



The Bingham CCO Authority Model

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**CHIEF CUSTOMER OFFICER
COUNCIL**



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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.

Authority is the currency of the C-Suite. Greater Authority means greater ability to influence the organization to take a desired action. Even as direct reports to the CEO, customer loyalty executives may be challenged to obtain the Authority needed to get the job done. Because they typically do not own *all* customer-facing resources they must lead by influence to effectively resolve customer issues or enhance the end-to-end customer experience and ultimately increase revenue and profits. The chief customer officer is widely recognized as the organization's ultimate customer Authority, tasked with driving customer strategy at the highest levels of the company. However, titles for this position have numerous variations. For the purpose of this article, we will refer to the CCO, although an executive's actual title may be different.

THREE TYPES OF CCO AUTHORITY

There are three types of Authority for the CCO or other customer executive: Positional, Earned, and Borrowed Authority.

Positional Authority

Every CCO or loyalty executive has some Authority derived from the position and title they hold within the organizational hierarchy. CCOs relying upon Positional Authority may own many customer-facing personnel such as service, support, consulting, and sometimes marketing and sales. Using Positional Authority the CCO can point to his or her direct reports and say, "make it so" in order to address specific customer issues. There is an initial bump in influence when the CCO is first appointed and catches people's attention as something new and unexpected in the organization. Sufficient Positional Authority is mandatory for the success of the CCO or loyalty executive. Consequently, it is imperative that the CCO be positioned ideally as a direct report to the CEO or perhaps one level below with a strong dotted line

to the CEO. Title is crucial in granting Authority, inviting respect, and opening doors to influence other executives and departments to solve cross-boundary customer challenges (described along with other critical success factors in *The Bingham Advisory: 8 Strategic Imperatives for the CCO* available at the CCO Council website). After the initial bump in influence following the appointment to the role, Positional Authority tends to be static and it may even wane over time unless increased through a promotion. However, position and title alone may not enable one to single-handedly resolve customer issues that span organizational boundaries. Thus Positional Authority typically does not carry the weight of either Borrowed or Earned Authority.

3 TYPES OF CCO AUTHORITY

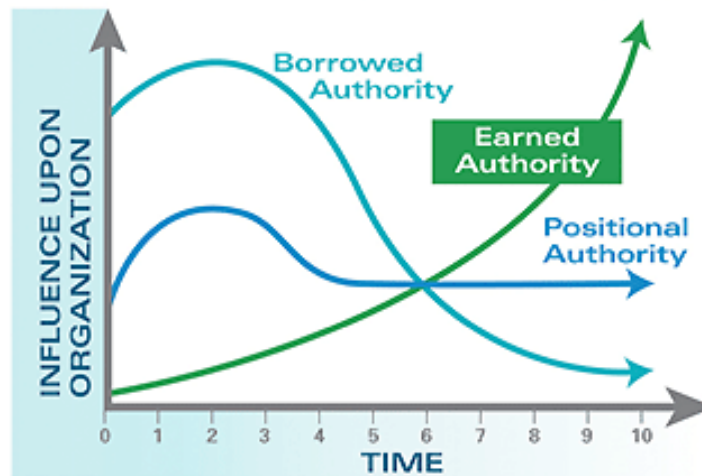


Figure 1

Borrowed Authority

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 appointment of a loyalty executive tells the organization, including peers within the C-Suite: *“Customer centricity is our strategic imperative.”* 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. As the CEO of Nationwide said when he introduced newly appointed Chief Customer Advocate, Jasmine Green, to his organization, *“This is Jasmine. She speaks for me.”* Executives without strong Borrowed Authority report spending nearly 50% of their time justifying their existence and soliciting support instead of serving customers.

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.

As can be seen in Figure 1 above, Borrowed Authority is strong in the early days but tends to wane as the attention of the CEO turns to other initiatives. If the drop is precipitous, the CCO can be rendered ineffective. Thus, while leveraging both Positional and Borrowed Authority, it is critical to develop Earned Authority.

Earned Authority

Earned Authority is the most powerful and sustainable Authority that can be wielded within the C-Suite and the organization, but it is the hardest won and typically in the shortest supply in the earliest days of CCO tenure. This is the type of Authority that comes with results; it is earned as the CCO leads peers, executives, and employees to recognize how customer insight and customer centricity can be valuable aids in achieving their own business, department, and personal goals. It is earned as CCO-led initiatives are seen to be successful both internally and externally. The most successful executives with the longest tenure quickly earn this type of Authority.

Recognizing the importance of Earned Authority, one senior customer executive delayed acceptance of an offered CCO promotion until he had complete support throughout the organization. By doing so, he obviated the need to beg for resources, prove ROI of customer-centric actions, or campaign for support. His peers know that he has the best customer data, the issues he raises are real, and most importantly, they know that he is balancing business goals with customer desires.

Since Earned Authority can grow over time, it eclipses all other forms of Authority. It is the strongest and most powerful form of Authority, and wielded correctly, can also enhance Positional and Borrowed Authority in a virtuous upwards cycle.

CONCLUSION

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. Using the Bingham CCO Authority Model, you can gain, increase, and leverage your power and influence over your organization on three fronts at once.^{**†}

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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.



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