

The Chief Product Officer's Guide to AI Transformation

Thought Leadership



Artificial intelligence is infiltrating every corner of the organization—not just IT. Companies sharpening their digital capabilities are triggering shifts in team structure and leadership roles. One of the most notable changes is the growing prominence of the Chief Product Officer (CPO) and their ability to manage evolving product teams.

The CPO role has seen a dramatic rise. In 2022, only 15% of Fortune 1000 companies had an established CPO role, according to [one study](#). Today, [that number has climbed to nearly 60%](#). With this growth comes greater influence and authority: 70% of CPOs now hold profit and loss (P&L) responsibility, and the most impactful ones are being elevated to CEO. The report found that companies with strong chief product officers outperform the market by 35% and predicts that, by 2030, 30% of CEOs will be former CPOs.

This shift signals a new era of leadership—one that is forward-looking and customer-centric. It positions CPOs and product teams as leading adopters of AI as they reshape enterprise business models.

HOW IS AI CHANGING PRODUCT TEAMS AS A WHOLE?

When used effectively, AI can streamline many of the execution-heavy tasks that once consumed product managers—from writing product requirement documents (PRDs) and analyzing user feedback to generating initial design concepts.

A 2024 *Industrial Marketing Management* report found that 35% of early AI adopters globally reported [a 35% increase in innovation and a 50% reduction in development time](#). With routine work increasingly automated, organizations are shifting emphasis to high-level decision-making and refinement. The impact on product teams and the role of the CPO is multifaceted.

AI is empowering experienced product managers and CPOs to be more effective and productive by accelerating initiatives from concept to launch. This evolution creates an opportunity for today's product managers, many of whom are expected to move from ideation to mockup with minimal infrastructure.

In a recent discussion, the CPO of a leading gaming company told Korn Ferry that product managers are now expected to own the vision, iterate faster, and deliver results with fewer resources.

The skill sets required are evolving, too—particularly in determining the right evaluation sets for testing, given that outputs from AI tools are more probabilistic than deterministic.

In another conversation, a product leader from a major e-commerce company shared with us that many day-to-day tasks are being automated, prompting the organization to redefine certain product roles and the type of talent they look to hire. The era where product managers functioned like scrum masters “is going away,” they said. Instead, companies have a growing need for strategic talent who can collaborate across the organization.

As AI takes on tasks previously assigned to junior roles—like writing specs, triaging feedback, or conducting market research—companies are reconsidering their talent mix and hierarchy of the product function. Rather than hiring for volume, they will employ adaptability and invest more in strategic leaders who can leverage technology to provide holistic insights. This will result in flatter product organizations run by CPOs who oversee leaner, more agile, and higher-performing teams.

With this change comes a newfound ability to blur the lines between the function’s responsibilities. The traditional handoff model—where a PM writes requirements, a designer creates wireframes, and an engineer builds the solution—is giving way to more integrated workflows. AI is pushing these boundaries by generating initial versions of artifacts that were once the domain of specific disciplines. Software engineers may conduct user testing with AI-generated prototypes, while designers may analyze usage data, overlapping with traditional project management tasks.

A Chief Technology & Product Officer of an adtech company told Korn Ferry that their engineers developed a conversational interface to query social media data, which sped up the product cycle. In this AI-enabled environment, product leaders are evolving into high-level generalists, with adaptability becoming a vital competency.

Generative AI and automation are also pushing organizations to flatten traditional pyramids into agile, diamond-shaped structures, with fewer layers of middle management. By hiring more strategically and empowering teams with AI, CPOs can create high-impact product organizations where decisions are made faster and team contributions are amplified.

HOW IS AI CHANGING THE ROLE OF THE CPO?

As the scope of the product organization changes, Chief Product Officers are shifting their focus decidedly toward vision and quality.

This evolution places greater emphasis on taste-making and editorial judgment over rote execution. In practice, CPOs and their teams are spending less time managing backlogs or attending recurring meetings, and more time ensuring that AI-driven outputs meet high standards and align with a bold strategic vision.

One of the most immediate changes in the world of CPOs is in daily workflows. AI tools are now integrated into how product teams collaborate, analyze, and execute, effectively serving as force multipliers that significantly increase productivity. A CPO of a software company shared his mantra with Korn Ferry: “Let’s prototype, and don’t be precious about it. Iterate quickly!”

CPOs face two critical challenges in navigating this transition. First, they must evolve the way they lead to guide hybrid teams of people and AI agents. As these agents become more autonomous, CPOs will need to redefine product roles so that every team member can operate at their full potential. This means aligning responsibilities with individual strengths while meeting the evolving demands of AI-driven product development.

Second, CPOs must actively build a strong pipeline of strategic leaders who not only perform at a high level but also understand AI and its implications for

the product landscape. Achieving this requires cultivating T-shaped skill sets across the organization, encouraging product managers to deepen their technical and design expertise while empowering engineers and other specialists to broaden their perspective to include business goals and user experience. This cross-functional growth will help build agile, forward-thinking product teams prepared to lead in an AI-enabled future.

Here, the CPO's role is part coach, part orchestrator—ensuring that despite fluid responsibilities, accountability remains clear, and product vision stays cohesive. Influence without authority becomes a critical skill, as CPOs rally diverse teams around a shared, AI-powered vision—even when those teams don't report directly into product. CPOs who champion end-to-end ownership can reduce internal friction and accelerate innovation, enabling AI-augmented teams to respond to customer needs without waiting on departmental gatekeepers.

HOW IS AI IMPACTING THE CROSS-FUNCTIONAL LEADERSHIP OF CPOs?

As the CPO's remit expands, so does their cross-functional influence. Thanks to AI, product strategy now touches virtually every corner of a tech-driven business—from engineering and data science to marketing, customer support, legal, and beyond. A successful CPO acts as a bridge between disciplines, aligning AI initiatives with business objectives and ensuring cohesive execution across functions. This often involves working closely with the Chief Technology Officer and Chief Data Officer to shape AI infrastructure and governance, while also collaborating with the Chief Marketing Officer and sales leaders to position AI-powered products in the market.

This influence also extends to steering an organization's mindset. CPOs often champion a customer-centric, AI-informed perspective at the leadership table. That involves educating peers on

AI's capabilities and limitations, helping the C-suite set realistic goals and establish ethical guardrails. It can also include working with HR on new talent development programs or collaborating with legal teams to define responsible AI practices.

Several CPOs who've spoken with Korn Ferry say that large language models (LLMs) are becoming commoditized. As these tools grow more accessible and affordable, product differentiation will become even more critical. CPOs will have to evolve and adjust once again, guiding their teams toward an accelerated product culture, increasing their focus on strategic growth, and adapting to an ever-changing ecosystem.

Here lies the quiet irony of AI: as machines take on more of the technical terrain, the most effective leaders will need to lean into their most human strengths—crafting vision, shaping meaning, influencing with empathy, leading with purpose. These leaders will be called to calm uncertainty, build trust, spark resilience, and guide their teams through constant transformation. That also means effectively managing the human impact of change and helping employees redefine their roles in response to ongoing technological advancements.

Nowhere is this reinvention more visible than in the office of the Chief Product Officer. Those who master the balance of human insight and AI capability will not only weather the current wave of disruption, but they will also define the next generation of market-leading products and experiences.

In the AI-enabled environment, product leaders are evolving into high-level generalists, with adaptability becoming a vital competency.

HUMAN-CENTERED LEADERSHIP IN AN AI-DRIVEN WORLD

Even as AI automates execution, the human element remains irreplaceable.

While AI may reduce drudgery—and even some of the “perverse variations of the role” like excessive overhead—the creative and vision-setting aspect of product management remains beyond AI’s reach, as one former CPO emphasized. Instead, AI amplifies the importance—and need—for authentic product leadership.

In this new era, the CPO is both a product strategist and an AI strategist, orchestrating human and machine collaboration to deliver superior products.

Key Takeaways

- 1. AI is shifting the CPO role from operational oversight to strategic leadership focused on vision, quality, and cross-functional impact.** CPOs can hold quarterly strategy sessions with cross-functional leaders to align AI-driven product vision and quality benchmarks.
- 2. AI is streamlining product teams, automating routine tasks, and driving agility.** CPOs can audit workflows to pinpoint automatable tasks, then reallocate capacity to innovation and experimentation.
- 3. Human leadership is more critical than ever, as CPOs must lead hybrid teams with empathy, adaptability, and purpose.** CPOs can host monthly check-ins to support well-being, adaptability, and purpose—especially for hybrid and remote teams.

HOW WE HELP

Korn Ferry provides tailored solutions to help Product leaders not only adapt to AI disruption but lead through it. We partner with organizations at all stages of development to define the capabilities of an AI-augmented product team, recruit and develop next-generation product talent, and embed product leadership into core strategy.

AUTHORS

Moses Zonana

Senior Client Partner
Technology & Digital Officers Practice
Korn Ferry

Karena Man

Senior Client Partner
Technology & Digital Officers Practice
Korn Ferry

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