

Five Strategies for Increasing Borrowed Authority

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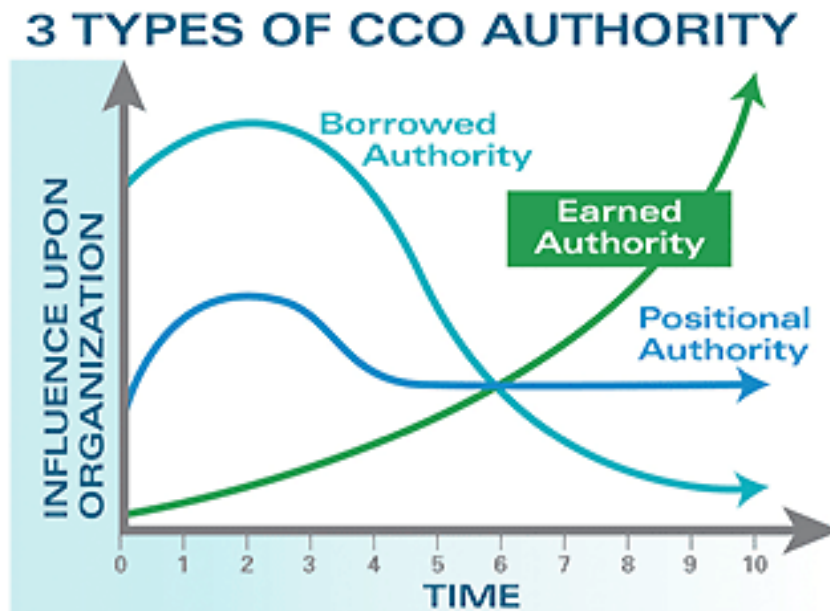



Five Strategies for Increasing Borrowed Authority

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Curtis Bingham is the world's foremost authority on the customer-centric organization. He was the first to promote the role of chief customer officer as a catalyst for competitive advantage. He is the creator of the first CCO Roadmap and the Customer Centricity Maturity Model. He is the founder of the Chief Customer Officer Council, a powerful and intimate gathering of the world's leading customer executives. As an international speaker, author, and consultant, Curtis is passionate about creating customer strategy to sustainably grow revenue, profit, and loyalty.

There are three types of executive Authority: Positional, Borrowed, and Earned (the Bingham CCO Authority Model is fully discussed in *The Bingham Advisory: Powerful Influence on Customer Centricity*; see below). In this article, I focus on Borrowed Authority and some of the strategies CCOs can employ to increase it.



A white lighthouse with a glass-enclosed lantern room is positioned on the left side of the page. A beam of light emanates from the lantern room, extending horizontally across the top of the page towards the right. The background is a gradient of blue, with a yellow and orange curved shape at the bottom.

Borrowed Authority is that which is borrowed from others with greater influence. It is best gained through the strong, vocal, and very visible support of the CEO. The more prominently the CEO advocates for the CCO and reinforces customer-centric imperatives, the stronger the halo-effect and the greater the influence the CCO has over the organization. Borrowed Authority is imperative in the early days of the CCO's tenure as any culture naturally resists change. The voice and Authority of the CEO is often necessary to overcome organizational inertia and enable a more complete customer-centric transformation. Leveraged correctly, this halo effect can be used to gain significant early momentum.

Here follow five strategies to increase your Borrowed Authority.

Align Priorities

Alignment with CEO and board priorities is one key to Borrowed Authority. This gets and keeps your seat at the CEO's table. The successful CCO shows a clear "line of sight" between customer activities and CEO priorities, demonstrating how customer centricity will enable success in meeting CEO objectives. Initiatives so aligned are more easily supported and promoted by the CEO.

Obtain clear direction (particularly at the outset) as to the objectives and measures the board and CEO are applying to the CCO role. In so doing, CCOs not only design their own agenda to best impact the company's evaluation of their performance, but also inform the board, CEO, and peers of the shared purpose and need for collaboration.

To ensure alignment:

- Select/adapt initiatives most closely aligned with CEO priorities
- Provide regular customer relationship health updates to the CEO and the board
- Cultivate a customer champion on the board
- Use customer insight to shorten sales cycles

Engage Executives

Successful CCOs recognize that they cannot be the only ones championing the customer cause and refuse to allow the CEO or other executives to abdicate responsibility for understanding, serving, and actively engaging customers in growing the business. The most important way to engage executives is to make the voice of the customer roar through the C-suite. Every strategic decision should include the discussion, "What is the impact on the customer?" If the impact is positive, the strategic initiative should be promoted heavily. If it is negative, ways to mitigate the negative impact should be examined.

To effectively engage executives:

- Incorporate customer metrics into MBOs

- Create executive customer advisory boards where company and customer executives meet regularly
- Create an executive sponsorship program where executives are tasked to visit key customers on a regular basis
- Design and facilitate the executive escalation and customer response process
- Enable executives to model desired behavior for the organization
- Bring customers to the executive team

Speak the Language of Business

An important way to borrow Authority is to speak the language of business. The CEO deals in revenue opportunity, ROI, hard cost, opportunity cost—but often finds loyalty or satisfaction scores as a strategic measure to be unfamiliar. At a minimum, the CCO should show how customer centricity can facilitate or accelerate executive goals. Better yet, the CCO should correlate customer value and the dollar cost of changes in loyalty scores with hard data such as revenue opportunities, cost savings, market penetration, share of wallet, and risk measures that the CEO, CFO and other fellow executives use to measure success.


There are a many ways of quantifying the ROI of customer centricity:

- Quantify the cost of lost customers
- Consider Peppers' & Rogers' "Return on Customer" metric to estimate ROI of an investment
- Compute the cost savings in decreasing the cost to serve customers
- Correlate purchase behavior with loyalty, engagement, or other metrics
- Measure the revenue and profit opportunity for shifting a percentage of customers from one loyalty level to another
- Measure the impact on loyalty scores and profitability for primary customer touch points
- Measure and optimize the win-back effort to focus on highest-value win-back customers and activities and to minimize those efforts and customers with lower expected return

The most successful CCOs are effective in championing hard metrics over the intangible, creating the business case for customer loyalty in terms of revenue opportunities and hard costs that are easily compared with competing priorities.

Create and Leverage Opportunities for CEO Support

It is in the CEO's best interest for the CCO to be successful. Yet, many CEOs and other executives are unaware of the best ways to demonstrate support for CCO activities. CCOs must create opportunities for

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CEOs and other executives to show support and leverage these activities fully. To solicit and leverage CEO support:

- Share customer success stories
- Give executives something to brag about—and let them brag about you
- Create CEO and board recognition awards where the CEO and board members can recognize customer-centric contributions and behaviors of outstanding employees
- Create a customer metric or tool the CEO can use to hold direct reports accountable to customers
- Create customer awards to help recognize outstanding customers at annual meetings

Use the CEO to Blow Up Obstacles

When diplomacy fails in the face of “not invented here” or other irrational resistance to customer success, it may simply be necessary to leverage the CEO to blow up such obstacles. One CCO said that it took three years to consolidate employees with the same function from disparate departments. A CEO mandate would have resolved these roadblocks within weeks, saving customers three years of frustration. CEOs occasionally need to clarify or reset executive priorities around customer centricity, either directly through a mandate and personal charge or indirectly through MBOs and bonus plans.

Conclusion

Executives without strong Borrowed Authority report spending nearly 50% of their time justifying their existence and soliciting support, instead of serving customers. Increasing Authority to solve customer issues, drive customer centricity, and thereby create sustainable business growth needs to be a core strategy of every CCO who doesn’t wish to relegate the tenure of his/her role to chance.

The Bingham CCO Authority Model is a powerful tool for guiding your strategy to gain and increase power and influence within your organization. For more information on this topic or to discuss your goals to increase your Authority, contact Curtis Bingham at the address below.^{**†}

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† This article is excerpted from *The Bingham Advisory: Powerful Influence on Customer Centricity*, 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 or call 978-226-8675.



TAKE THE NEXT STEPS TO GROW YOUR AUTHORITY

Powerful Influence on Customer Centricity - In addition to three types of authority, this **Bingham Advisory** provides you with:

- Five ways to borrow greater authority
- Four ways to earn greater authority
- Specific examples of each method

Learn the time-tested best practices of leading senior customer executives that you can begin to implement and apply today!

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