low feature adoption, product seen as IT or delivery, roadmap lacks commercial case, no GTM alignment structure, tech debt above 40% of capacity. Four or more signals present means the CPO mandate is overdue.

MATCH THE SHAPE, NOT THE TITLE

A transformation CPO is not a scale CPO is not a sunset CPO. Use the four triggers above to brief the search on the shape of the role, not just the seniority.

WHEN THE ANSWER IS NO

The cohort was clear: if the business is healthy and the product is right-shaped, a CPO hire creates friction, not value. The strongest CPOs will walk away from a wrong-shaped role.

DILIGENCE PACK · FOR MONDAY

How to time the hire

FIVE QUESTIONS TO ASK

01 What is the actual product problem in this business right now: transformation, scaling, stagnation, or no problem?

02 Which of the six severity signals are present: declining NRR, low feature adoption, product seen as IT, no commercial case, no GTM alignment, tech debt above 40%?

03 Has the board agreed on the shape of the CPO role, or are they hiring a title?

04 If a transformation CPO is wanted, what is the runway and the mandate scope?

05 What is the worst outcome if no CPO is appointed in the next twelve months?

THREE RED-FLAG PATTERNS

- The CEO wants a CPO but cannot diagnose the product problem.
- The role spec reads like a generic Head of Product brief, not a mandate.
- Severity signals are present but the board is treating the hire as discretionary.

ARTEFACTS TO REQUEST

- Severity-signal scorecard for the company (use the Portfolio CPO Heatmap).
- The proposed CPO role spec and mandate scope.
- The CEO's written diagnosis of the product problem and the desired outcome at twelve and twenty-four months.

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06

THE FRONTIER QUESTION

AI is reshaping the CPO role. What stays human?

The cohort was clear: AI won't replace the strategic core of product leadership, but it will strip out the administrative layer. The bar for CPO-level contribution is going up fast.

ABSORBED BY AI	STAYS HUMAN
— Writing PRDs and requirements documentation	— Commercial judgement and P&L ownership
— Data analysis and synthesis	— Stakeholder navigation and organisational ambiguity
— Competitive intelligence gathering	— Strategic prioritisation, what not to build
— Presentation and deck creation	— CEO and board relationship management
— QA reporting and bug triage	— Reading people and team motivation
— Roadmap formatting and stakeholder summaries	— Critical thinking about which bets to place
— Prototyping and customer discovery testing	— Risk assessment across macro and market shifts
— Information sharing and movement	— GTM alignment and getting product, sales and CS to pull the same way

> *"Every idea can now be materialised very quickly. That makes judgement the most important thing a CPO brings. The capacity to take a step back and think, to assess what to pursue and why. You cannot outsource judgement."*
>
> CPO · MARITIME AND LOGISTICS

A VC-backed CPO defined AI-durable leadership as "personal AI fluency", not just using tools, but understanding what they mean for the business across three layers: product and engineering efficiency, team-wide efficiency, and the deeper question of how AI changes the business model itself.

A PE-backed enterprise-software CPTO's test for AI credibility is specific: "If you say you're an AI-forward product leader and I ask what you've built and you've never touched it, you lose all credibility immediately." Hands-on experience is the bar now.

An exit-stage CPO offered the most contrarian view: "The CPO role is collapsing dramatically from CTO, CPO, and product-engineering-design into just builders. Those who act merely as administrators will slow companies down. The future belongs to leaders with high critical thinking who use AI to become hands-on builders."

The implication for PE hiring: the CPO profile that worked in 2022 is already partially obsolete. Real, practical, demonstrable AI fluency is expected now, not impressive.

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THE HANDS-ON TEST, SHARPENED

"Exchange our claude.md files"

One CPO, after an operating partner questioned whether he was hands-on enough: "I said, great. I've coded an entire autonomous business myself. What have you done to judge that I can't? Let's exchange our claude.md files and see how good yours is versus mine." The bar for "I get AI" has moved past tool fluency to artefact-in-hand.

THE ORG CONSEQUENCE, OBSERVED

Six-person squads collapse to three

A consumer-finance CPO described the live shift: "I used to run ten squads of six people. The new firm I'm working with runs two devs and one PM as a squad, because the PM can do prototyping and design with Figma's AI tools and Perplexity Computer." AI absorbing the tactical layer changes the org chart inside a year, not five.

THE CAPITAL REALLOCATION

30% of engineering, in-quarter

An enterprise SaaS CPO: "Suddenly customers need to be API-accessible or MCP-accessible, because they've kicked out half their HR department and are running it through AI agents. You have to be nimble enough to reallocate 30% of engineering resource to that for a quarter without everything falling apart." The AI-durable CPO can pivot mid-cycle.

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THE AI AUDIT QUESTION

Ask the CPO candidate: "Tell me something you've built using AI tools in the last six months." A fluent answer indicates genuine engagement. A vague answer about "leveraging AI capabilities" indicates surface-level awareness.

THE AI STRATEGY QUESTION

The VC-backed CPO's three-layer test: Does the candidate have a view on AI at the engineering efficiency layer, the team efficiency layer, and the business model transformation layer? Most will have the first. Fewer have all three.

THE JUNIOR PM RISK

A PE-backed enterprise-software CPTO: "AI will have a much more dramatic effect on junior product roles than on CPOs. The tactical layer is being automated from the bottom up." Portfolio companies should expect to run leaner product teams at execution level, and invest higher in product leadership.

DILIGENCE PACK · FOR MONDAY

How to test AI durability without falling for the rhetoric

FIVE QUESTIONS TO ASK

01 What have you built using AI tools in the last six months? Be specific. Show me the artefact.

02 What is your view on AI at the three layers: engineering efficiency, team-wide efficiency, business model transformation?

03 How would an AI-native competitor disrupt your core product, and what are you doing about it?

04 Which roles on your team are being absorbed by AI in the next twelve months, and how is the org plan changing?

05 Tell me about a decision you reversed because new AI tooling changed the cost of an experiment.

THREE RED-FLAG PATTERNS

- "AI-forward" framed in tooling vocabulary without a specific artefact built.
- No view on the business-model transformation layer, only engineering efficiency.
- AI-native disruption of the core product is acknowledged but not actively planned for.

ARTEFACTS TO REQUEST

- A working artefact the leader has personally built with AI in the last six months.
- The org plan for the next twelve months, showing absorbed and reshaped roles.
- The AI-native competitor scenario plan for the flagship product.

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07

HOW THE INDEX WORKS

The Smithfield CPO Readiness Index

Everything above goes into one tool: six dimensions, a score out of 600, four readiness bands. Built against the founding eighteen CPOs. Recalibrated annually.

The Index is not a personality test. Scoring is evidence-anchored, not self-rated. For each dimension, the diagnostic asks for the strength of the proof you have for the leader, not the strength of the leader's own description.

This is deliberate. The cohort flagged self-rating as the weakest possible signal: the strong candidates undersell and the weak ones oversell. The Index works on what the leader has actually done, not what they say they do.

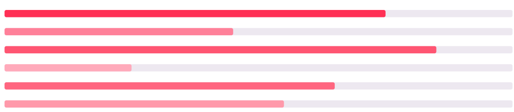
The six dimensions: Commercial Mandate, Operational Integrity, Personal Capability, GTM Coherence, Timing Fit, AI Durability. Each is scored 0 to 100; the aggregate runs 0 to 600. Bands: Foundational gaps (0-300), Building (301-450), PE-ready (451-540), Exit-ready (541-600).

Two tools sit on top of the Index. The Product Leadership Diagnostic is the candidate or portco scorecard. The Portfolio CPO Heatmap plots a whole portfolio on a Severity by Readiness matrix for IC papers and board prep.

TOOL 01

Product Leadership Diagnostic

Fifteen evidence-anchored questions across the six dimensions. Outputs a 1-page scorecard with band, dimension breakdown, named strengths and named gaps. Designed for a portco assessment or a candidate evaluation in under ten minutes.



OPEN THE DIAGNOSTIC →
https://cpo.smithfieldsearch.com/diagnostic

TOOL 02

Portfolio CPO Heatmap

A one-page IC-ready template. PE partners score each portco one to five across the six dimensions; the heatmap plots them on a Severity by Readiness matrix with four quadrants: Urgent, Stabilise, Watch, Coast. Printable A4, droppable into a board pack.

OPEN THE HEATMAP →
https://cpo.smithfieldsearch.com/heatmap

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