

Four Strategies for Increasing Earned Authority

by Curtis N. Bingham

**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.

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 Earned Authority and some of the strategies CCOs can employ to increase it.

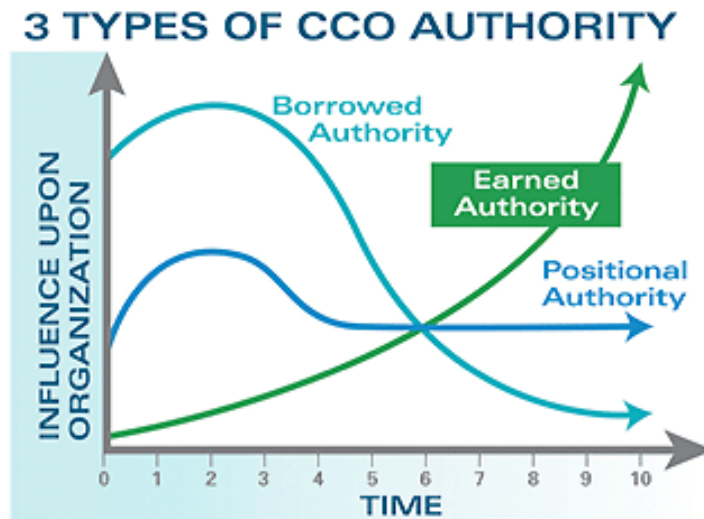
Positional Authority doesn't change. Borrowed Authority may have a limited lifespan. The remaining Authority is earned through a sustained history of delivering positive, visible results for customers that also benefit the business; and by proving to other executives the business value of acting in the customer's best interest. There are four ways to earn Authority, discussed below.

Own Customer Insight and Inject it into Strategic Discussions

The CCO's value is in interpreting data and devising strategy but not necessarily in owning customer data, as this can be a time-consuming distraction from the real CCO value. CCOs must be the definitive Authority on customer needs, wants, and desires and accurately represent customers in strategic decisions balanced, of course, with business needs.

- Own and manage the highest priority customer insight gathering processes
- Develop a defensible methodology to annually identify the top 10 customer dissatisfiers across product lines and business units
- Tell the customer story
- Invite customers to tell their stories at all levels

- Monitor social media



Build Relationships With Peers, Employees, Management, Customers, And Outside Influencers

By definition, Earned Authority results from the recognition of the value of the CCO's efforts. Most CCOs do not own all customer-facing resources and must lead by influencing relationships. These relationships help drive customer centricity throughout the organization and change the business landscape.

- Create a closed-loop triage, escalation, and issue resolution process
- Recruit "Unlikely Allies"
- Share loyalty survey insights in a special preview with executives
- Create "Heroes"
- Become an internal consultant to other departments
- Launch a customer targeting and acquisition program
- Help overcome sales resistance
- Create a customer reference and referral program
- Develop your "personal" CCO brand to push your corporate brand



Engage Employees

The CCO cannot afford to be the only customer champion. All employees must be actively engaged as part of a pervasive, customer-centric culture so as to ensure that customer needs are consistently and profitably met. Engagement can mean something as simple as employees understanding individual impact on customers or employees actively seeking to understand and deliver more for customers. How can the CCO best engage employees in the service of customers?

- Identify the characteristics of strongly customer-centric and highly productive employees and provide these to HR and hiring managers as screening and hiring criteria
- Participate in new-hire orientation; set the standards and create the customer-centric culture from the outset
- Make explicit the impact every employee has on customers
- Recognize and reward desired behaviors
- Involve employees in customer problem solving
- Measure employee engagement
- Measure contribution to customer loyalty at the individual employee level

Demonstrate Results

CCOs need to demonstrate and publicize their results in order to earn greater Authority. Of particular importance is the correlation with revenue and profits. Oracle's CCO found that Oracle's most engaged customers generate 33% greater revenue than similar customers who are not as engaged in customer programs. Another CCO found that extremely loyal customers were five times more likely to repurchase, and that by moving 1% of their customers into this top loyalty box, the company generated an additional \$33.3M in annual incremental revenue. Another low-cost airline found that a one point NPS score increase generates between \$5M and \$8M. These data are extremely powerful. They draw a clear line from CCO initiatives to increased revenue and demonstrate inarguable results. There are a number of ways to gather and demonstrate results

- Create meaningful metrics and leading indicators correlated with revenue or profitability
- Own the measurement/analysis process
- Focus on loyalty drivers. Use factor analyses to discover the linchpins that have the greatest impact on loyalty
- Focus on mitigators to loyalty drivers
- Create a marketing communications plan and socialize the results at all levels

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.

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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