



ORESA
EXECUTIVE SEARCH

DECODING THE CHIEF CUSTOMER OFFICER

*This abbreviated report details some of the background,
rationale and implications of appointing a Chief Customer Officer
as per original research conducted by ORESA Executive Search*

INTRODUCTION

Socio-economic change and advances in technology have given rise to an increasingly demanding and empowered global consumer.

This new paradigm means that, to be a market-leading consumer brand, companies need to:

Differentiate Compete & Innovate

Innovation does not apply only to systems and models but also to having a customer-centric organisational design that enables operational excellence.

For some organisations this has necessitated a change in the construction of their boards and senior leadership. In some cases this has led to the appointment of a Chief Customer Officer (herein referred to as CCO).



“Customer first was once and must again be the mantra for businesses.”

Orlando Martins, CEO, ORESA

METHODOLOGY

The results in this report were originated from (1) a survey of ‘C Suite’ leaders from Retail, Technology, Brand and Agency (2) interviews with hundreds of candidates in relevant disciplines and (3) commentary from our debate on the CCO in December 2015.

THE JOURNEY TO CUSTOMER CENTRICITY

As per the ORESA series on the Changing Customer (Published online in April-May 2015) and, according to Forrester Research, we are in ‘the age of the customer’.

“A 20 year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers”.

Over the last decade, consumer businesses have had to evolve from ‘stock shifters’ to experiential omni-channel retailers and brands. This has fundamentally changed the way customers are addressed.

WHY CHANGE IS REQUIRED

By 2014 a rising voice recognised that

- Board and leadership structures were not delivering
- Siloed single channel empires were delivering sales but not holistic experiences
- Customer data should be used to drive insight, not just used as a trading tool
- The shift from insight-backed brand marketing to metric-based digital trading meant customers were connected but emotionally separated

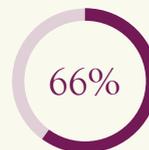
Most importantly, organisations were waking up to the fact that they needed to listen to, and truly address, customer needs. As Jeanne Bliss, author of The Chief Customer Officer 2.0 said:

“To make customers the strategic core of the business, company leaders need to personally take on the job...”

As such, companies require a customer focused director aligned to the mission. Enter the CCO.

THE NEED FOR A CCO

Our respondents were in no doubt that:



there is a need for the role of the CCO



the role of the CCO will increase in importance over the next five years

THE PURPOSE OF A CCO

Our respondents suggests that the CCO should take an holistic view over the proposition and ensure customer needs are met.



“Responsibility for the end-to-end customer journey and ensuring a maximised mutual exchange of value between customer & business”.

Kate Simon, MD, New Business, Majestic Wine PLC

FUNCTIONAL RESPONSIBILITY

There are at least six different potential structures, including variants where sales responsibility is held by the CCO. We have included two examples below, of which example two is the most popular at this stage.



Example One

Marketing
Brand
Ecommerce



Example Two

Marketing
Ecommerce
Data, Insight and Loyalty
Brand
Customer proposition

It is essential to set the right organisational design and ensure clarity of responsibility and accountability. For advice on the most appropriate structure and/or advice on building the perfect job specification please contact us.



*“Clarity of what this role **enables** versus what this role **does** is really important.”*

Matt Atkinson, CMO, Saga

METRICS FOR SUCCESS

It can be difficult to measure the effectiveness of fledgling boardroom positions as companies attempt to get a handle on what success looks like. Once established, companies have to consider how these KPIs contribute and align to the overall business objectives.

TOP 4 KPIs FOR THE CCO

- 80% Customer Satisfaction e.g. NPS
- 75% Customer Retention
- 70% Customer Acquisition
- 60% Number of Active Customers

If companies want to drive customer centricity, they need to ensure that there are shared KPIs for the company and CCO. Having linked KPIs will ensure there is a single view of what good looks like; whilst operational KPIs will drive the sales and P&L performance of the business.

WHAT COMPETENCIES DOES A CHIEF CUSTOMER OFFICER NEED?

This person should be able to translate data into actions and drive profitable outcomes via the development of a customer-centric strategy.



It's someone that understands consumer data, understands the journey from beginning to end, and has the strategic horsepower to influence the entire organisation.”

Beth Butterwick, CEO, Bonmarché

Whilst there were some sectorial variations, our respondents across Retail, Technology, FMCG, Agency and Brands were in agreement that the soft skills required of a CCO are:



Influencing
Communication
Visionary Leadership
Interpretation

They believe that the CCO needs to use a range of softer and more intuitive skills; which reflect the growing call for less ‘command and control’ and more authentic and intuitive leadership.

SO WHO SHOULD YOU PROMOTE?



“There are a lot of what I would call traditional marketers, still at the top and they’re doing a good job, but actually they’ve not got a broad enough skillset, so the only way to get around that is to create a different role”

Susan Aubrey-Cound, Consultant

Functional backgrounds from which CCOs typically come from are:

Marketing Digital Brand Sales

THE CEO OF TOMORROW?

Currently there are CCOs sitting on the Executive Board, Operating Board and within senior leadership.

Our view is that as boards re-shape to meet the needs of their customers, and where the role encapsulates sales as well as other functions, increasingly this role will become a key part of the C-Suite.



of those polled believe the Chief Customer Officers of today are the Chief Executives of tomorrow.

Having considered the holistic dynamic we believe that the CCO should become a part of corporate succession plans.

CONCLUSIONS

COMPETITIVE ADVANTAGE THROUGH CHANGE

The **speed** of change for dynamic customer businesses will continue at a tortuous pace. It is evident that the customer landscape is changing and, to survive, businesses need to adapt.

If holistic **customer experience** is the key to competitive advantage then businesses must ensure that they listen and address their customers’ real, not perceived needs.

Every business needs to assess how they are meeting these needs and consider the potential benefit of developing this role as part of the senior leadership team, if not the ‘C-Suite’ itself.

Any company taking this seriously, must appoint someone with the responsibility, accountability and ‘bite’ to make it happen.

It is therefore crucial that businesses have a clear definition of what this role looks like, where functional responsibilities end, and, importantly, where this role fits in with the overall proposition.

6 RECOMMENDATIONS FOR CHANGE

- Focus on how you can engineer your business to deliver a customer centric proposition
- Use competitor led structural and talent insight to inform your decisions
- Be bold but be aware: take calculated risks
- Bespoke the right organisational design for your company
- Be creative: consider agile and lean structures that include outsourcing as well as internal builds
- Align your internal talent to the business plan, to ensure it all joins up!



JOIN THE DEBATE



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ABOUT ORESA

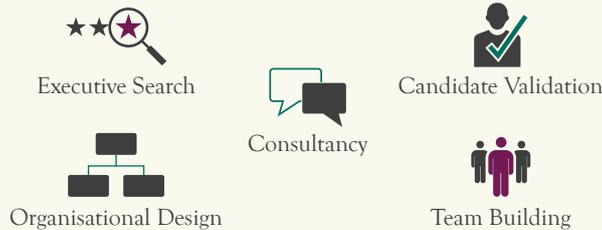
Founded eight years ago, we provide Executive Search, Organisational Analysis & Design and Consultancy services for retail, fashion & digital clients who need to attract and retain world-class commercial teams.

We are chosen for our market-leading expertise in digital and multi-channel business and our deep knowledge is matched by our genuine passion for these sectors.

We will work with you to look beyond the obvious, to inspire business solutions and find the leadership personalities that will shine. This way you can stay cutting edge today and tomorrow.

Our research aims to, prompt debate, drive change and offer guidance and support to clients in the fashion, retail and digital industry.

SERVICES



NEXT STEPS

If you would like to receive or discuss the full report, require help on defining a CCO vacancy/related structures or to discuss any of the points raised in this report please contact us:

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Consultant	Leandro@oresa.co.uk



"I provided ORESA with a brief and they exceeded my expectations, enabling me to understand my internal talent capability and see what was possible. They then recruited the team that is now delivering my vision."

Tom Joule, CEO

Joule

RECENT ASSIGNMENTS

Chief Customer Officer
Chief Financial Officer **NED**
B&M Director Chief Marketing Officer
MD Commercial Director
Brand Communications Head of CRM
Customer Director Global
Group HRD **CEO Designate** Marketing
Group Supply Chain & Logistics Director



"ORESAs have a great reputation, they spent time to understand our culture, skillsets and the brief. Myself and the senior management team can depend on their confidence, discretion and expertise ...I cannot recommend them highly enough."

Beth Butterwick, CEO

Bonmarché

SEE WHAT'S POSSIBLE