



# **Critical Success Factors for the Chief Customer Officer**

**by Curtis N. Bingham**

**CHIEF CUSTOMER OFFICER  
COUNCIL**

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## Critical Success Factors for the Chief Customer Officer

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*Curtis Bingham is the recognized authority on chief customer officers and the first to promote this role as a catalyst for competitive advantage. He is the creator of the CCO Roadmap, a groundbreaking work containing 100+ critical strategies essential for customer centricity. As an international speaker, author, and consultant, Curtis is passionate about creating customer strategy to sustainably grow revenue, profit, and loyalty.*

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Demanding customers, intense pressure from the CEO, and relentless competition. How can you, as a loyalty executive or chief customer officer (CCO), hope to satisfy the first two and outsmart the third? Cutting through the noise of the C-suite is a challenge for CCOs and it can often be too little too late if steps are not taken quickly.

The average tenure of the CCO is only 29.6 months, often falling casualty to the "Results right now!" syndrome that ignores critical facts: like great wine, strong relationships take time to develop and grow more profitable as they age. Many of these relationships cannot take root without a strategic plan to transmit the voice of the customer into the C-Suite, thereby positioning the company to succeed and the CCO to thrive. Based on nearly a decade of work with more than 150 CCOs, I have developed the following critical success factors that will ensure that you meet or exceed your personal and customer goals.

**Title and reporting structure matter:** The title and reporting structure of the CCO are powerful signals of the company's commitment to customer centricity. The successful CCO will have the title of CCO and report to the CEO or to an individual no more than one level below the CEO (e.g., chief marketing officer, chief operating officer).

**Executive support must be unwavering:** The continued vocal and visible support of the CEO and C-suite is critical to growth and stability for the CCO. The CEO has to maintain his support and not abdicate involvement in customer centricity just because the company hired a CCO. The likelihood of success is diminished without constant endorsement from top leadership.

**Earned authority:** The CCO has a certain amount of positional authority by virtue of his or her title. The explicit, visible support of the CEO provides borrowed authority, which is valuable but it can wane. To be successful over time, the CCO must earn his or her own authority and credibility within the organization. Authority is earned as the CCO leads peers, executives, and employees to recognize how customer insight and centricity can be valuable aids in achieving their own business, department, and personal goals. Ultimately, such earned authority can eclipse both positional and borrowed authority in power and value.



**CCO priority alignment with the CEO:** By aligning priorities with the CEO and the rest of the C-suite the CCO secures his or her visibility at the highest level of the company and is involved in key corporate decisions. All executives should be working toward the same goals and, according to the results of a CCO Council Survey, most CCOs and CEOs are doing so. Though rankings were slightly different, both CEOs and CCOs identified excellence in execution, customer loyalty and retention, and top-line growth as top priorities. Where they differed was that CEOs identified consistent execution as a top priority, while CCOs identified encouraging innovation as their top priority. These results indicate that CCOs are doing a good job of aligning their priorities with corporate priorities, which bodes well for their success.

**Create metrics that tie to revenue growth and profitability:** While difficult to accomplish, the ability of the CCO to tie customer-centric programs to revenue growth and profitability is critical. There is growing evidence that customer loyalty and degree of customer engagement are tied to revenue. One large technology company saw a 33 percent increase in purchases from companies that were more engaged in customer programs. Another organization identified that a 1 percent increase in loyalty scores resulted in a \$33.3 million increase in revenue. Academic research supports this relationship between loyalty scores and spending. These are considered "proxy measures" and to be used effectively there must be consensus on their validity as measures and their impact on revenue and profitability.

**Support of internal and external allies:** Without the support of peers, community leaders, industry analysts, and the customer, CCO initiatives will have limited results. Critical to the future of the CCO is developing these alliances and being explicit about successes.

**Tie compensation to measures of customer centricity:** All executives and senior leaders should have customer measures (e.g. satisfaction, loyalty) as part of their Management by Objectives (MBO). Many managers do not recognize the impact their department has on customer centricity. For example, the condition and appearance of a utility company's repair trucks leaves an impression on its customers for better or worse, just as an overly complex bill sends a message that the customer's viewpoint is not considered or valued.

## Conclusion

So, now that you have the success factors...where you start? These success factors are guideposts on your path to realizing your career goals as a CCO. Create a plan around those goals and use these critical success factors as self-evaluation criteria to maintain focus and improve your chances for success.\*\*

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†This article is excerpted from *The Bingham Advisory: Eight Imperatives for the Chief Customer Officer*, available for free download from the CCO Council website at: <http://www.ccocouncil.org/thebinghamadvisory/>.

## About CURTIS N. BINGHAM



The first to promote the role of chief customer officer (CCO) as catalyst for competitive advantage, Curtis is recognized as the world's foremost authority on CCOs. He is founder and Executive Director of the Chief Customer Officer Council™ and creator of the CCO Roadmap and the Customer Centricity Maturity Model: groundbreaking, proprietary works that assist companies achieve customer centric culture and revenue growth. Curtis is a champion of customer engagement as a critical growth engine and first to identify engagement as the next evolutionary step beyond loyalty. An international speaker, author, and consultant, Curtis is passionate about creating powerful customer strategies and trusted for his business acumen, actionable insights, and commitment to measurable business results.

## About THE CHIEF CUSTOMER OFFICER COUNCIL

The CCO Council is a powerful and intimate gathering of the world's leading customer executives from widely diverse industries. The Council helps executives achieve objectives faster and more easily by leveraging best practices. It helps validate and refine strategies and initiatives to avoid experimenting at customer expense. Membership is by invitation only, and purposefully cross-pollinated with the most forward-thinking companies, large and small, so as to help customer executives deliver solid, customer-centric business results. For more information, email [info@ccocouncil.org](mailto:info@ccocouncil.org) or call 978-226-8675.



### YOUR NEXT STEPS

***The Bingham Advisory: Eight Imperatives for the Chief Customer Officer*** details strategies that enable you to be successful in driving customer centric culture and in creating sustainable competitive advantage, including:

- 6 key challenges to CCO success and the means to overcome them
- 9 metrics that need to be considered for the CCO dashboard
- 7 critical success factors for CCOs
- 7 strategies to support customer centric change, and more

Download your free copy today at [www.ccocouncil.org/thebinghamadvisory/](http://www.ccocouncil.org/thebinghamadvisory/)

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