



Six Key Challenges of the Chief Customer Officer

by Curtis N. Bingham

**CHIEF CUSTOMER OFFICER
COUNCIL**



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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.


The Chief Customer Officer (CCO) role is still quite new to the c-suite. After the CCO has managed to gain employment, the clock is ticking. The average tenure of the CCO is only 29.6 months, often falling casualty to the "Results right now!" syndrome. There is no HBR treatise or field guide to being a CCO and the role is still, unfortunately, very poorly understood even amongst the c-suite and especially amongst customers.

While CCOs are faced with a wide array of challenges, the problems can be addressed. The CCO Council identified the following challenges as the greatest for the CCO and makes recommendations on approaches to overcoming them.

Creating strategic imperative and clearly defining CCO contribution: Customer centricity is often viewed as a "nice to have" rather than a strategic imperative. In many organizations, the CCO contribution to this imperative is poorly defined. As a result, a commonly heard concern of CCOs is the need to continuously explain and defend their value to the organization. Many CCOs spend between 20% and 50% of their time defending their position. This is clearly time wasted because it is not time spent with customers.

***Recommendation:** The CEO and Board must recognize the growing body of proof that customer-centricity is the new basis for competitive advantage with demonstrable business results and make the CCO a part of this strategic imperative. The CEO and CCO should clearly define the expected contributions of the CCO and then socialize them across the organization.*

Establishing organizational clout and credibility: The most successful CCOs recognize and leverage the three sources of CCO Authority, starting first with either positional authority or authority borrowed from the CEO and quickly earning such authority on their own. Without such clear authority, cultural resistance to change, conflicting priorities, and a host of other obstacles prevent CCO success.



Recommendation: *The CEO must provide to the CCO significant “borrowed” authority. The CCO must “earn” authority rapidly by providing value, demonstrating results at all levels, and effectively communicating the business impact of those results.*

Obtaining resources: Often there is limited understanding of the type of resources required to successfully convert an organization to customer centricity. Given the relative immaturity of the CCO role and the lack of clear roles and responsibilities this challenge is not a surprise. The CCO of one enterprise company chose to report into Marketing as a strategy to gain greater access to staffing and expertise.

Recommendation: *CEOs and Boards of Directors must have realistic expectations of the resources required for a CCO to be successful and make a commitment to supply those resources.*

Creating customer strategy: The CCO is uniquely positioned to help align with the most profitable customer segments to maximize the value delivered to and derived from each customer. Gathering customer data is easy, but converting it into action is much harder especially as the complexity of customer purchases and interactions increases. Many CCOs struggle to move beyond the voice of the customer and triage to create and implement customer strategy.

Recommendation: *Implementing customer triage and issue resolution processes are critical first steps for CCOs. CCOs must enlist everyone to aid in such resolutions. But then the CCO needs to make powerful allies and initiate cross-functional initiatives to create workable customer strategy that cuts across business units to improve the overall customer experience.*

Overcoming cultural resistance to change: Implementing change is challenging for most organizations and resistance to change is human nature. CCOs find that resistance to change is their greatest challenge requiring a significant amount of time and effort. A company with a mature workforce that has “always done things in the same way” is going to be more resistant.

A number of companies have successfully initiated incentives to employees, ranging from the introduction of customer metrics to bonus opportunities. When employees have skin in the game they are more likely to embrace change. Traditional methods for cultural change including bonuses and penalties help mitigate the resistance to change. Actively engaging employees in the process of change will move the culture from compliance to engagement. A variety of culture change strategies can and should be employed.

Recommendation: *The CCO must accurately evaluate the company’s appetite for change and adjust expectations and program design accordingly.*

Measuring and demonstrating results: Many organizations are adept at measuring transactions and discrete events. Customer emotions and behavior are harder to measure. Measuring the impact of the CCO in ultimate terms of revenue and profit is a challenge. This difficulty in measurement is perhaps the single, greatest reason for the CCO’s role being the most fragile in the c-suite. CCOs also tend to struggle

with self-advocacy. A balance must be struck between bragging and bringing attention to successes; allies can be a great source of “selling” the CCO’s accomplishments.

Recommendation: *The CEO, Board, and CCO must agree upon metrics and measures that balance revenue, profit, and customer loyalty. The CCO must effectively communicate and market the value of customer-centric change to the organization to gain further support and adoption.*

Conclusion

Whether you are an experienced or new CCO, addressing these challenges head-on can help you drive more profitable customer behavior, create customer-centric cultures, and increase the value you deliver to your customers. There are no guarantees of success, even in a more established position, but knowing where the really challenges are will put you or your company’s CCO in a position to succeed and even thrive as the voice of the customer. ^{**†}

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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/>.

Six Key Challenges for Chief Customer Officers

- Creating strategic imperative and clearly defining CCO contribution
- Establishing organizational clout & credibility
- Obtaining resources
- Creating customer strategy
- Overcoming cultural resistance to change
- Measuring and demonstrating results

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.



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

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