

The Customer Conscience: The Chief Customer Officer's Key Responsibilities

by Curtis N. Bingham

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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.

Do organizations have a customer conscience? Are there voices within corporate structures today that demand to be heard, insisting that customers' needs be considered at every turn? Is it actually anyone's job to provide balance to the traditional cost cutting and revenue-growth strategies?

The Predictive Consulting Group recently studied companies with an executive-level customer champion such as Sun Microsystems, Cisco, Hewlett-Packard, Monster.com, Fidelity, and others, and found that many companies today have indeed institutionalized this role. One of our interviewees, Marissa Peterson, Chief Customer Advocate and EVP of Worldwide Operations for Sun Microsystems, responded to our questions by labeling herself Sun's "customer conscience". Marissa oversees the Sun Sigma and other programs through which Sun proactively gathers "Voice of the Customer" insight and use resulting data to make strategic decisions throughout the organization.

Key Responsibilities

An executive must be held accountable for the customer relationship, insight gathering, and customer strategy process such that the customer needs can be properly weighed against revenue, cost, and other strategic business drivers. As well, the role of customer champion must be an executive-level position to effectively gain trust in customer and prospect organizations as well as drive change throughout many different divisions. During the study we found that the only successful alternative to this was a director-level champion that had **significant** CEO sponsorship and reported to the CEO. In other words, the champion was a chief customer officer in all but status.

It can be fatal to assume that the snapshot of customers, segments, & markets gathered at some point in time will be accurate in 4-6 months. "The organization needs to monitor its customers.... They need to use real-time data to narrow the gap between research and action." (Nelson 2003) The customer

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champion should be accountable for ensuring that customer insight is proactively and regularly gathered, updated, made available throughout the organization, and most importantly, made *actionable* throughout the organization. Too many companies fail in the execution of this last step and end up with volumes of meaningless data that have minimal (if any) impact on the business.

Being held accountable for taking action on customer insight, the customer champion is uniquely responsible to bridge the gap between data gathering and process improvement throughout the organization.

Though there are a multitude of responsibilities that a chief customer officer or other executive-level customer champion could have, depending upon the organizational goals, growth plans, structure, and market segments, all of the executives we interviewed shared the following 4 critical goals:

- 1. Ultimately increase revenue
- 2. Bring customer balance to executive decision-making processes
- 3. Manage the customer relationship as an asset
- 4. Proactively gather customer insight & drive organization-wide change

Increase Revenue

Across the board, everyone is ultimately responsible for increasing revenue. champions can help shorten sales cycles through customer management and reference programs. Revenue can be increased through an increased focus on software maintenance renewals, the identification of new products and services. New opportunities for securing a larger share of wallet of the existing customer base are often waiting to be noticed and exploited.

Bring customer balance to executive decision-making processes

Executive-level customer champions can counter the C-suite's and the Board's traditional focus on revenue growth and cost containment, which has often resulted in damaged customer relationships and diminished long-term results.

Manage the customer relationship as an asset

Despite the fact that US accounting principles do not consider a customer relationship as an asset, perhaps one of the most important responsibilities is to manage customer relationships with every bit the same amount of effort that capital assets throughout the company are carefully managed to control

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costs and maximize effectiveness. Strategic customer relationships need to be defined and strengthened, the customer experience carefully managed, and customer loyalty carefully cultivated.

Proactively gather customer insight & drive organization-wide change

Satisfaction is fleeting and customers' needs change—faster than we would like to admit. Competition is always seeking to steal away customers. To be successful, the customer champion must proactively gather objective knowledge of the needs of customers, prospects, and the marketplace, using techniques such as regional user groups, executive roundtables, champions for key accounts, and a Customer Hall of Fame.

Insight alone is wholly insufficient; it must be made actionable and requisite changes driven throughout the entire organization. Employees should have access to interpretations by customer champions or product/service specialists as well as raw data for subsequent interpretation or reinterpretation. Employees should be measured and compensated according to customer-facing metrics. Perhaps most importantly, the measurement, analysis, and change cycle should be relentlessly continuous.

Conclusion

Do you have a customer conscience? Does your organization know for certain what customers and prospects need, want, and what they are willing to pay for? With a chief customer officer as your customer conscience you can bring balance to the executive-level decision-making processes as have the companies studied in our survey. They have found that incorporating a customer conscience leads to longer and more profitable relationships with key customers, which in turn leads to achieving the ultimate goal of increased and more profitable revenues.





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 well 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, email info@ccocouncil.org or call 978-226-8675.



Conversations with the CCO: Helen Burt Shares Customer Engagement Strategies – In this Q&A from an online interview by Curtis N. Bingham, Helen Burt, Chief Customer Officer of PG&E, discusses initiatives and lessons learned in driving customer centricity and engagement at one of the nation's largest utilities.

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