

# Should the CCO be a Company Officer?

by Curtis N. Bingham

CHIEF CUSTOMER OFFICER  
COUNCIL

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## Should the Chief Customer Officer also be a Company 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.*

Within the C-Suite, each executive is uniquely accountable to a specific audience and for specific, measurable results. The CEO is accountable for shareholder value, the CFO for financial performance, the CMO for marketing awareness, and the VP of sales for quarterly revenue. In this traditional model – despite every company’s claim that it has its customers to thank for its success – there is no accountability for increased customer value. Nobody owns customer relationships, nor does anyone own the task of growing the value of the customer franchise. In the absence of ownership and accountability, it becomes nobody’s job.


Jeff Lewis, the former chief customer officer (CCO) of Monster.com said, “To be successful in delivering real customer value, a company needs to hold accountable a senior executive who can affect operations and strategy across operational silos.”

Jeb Dasteel, the CCO of Oracle said, “The CCO provides the comprehensive and authoritative view of the customer.”

Marissa Peterson, the former CCO of Sun Microsystems, viewed herself as “the customer conscience” for the company.

Thus, the CCO Council defines the chief customer officer as, “an executive who provides the comprehensive and authoritative view of the customer and who creates corporate and customer strategy at the highest levels of the company in order to maximize customer acquisition, retention, and profitability.”

Within this context, does the chief customer officer need to be an officer of the company? In an ideal world, and in keeping with other C-Suite positions, the answer is a resounding “**Yes.**” To maximize effectiveness in the role as defined above, the CCO must be a corporate officer. After all, properly

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 across the top of the page towards the right. The lighthouse is set against a blue background with a yellow and orange curved graphic element below it.

implemented, the CCO role is ultimately responsible for the profitability and longevity of relationships with the company's most important asset: its customers.

Not surprisingly, reality diverges sharply from the ideal. In an analysis conducted some time ago by the CCO Council, targeting CCOs in Fortune 500 companies in addition to Council members, only 13% of these executives are officially named as company officers in SEC filings. The remaining 87% are not officers, despite many having the word "officer" in the title.

### What is going on here?

There are a couple of explanations. First and foremost is the fact that the CCO role is still fairly new and continues to mature so CEOs and boards still question its validity and its value. Similarly, many boards are perennially focused on finance and operations and slow to consider customers a strategic asset. Customer strategy, loyalty, satisfaction, and similar topics are at the bottom of the board agenda if they are included at all. The fact that something not directly measured by someone with accountability to improve upon it tends not to improve helps explain the low customer satisfaction and loyalty numbers we see for companies in many industries.


Another explanation is in the analysis sample noted above. CCOs in most large companies tend *not* to be officers, whereas CCOs in mid-size companies *are* officers. This is often because those in smaller companies have a dual-role, with line ownership of marketing, sales, operations, etc. For example, their title may be SVP of marketing AND chief customer officer. It is very common for the EVP of marketing or SVP of sales in a mid-sized company to be a company officer.

### What are the implications?

Some companies have sidestepped the issue by naming a "chief customer advocate," but this title is deprecated. While having the term "officer" may cause some confusion in certain circles, this confusion is far outweighed by the benefits of having a chief customer officer and ensuring the CCO has the delegated power and authority to effect change across the company on behalf of customers.

One chief customer officer indicated there were two keys to his success: the explicit and vocal support of the CEO, and the title itself. Having the explicit support of the CEO certainly opened many doors within the company. Having the title of chief customer officer positioned him as the customer expert within the company. The title therefore carried clout within the company and served as a beacon. It helped in gathering great ideas as well as with ownership of critical customer problems. But it also gave him authority in navigating a complex organization in his efforts to solve customer issues.

Perhaps even more importantly is what having the role of the chief customer officer means to customers. In fact, one of the three key reasons why companies hire the CCO in the first place is to

A white silhouette of a lighthouse on a rocky outcrop, with a beam of light shining from its lantern room across the top of the page. The background is a blue gradient with a yellow and orange curved line separating the header from the main content.

create competitive advantage. This is achieved by effectively saying to customers, “We care so much about you and your success that we have hired a CCO.” Numerous CCOs have said that having such a title has opened customer doors and enabled a much deeper level of customer trust, which results in shorter sales cycles, larger deal sizes, and more repeat purchases.

## Recommendations

The chief customer officer title is powerful. Customers understand they have an advocate at the highest level of the company. Engaged employees understand that they too, as well as their function, have an advocate at the highest level of the company. They recognize the intrinsic power of the title and gravitate towards the CCO in their desire to better serve customers.

For all the reasons stated here, the CCO should be an officer of the company.

However, that is not a requirement for success. Regardless of their inclusion on the 10-K form, chief customer officers, as defined above, need the following entitlements:

1. The official chief customer officer title in order to avoid any internal or external confusion regarding who is responsible and accountable for driving profitable customer behavior.
2. The ability to drive strategy at the highest levels of the company.
3. Explicit, vocal, and visible support from the CEO.

Armed with this authority, the CCO should focus every effort on these three broad areas:

1. **Drive profitable customer behavior:** To help customers spend more, and more often, the CCO must focus on initiatives such as profitability segmentation, customer retention, loyalty, satisfaction, and improving customer experience. As well, many CCOs will use in-depth customer insight to empower sales and marketing organizations to acquire more of the “right”, i.e., profitable, customers.
2. **Create a customer-centric culture:** One of the most important roles of the CCO is to lead the creation of a strong, customer-centric culture complete with accountability and ownership at all levels in the company. CCOs who fail at this imperative incessantly put out fires and ultimately burn out because nobody else takes ownership. CCOs must prioritize to drive the most profitable initiatives with the greatest customer impact. They must put a face on customers and help employees (especially the non-customer-facing employees) remain focused on driving customer value.
3. **Drive customer and corporate strategy into the C-Suite and throughout the company:** Because CCOs can provide the authoritative view of the customer, they are uniquely qualified to shape

corporate strategy going forward. As well, CCOs must be the authors of customer strategy to define customer portfolios, prioritize customer retention and acquisition efforts, create greater customer value, and increase loyalty.

In so doing, the CCO is a powerful asset to the CEO and to the board because he or she helps to grow the customer base, to enhance profitability, and to balance the Board's perspective with unvarnished customer truth.



## About CURTIS N. BINGHAM

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## About THE CHIEF CUSTOMER OFFICER COUNCIL

The Chief Customer Officer Council is the first of its kind; a member-led peer-advisory network offering unparalleled insight into the critical issues facing CCOs. It was created to provide a safe environment where CCOs can share ideas, concerns, and build best practices that will help them, their companies, and especially their customers succeed. The Council includes CCOs from diverse industries, purposefully cross-pollinated with the most forward-thinking companies, large and small. For more information, visit [www.ccocouncil.org](http://www.ccocouncil.org), email [info@ccocouncil.org](mailto:info@ccocouncil.org) or call 978-226-8675.



***Are You Experimenting at Your Customer's Expense?*** – In this article by Curtis N. Bingham, you'll learn seven ways to drive more profitable customer behavior, while minimizing the risk of negative consequences for your customers and their loyalty to your brand.

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