Spotlight
by CeFEO

Whose advice should CEOs trust in radical innovation?

When facing uncertainty, is it wiser to listen to the CMO or the CTO?

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Every CEO dreams of leading their company toward breakthrough innovations that redefine industries. Yet few underestimate the daunting challenge of such endeavors. Radical innovations—whether they introduce entirely new products, shift industry standards, or revolutionize existing services—demand boldness and vision. They also come with heightened risks. Markets can react unpredictably, technologies may fail to mature, and costs can spiral.

For decision-makers, the central dilemma is: **how to act decisively in the face of uncertainty?**

Most CEOs recognize that they cannot make these choices in isolation. Advice seeking becomes not only a pragmatic necessity but a form of risk management. Among internal advisors, two roles stand out:

- The **Chief Marketing Officer (CMO)**, representing customers, markets, and commercialization.
- The **Chief Technology Officer (CTO)**, embodying technical feasibility, R&D, and long-term technological positioning.

But advice from these two camps often diverges. CMOs emphasize demand-pull dynamics: *What do customers want, and how will markets respond?* CTOs highlight technology-push imperatives: *What is feasible, scalable, and cutting-edge enough to differentiate us?*

Conflicting advice raises a fundamental leadership question: **Whose counsel should carry more weight when the stakes are high?**

This study provides answers. Drawing on experiments, surveys, and executive interviews, the researchers uncover how CEOs navigate the tension between marketing and technology perspectives, and how external advice reshapes the decision-making process.

WHAT WE STUDIED

The research, published in *Research Policy*, was conducted by Ralf Wilden, Nidthida Lin, Francesco Chirico, and Saad Khan. To ensure rigor and practical relevance, they used a **mixed-methods design** combining quantitative and qualitative approaches:

- **Study 1 (Discrete Choice Experiment):** 249 CEOs in Australia evaluated hypothetical innovation projects with and without advice from CMOs and CTOs.
- **Study 2 (Discrete Choice Experiment):** 155 CEOs were asked to choose between projects under scenarios of high market or technological uncertainty, with conflicting advice from CMOs and CTOs.
- **Study 3 (Survey):** 166 CEOs reported on their real-world advice-seeking behavior and radical innovation performance. A follow-up survey a year later confirmed the robustness of results.
- **Qualitative Interviews:** Ten interviews with CEOs, CMOs, and CTOs across industries enriched the findings with real-world narratives.

This combination provided both **controlled insights** (through experiments) and **field-based validation** (through surveys and interviews).

KEY INSIGHTS

1. CTO advice dominates under technological uncertainty

When technology is untested, complex, or fast-moving, CEOs gravitate toward the CTO's expertise. Even if the CMO argues against a project, the CTO's endorsement significantly increases the likelihood that the CEO will back it.

> **"No matter how viable something is from a customer perspective, it won't work if it isn't feasible and scalable technically," noted one CEO interviewed.**

This finding underlines a pragmatic truth: radical innovation collapses without technical feasibility.

2. CMO advice has less sway under market uncertainty than expected

The research expected that CMOs would dominate when markets are unpredictable. Surprisingly, CEOs did not significantly adjust their radical innovation decisions based on CMO support under high market uncertainty.

Why? Interviews suggest that CEOs often feel more comfortable interpreting markets themselves—drawing on intuition, experience, and multiple information channels. By contrast, when it comes to technology, they see themselves as less equipped to judge feasibility without specialized input.

This creates a **bias toward technology-driven advice**, even when market risks are substantial.

3. External advisors amplify internal voices

External consultants, peers, and industry experts play a complementary role:

- Under **market uncertainty**, external advice makes CMO insights more powerful, enriching them with broader perspectives and validating their relevance.
- Under **technological uncertainty**, external advice strengthens CTO recommendations, providing legitimacy and helping CEOs gain confidence in risky bets.

In essence, external advisors act as **credibility multipliers**, reducing the CEO's fear of relying too heavily on one executive's perspective.

4. Conflicting advice doesn't paralyze—but it shapes focus

One striking result was that CEOs do not stall when CMOs and CTOs disagree. Instead, they shift their **center of gravity**depending on the type of uncertainty:

- Technical feasibility dominates under technological uncertainty.
- Market responsiveness matters more under market uncertainty, but primarily when validated by external sources.

This adaptive focus shows that CEOs use advice not just as input but as a **filter for prioritization**.

5. Radical innovation performance depends on advice alignment

Survey data confirmed that firms perform better in radical innovation when CEOs align their advice-seeking behavior with the type of uncertainty:

- **Market uncertainty:** Strongest performance when CMO advice is complemented with external perspectives.
- **Technological uncertainty:** Strongest performance when CTO advice is backed by external expertise.

In other words, the *fit* between uncertainty type and advice strategy is decisive for innovation outcomes.

TAKEAWAYS FOR MANAGERS

Anchor decisions in feasibility under technological risk

When technology is uncertain, prioritize CTO input. Use external advisors to verify and bolster confidence, but never sideline technical feasibility.

Combine CMO insights with external validation under market risk

Markets shift quickly, and customer preferences are volatile. Rely on your CMO for depth, but enrich their advice with external sources that can cut through firm-specific blind spots.

Institutionalize external advice seeking

Don't treat external advisors as occasional add-ons. Create processes—advisory boards, expert panels, industry networks—that integrate their perspectives systematically.

Balance symbolic and substantive value of advice

Seeking advice is not only about better information; it also signals openness, builds executive commitment,

and legitimizes decisions. CEOs should consciously leverage this symbolic dimension.

IMPACT

This study carries several broader implications for leadership and organizational design:

1. **Uncertainty is multidimensional.** CEOs must distinguish between market and technological uncertainty, not treat "uncertainty" as one blanket category.
2. **CTOs are increasingly central to radical innovation.** As technological complexity rises, the CTO's role as a trusted advisor grows. Firms should ensure their CTOs have both technical depth and strategic influence.
3. **CMOs need stronger external linkages.** Since CEOs appear less reliant on CMO advice alone, CMOs can amplify their strategic impact by cultivating networks of external experts, customer communities, and industry partners.
4. **Advice seeking is a performance driver.** It is not just a soft leadership skill—it directly influences innovation outcomes. Structured advice seeking can turn uncertainty from a liability into a competitive advantage.
5. **Executive triads matter.** Much research has focused on CEO–CFO dynamics, but this study shows the power of CEO–CMO–CTO interactions. Future organizations should consciously design their top teams to balance these voices.

RECOMMENDATIONS

- **CEOs:** Diagnose the type of uncertainty before prioritizing advice. Ask: *Is this a market-driven or technology-driven risk?*
- **Boards:** Encourage CEOs to seek external input systematically, not reactively.
- **CMOs:** Build credibility by partnering with external market experts and validating insights beyond the company's walls.
- **CTOs:** Position technical advice in terms of strategic feasibility, and strengthen ties with external R&D networks to add legitimacy.
- **Organizations:** Recognize advice seeking as a strategic process and provide formal channels for it.

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