

Chief Value Officer (CVO)

Business enterprises and other organizations often appoint someone to be the enterprise's main person responsible for accomplishing a particular corporate focus, mission, and/or function. Traditional examples include the Chief Executive Officer (CEO), who is responsible for the overall management of the company; the Chief Financial Officer (CFO), who is responsible for all of the financial aspects of the company; and the Chief Operating Officer (COO), who is responsible for the operations of the company.

As enterprises have realized the need to focus on other areas of their business beyond the scope of these traditional roles, they have created new positions at the C-level of the organization. Examples of these new, and non-traditional roles include the Chief Diversity Officer, who's focus is on achieving multi-cultural diversity in the organization; the Chief Technology Officer (CTO), who is responsible for the design and use of technology in the organization; and the Chief Brand Officer, who is responsible for maintaining the brand's image.

Following this path of creating C-level positions to focus on and emphasize important areas of the enterprise's business, it is suggested that organizations consider creating the position of Chief Value Officer (CVO). The responsibility of the CVO is to keep the organization focused on the creation of value. The Chief Value Officer (CVO) is the person in the firm that is tasked with understanding how value in the firm is created. The CVO is also the person who understands value driver theory, the finance theory behind value driver theory, and understands how to do the calculations used in determining and assessing value. To date, several organizations have created the CVO position.

In many organizations, it might make sense that the Chief Financial Officer also holds the Chief Value Officer position. This is because the CFO usually understands the calculations for determining (or calculating) value. But, anyone can learn how to do the calculations. What is important is to have someone, whether it is the CFO or another officer, keep the enterprise focused on value creation. By creating the CVO position, the organization is stating very clearly to all of its stakeholders that it believes in value creation and has appointed an officer of the enterprise to focus on this important aspect of its business.

The duties of the CVO might include, among others:

1. Advising the Company regarding the structure of the Company and its business plan;
2. Advising the Company regarding its mission and vision statements and organizational policies;
3. Advising the Company on strategies for the creation of enterprise value, which may include the raising of investment and other capital;
4. Advising the Company on identifying appropriate value drivers and impediments to the creation of value;
5. Advising the Company on the hiring of outside consultants when, and if, necessary;
6. Advising the Company on the construction and revision, if necessary, of the Company's business plan and financial projections; and

7. Being a resource person available to answer questions and render advice on other matters as required by the Company.