Intro to Customer Success
for

PACIFIC LAKE
— PARTNERS —

OneGuide

Boaz Maor
Dec, 2021

Agenda for today

- **Intros - Who's in the Room (5 min)**

- **Customer Success - The Big Picture (5-10 min)**

- **A Suggested Org Structure - that Scales (10-15 min)**

- **Customer Success - Goals and Metrics (10-15 min)**

- **Discussion, Resources and Next Steps (15-20 min)**

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"Yes, the planet got destroyed.
But for a beautiful moment in time we
created a lot of value for shareholders."

At the end of the day, our success in the marketplace is measured by the extent of the value our solutions provide to customers. The higher that value, the greater is our ability to be successful.

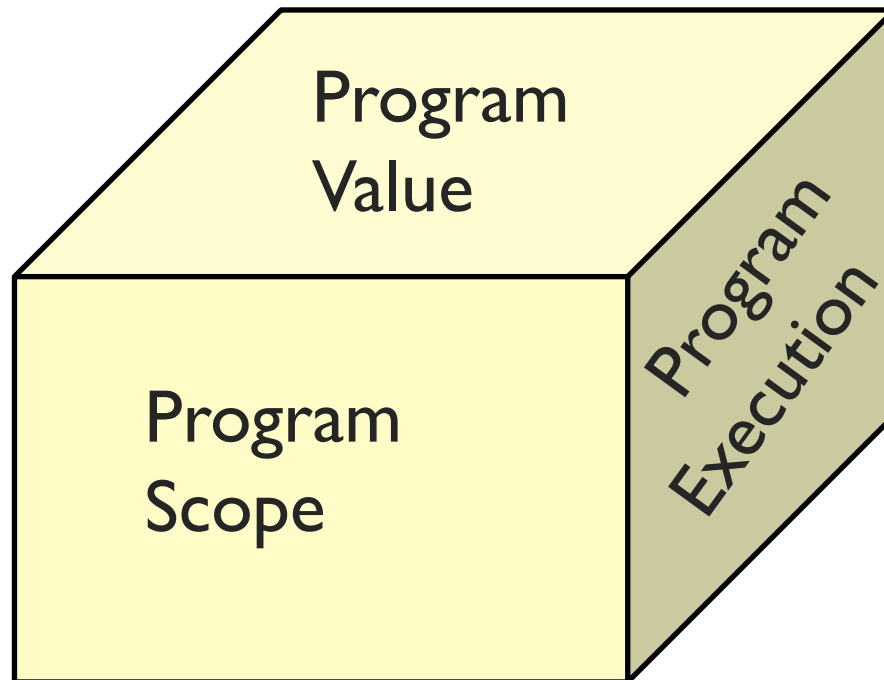# The 3 Key Objectives of the Customer Success Team

1. Maximize
Value Our Customers Extract from Our Solutions

2a: Maximize Monetary Value to Us

2b: Maximize Non-Monetary Value to Us

The "Formula" of Customer Success (for the Customer)

Program Scope: What
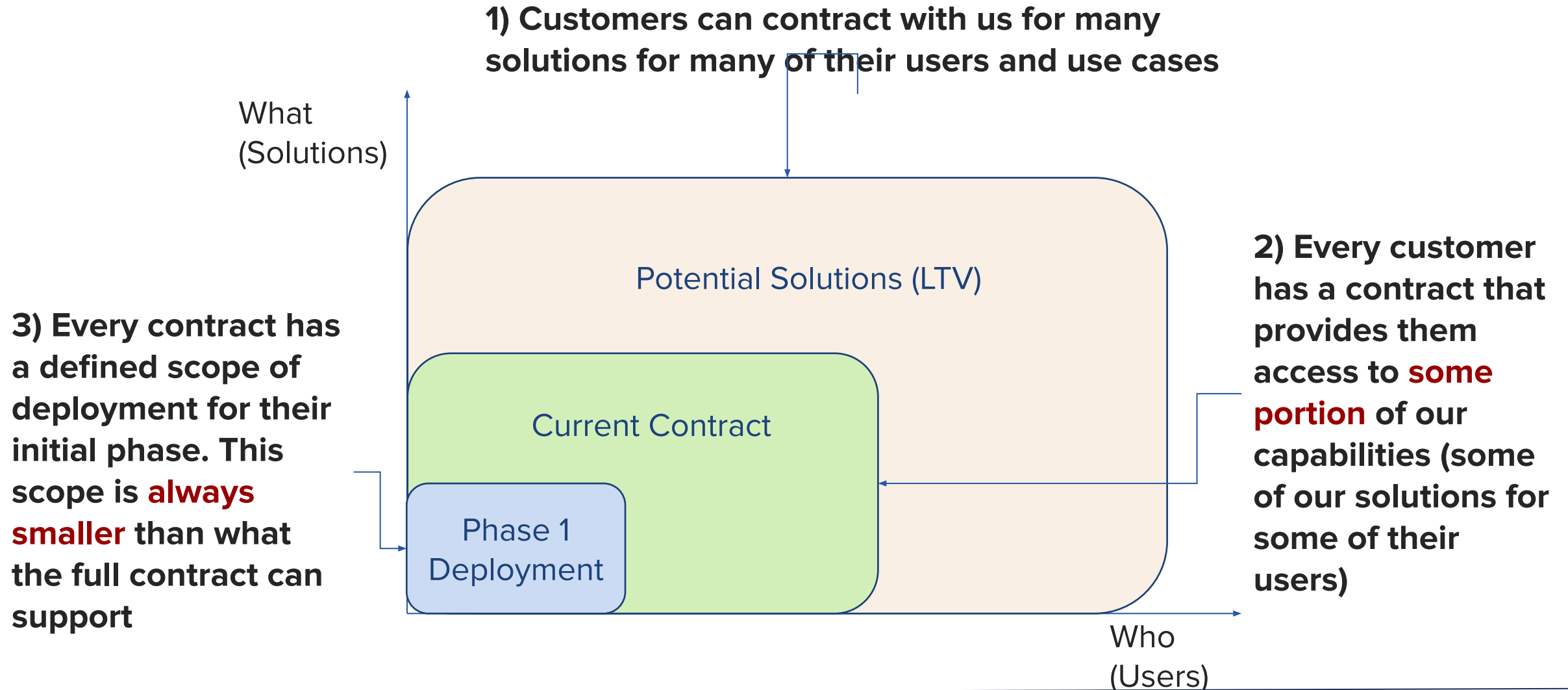
Program Execution: How

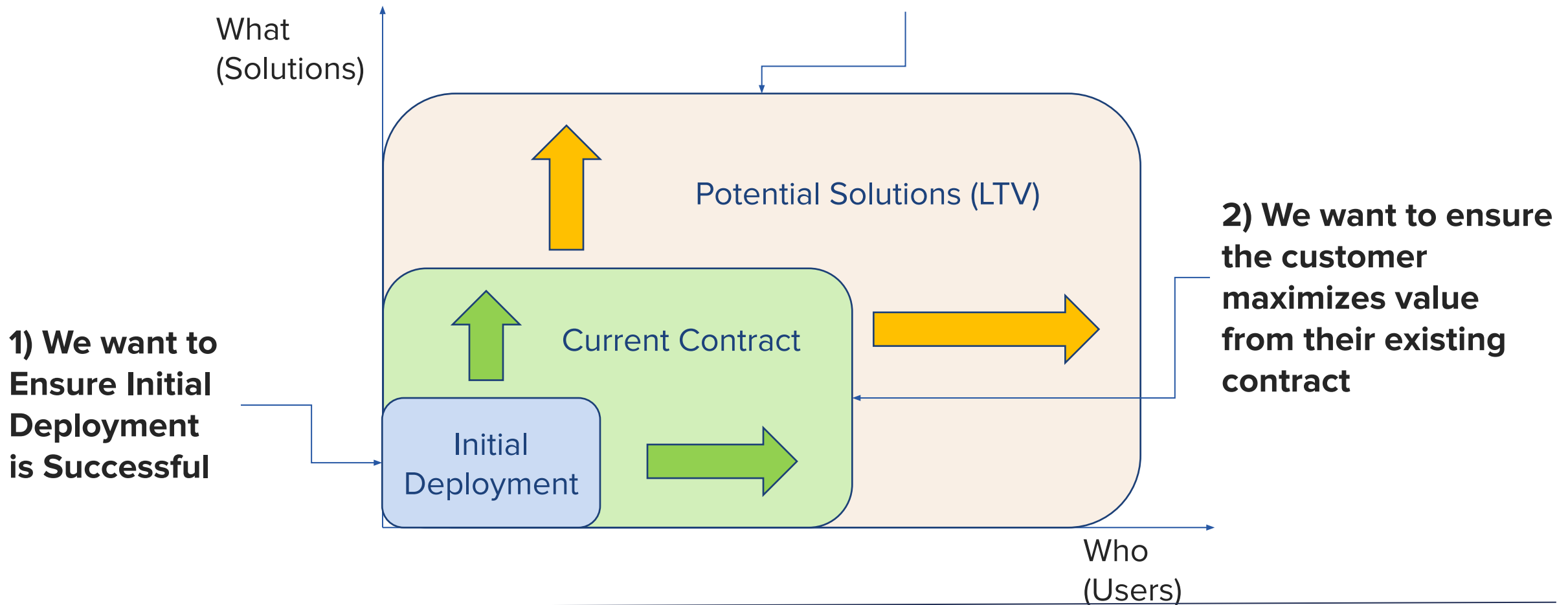Program Value: Why

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Land and Expand is a Practical Go-to-Market Strategy that Focuses on Expanding Value to Customers and Us Over Time

1) Customers can contract with us for many solutions for many of their users and use cases

What (Solutions)

Potential Solutions (LTV)

2) Every customer has a contract that provides them access to some portion of our capabilities (some of our solutions for some of their users)

3) Every contract has a defined scope of deployment for their initial phase. This scope is always smaller than what the full contract can support

Current Contract

Phase 1 Deployment

Who (Users)

Executing on the Land-and-Expand Strategy Requires Us to Address Different Customers Needs Along Their Life Cycle

3) We want to expand the customer contract so both we and the customer get more value from the relations
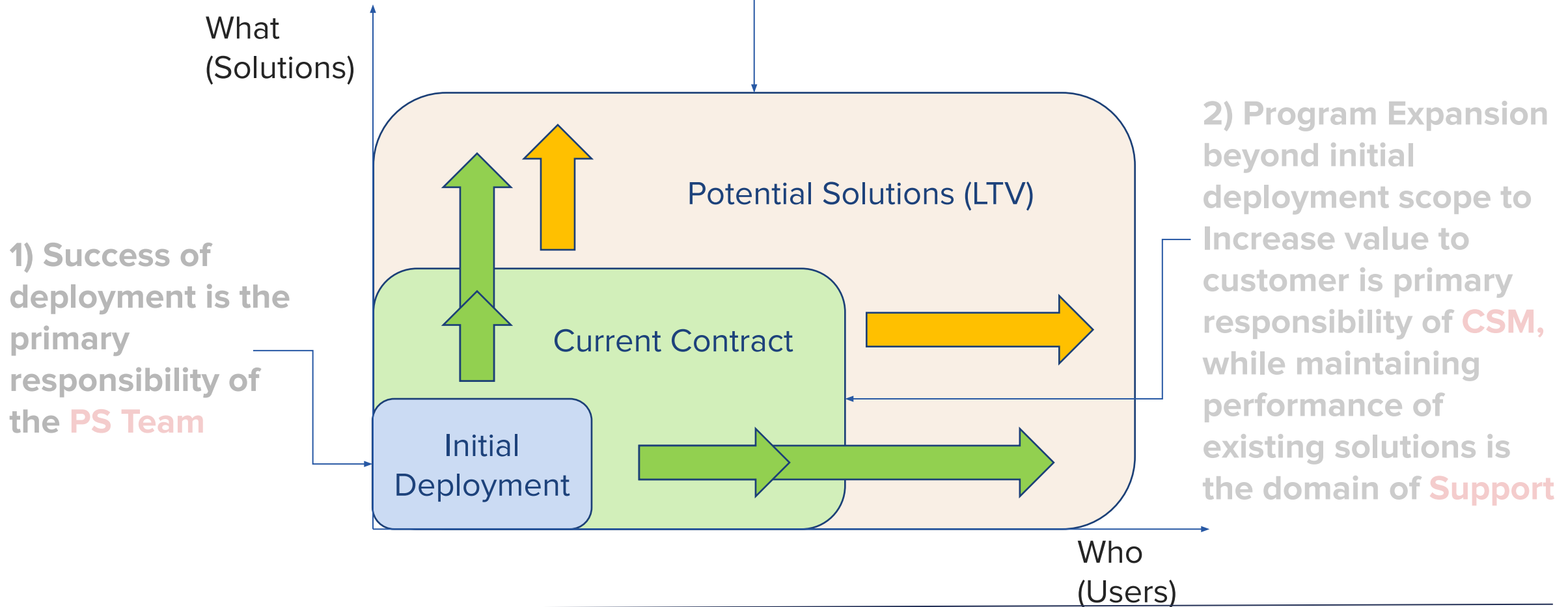
What (Solutions)

Potential Solutions (LTV)

2) We want to ensure the customer maximizes value from their existing contract

Current Contract

1) We want to Ensure Initial Deployment is Successful

Initial Deployment

Who (Users)

Divide and Conquer is an Effective Way to Best Utilize Resources to Optimize Results in Complex Environments

3) Expanding contract to additional solutions and additional users is primary responsibility of Sales

What (Solutions)

Potential Solutions (LTV)

2) Program Expansion beyond initial deployment scope to Increase value to customer is primary responsibility of CSM, while maintaining performance of existing solutions is the domain of Support

1) Success of deployment is the primary responsibility of the PS Team

Current Contract

Initial Deployment

Who (Users)

Divide and Conquer is an Effective Way to Best Utilize Resources to Optimize Results in Complex Environments

3) Combining contract expansion and program expansion may make it easier and more natural for the customer to buy

What (Solutions)

1) Success of deployment is the primary responsibility of the PS Team

Potential Solutions (LTV)

Current Contract

Initial Deployment

2) Program Expansion beyond initial deployment scope to Increase value to customer is primary responsibility of CSM, while maintaining performance of existing solutions is the domain of Support

Who (Users)

The Key Functions of the Customer Success Team

Customer Success

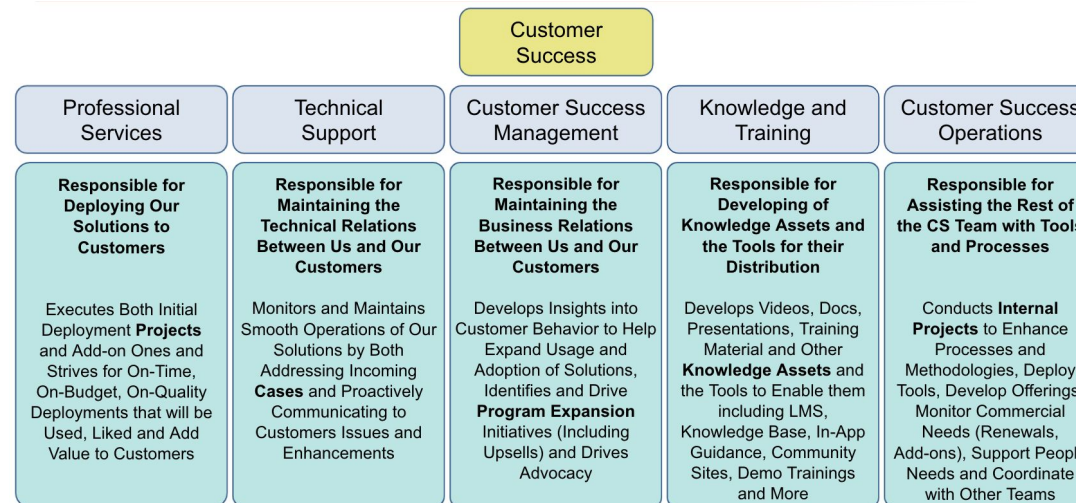| Professional Services	Technical Support	Customer Success Management	Knowledge and Training	Customer Success Operations
Responsible for Deploying Our Solutions to Customers	**Responsible for Maintaining the Technical Relations Between Us and Our Customers**	**Responsible for Maintaining the Business Relations Between Us and Our Customers**	**Responsible for Developing of Knowledge Assets and the Tools for their Distribution**	**Responsible for Assisting the Rest of the CS Team with Tools and Processes**
Executes Both Initial Deployment **Projects** and Add-on Ones and Strives for On-Time, On-Budget, On-Quality Deployments that will be Used, Liked and Add Value to Customers	Monitors and Maintains Smooth Operations of Our Solutions by Both Addressing Incoming **Cases** and Proactively Communicating to Customers Issues and Enhancements	Develops Insights into Customer Behavior to Help Expand Usage and Adoption of Solutions, Identifies and Drive **Program Expansion** Initiatives (Including Upsells) and Drives Advocacy	Develops Videos, Docs, Presentations, Training Material and Other **Knowledge Assets** and the Tools to Enable them including LMS, Knowledge Base, In-App Guidance, Community Sites, Demo Trainings and More	Conducts **Internal Projects** to Enhance Processes and Methodologies, Deploy Tools, Develop Offerings, Monitor Commercial Needs (Renewals, Add-ons), Support Team Needs and Coordinate with Other Teams

OK…. So, Should This be My CS Org Structure?

Stage of the Company Lifecycle
(Early-Stage Startup, Expansion Phase, Mature…)

Size of Team
(1-20, 21-50, 51-100, 101-250, 251-1000…)

Operating Model
(High-Touch vs Low-Touch vs Tech-Touch)

Company Culture
(Organizational Structure, Values, Interests of Other Execs...)

Geographic Coverage
(Multi-national, National, Regional)

Type of Customers
(Strategic vs Enterprise vs SMB, vs Mixture)

Customer Success

Professional Services	Technical Support	Customer Success Management	Knowledge and Training	Customer Success Operations
Responsible for Deploying Our Solutions to Customers	**Responsible for Maintaining the Technical Relations Between Us and Our Customers**	**Responsible for Maintaining the Business Relations Between Us and Our Customers**	**Responsible for Developing of Knowledge Assets and the Tools for their Distribution**	**Responsible for Assisting the Rest of the CS Team with Tools and Processes**
Executes Both Initial Deployment **Projects** and Add-on Ones and Strives for On-Time, On-Budget, On-Quality Deployments that will be Used, Liked and Add Value to Customers	Monitors and Maintains Smooth Operations of Our Solutions by Both Addressing Incoming **Cases** and Proactively Communicating to Customers Issues and Enhancements	Develops Insights into Customer Behavior to Help Expand Usage and Adoption of Solutions, Identifies and Drive **Program Expansion** Initiatives (Including Upsells) and Drives Advocacy	Develops Videos, Docs, Presentations, Training Material and Other **Knowledge Assets** and the Tools to Enable them including LMS, Knowledge Base, In-App Guidance, Community Sites, Demo Trainings and More	Conducts **Internal Projects** to Enhance Processes and Methodologies, Deploy Tools, Develop Offerings, Monitor Commercial Needs (Renewals, Add-ons), Support People Needs and Coordinate with Other Teams

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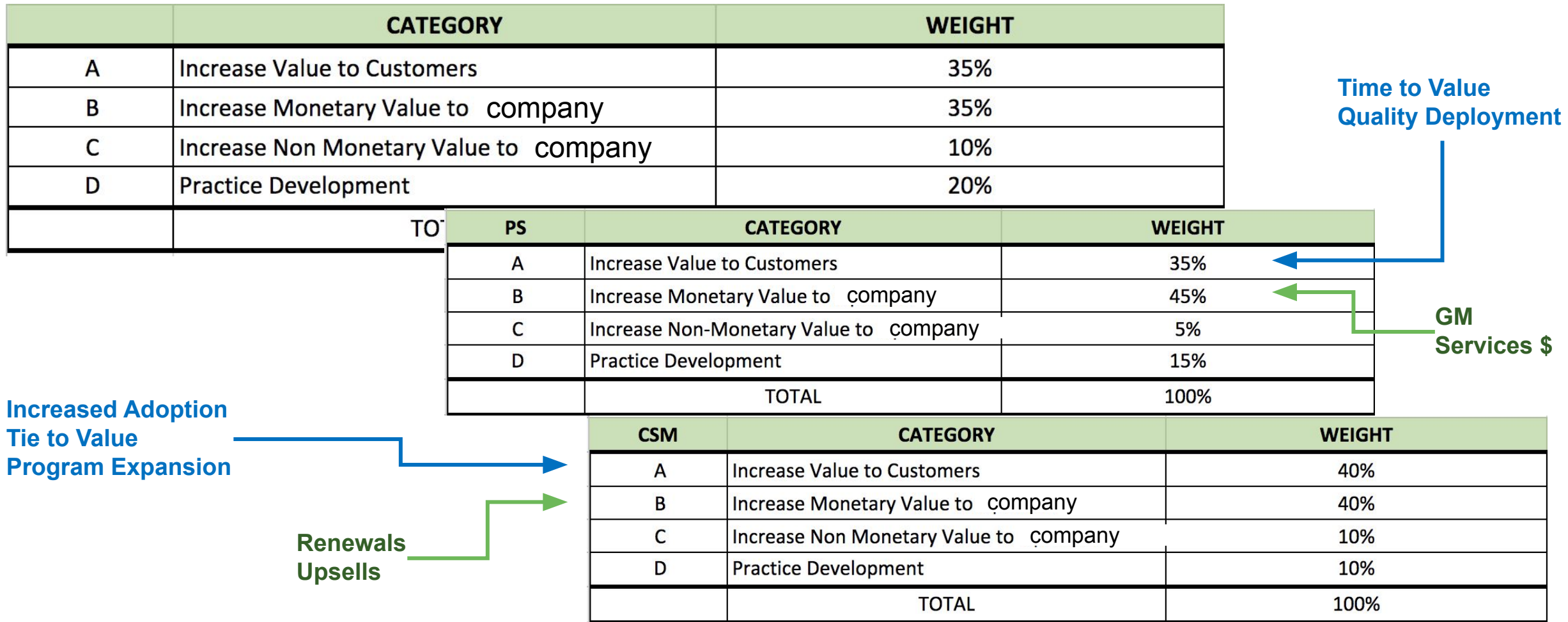# Goals are Critical for Effective Management of Teams and Individuals

- Clarity of Roles

- Accountability

- Planning

- Learning

But Also, For Goals to Be Effective They Need to Be Structured in a Framework

	CATEGORY	WEIGHT
A	Increase Value to Customers	35%
B	Increase Monetary Value to company	35%
C	Increase Non Monetary Value to company	10%
D	Practice Development	20%
	TOTAL	100%

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… and Cascade Up and Down the Team

	CATEGORY	WEIGHT
A	Increase Value to Customers	35%
B	Increase Monetary Value to company	35%
C	Increase Non Monetary Value to company	10%
D	Practice Development	20%
	TOTAL	

Time to Value
Quality Deployment

PS	CATEGORY	WEIGHT
A	Increase Value to Customers	35%
B	Increase Monetary Value to company	45%
C	Increase Non-Monetary Value to company	5%
D	Practice Development	15%
	TOTAL	100%

GM Services $

Increased Adoption Tie to Value Program Expansion

Renewals Upsells

CSM	CATEGORY	WEIGHT
A	Increase Value to Customers	40%
B	Increase Monetary Value to company	40%
C	Increase Non Monetary Value to company	10%
D	Practice Development	10%
	TOTAL	100%

CS Quarterly Results

	CATEGORY	WEIGHT	Performance
A	Increase Value to Customers	35%	113%
B	Increase Monetary Value to us	35%	96%
C	Increase Non Monetary Value to us	10%	132%
D	Practice Development	20%	95%
	TOTAL	100%	105%

#	Category	Measurement	Target	Actual	Performance
1	Increase Value to Customers	Close ong-lasting Deployments	50%	37%	73%
2	Increase Value to Customers	Deployment Closed <90 days	60%	49%	82%
3	Increase Value to Customers	Deployments Peer-Reviewed	80%	58%	73%
4	Increase Value to Customers	Integrations completed	120	99	83%
5	Increase Value to Customers	Program Expansion	40	33	83%
6	Increase Value to Customers	Targeted Cust held VR Mgt	85%	87%	102%
7	Increase Value to Customers	CSAT	90%	100%	111%
8	Increase Value to Customers	NPS	15	45	300%
9	Increase Monetary Value to us	Net Renewal	115%	130%	113%
10	Increase Monetary Value to us	On-Time Renewal	90%	68%	76%
11	Increase Monetary Value to us	# of Up-sell Opportunities in SFDC	40	48	120%
12	Increase Monetary Value to us	Services Packages T&M / BOH	35%	15%	43%
13	Increase Monetary Value to us	Increase Long-term Contracts	30%	40%	133%
14	Increase Monetary Value to us	Services Bookings (000)	$320	$287	90%
15	Increase Monetary Value to us	Services Gross Margin	n/a	n/a	n/a
16	Increase Non Monetary Value to us	Reference-able customers	225	232	103%
17	Increase Non Monetary Value to us	Referrals	10	6	60%
18	Increase Non Monetary Value to us	Marketing Collateral	6	14	233%
19	Practice Development	Accepted offer letters	5	4	80%
20	Practice Development	Sustain Team Capacity	40	38	95%
21	Practice Development	Complete Deployment of New Systems	3	2	67%
22	Practice Development	Launch Practice Development Initiatives	5	7	140%

CS Q3 Project Performance: We're not Great, Yet, But We're Doing Better!
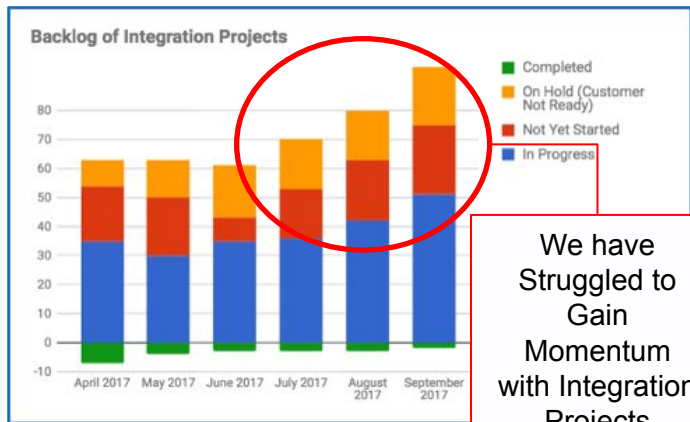

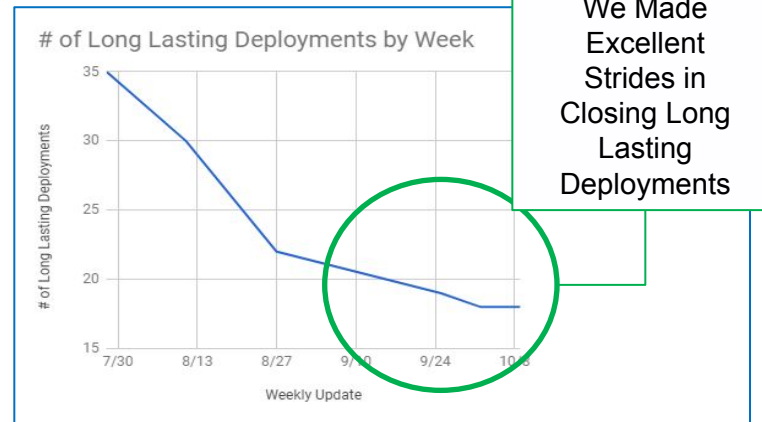Significant Shortage of People in Q2 Resulted in Fewer Project Completions
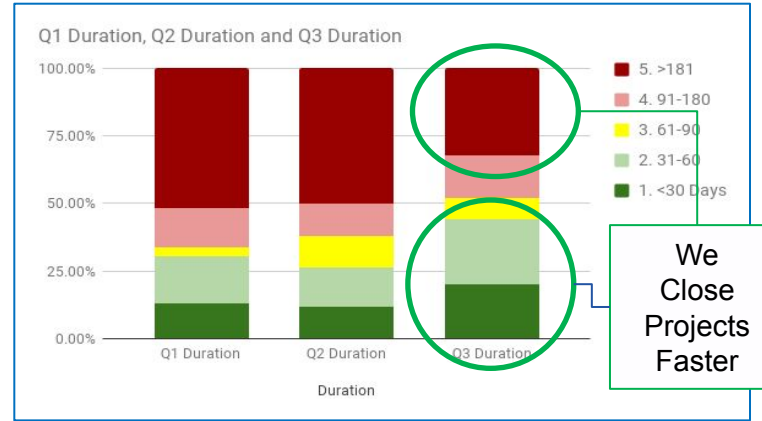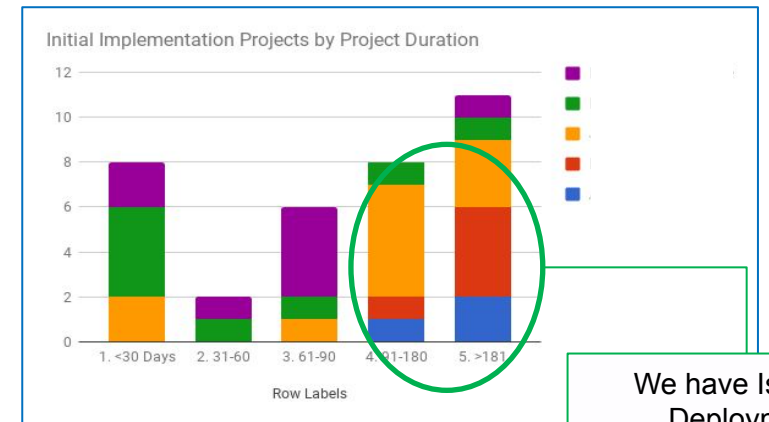
We Close Projects Faster

Support is Taking Larger Share of Team's Load

We have Struggled to Gain Momentum with Integration Projects

We Made Excellent Strides in Closing Long Lasting Deployments

We have Isolated Deployment Challenges by People and have a Plan to Address Those Quickly

CS Commercial Performance: We're not Great, Yet, But We're Doing Better!

Step 3: Cohort Analysis of Net Retention Provides Deeper Insight on Business Growth

1) Upsells only started in mid-<date> and gain some momentum only in Q4-<date>

2) Throughout <date>, rate of upsells is increasing while churn decrease (font color)

3) Q3 and Q4 show much more consistency in upsells, suggesting a more systematic approach

4) Excluding DCED, we grow customers effectively from <date> cohorts onwards.

Cohort	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Q1 20	100%	100%	100%	100%	100%	95%	96%	96%	91%	122%	107%	110%	101%	96%	116%	114%
Q2 20		100%	101%	101%	102%	98%	98%	90%	90%	76%	73%	75%	78%	84%	85%	85%
Q3 20			100%	100%	100%	100%	100%	91%	90%	89%	88%	77%	77%	77%	78%	79%
Q4 20				100%	100%	100%	99%	102%	103%	100%	101%	106%	105%	104%	107%	114%
Q1 20					99%	100%	100%	100%	101%	89%	89%	89%	83%	83%	83%	86%
Q2 20						100%	100%	99%	98%	94%	95%	103%	103%	121%	120%	126%
Q3 20							100%	102%	100%	100%	100%	125%	127%	128%	122%	123%
Q4 20								100%	100%	106%	107%	107%	110%	101%	104%	116%
Q1 20									101%	105%	106%	106%	106%	106%	107%	109%
Q2 20										100%	100%	101%	101%	98%	81%	80%
Q3 20											100%	100%	100%	102%	124%	127%
Q4 20												100%	108%	108%	109%	112%
Q1 20													101%	103%	104%	108%
Q2 20														100%	100%	102%
Q3 20															100%	101%
Q4 20																100%

Shade of **cell** indicates growth/reduction in ARR compared with ARR at Cohort inception
Color of **font** indicates growth/reduction in ARR compared with ARR at previous qu...
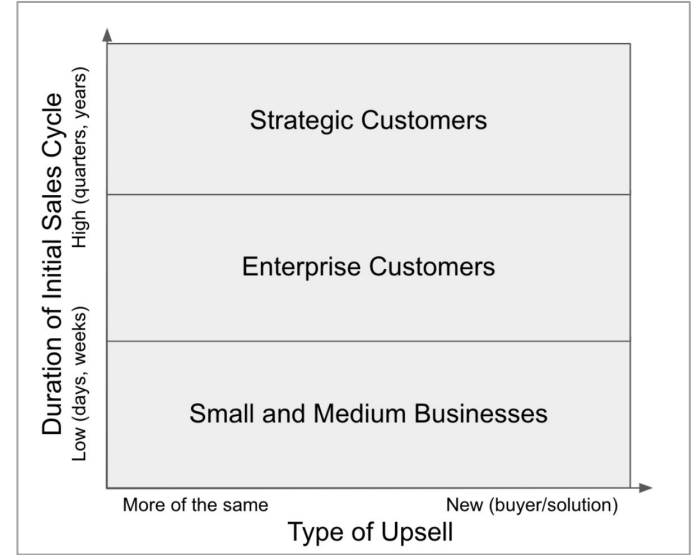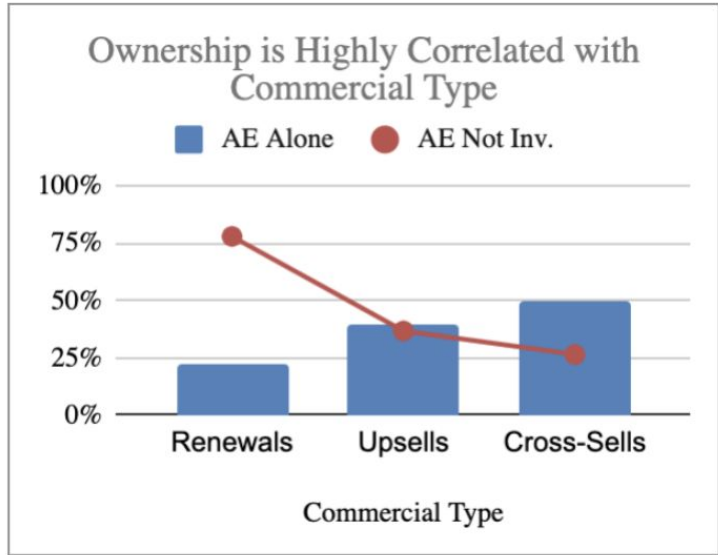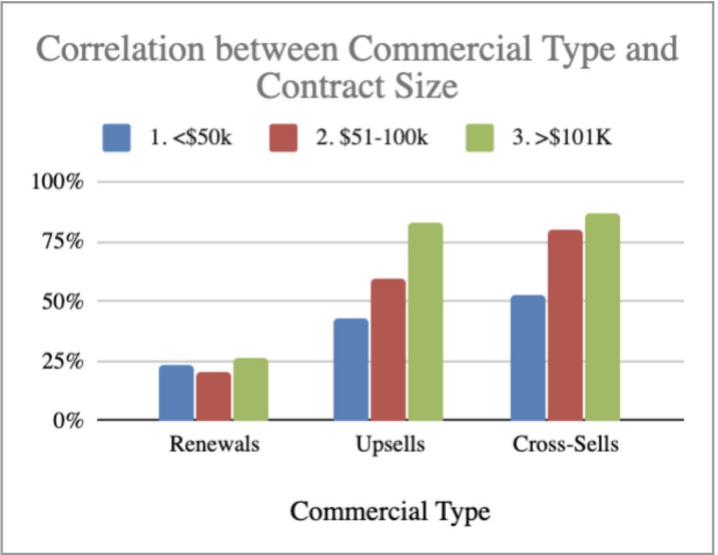
name- $149K   name- $87K

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Who Should Own Renewals and Upsells: Sales or Customer Success?

Clear Roles and Responsibilities are Critical to Ensure a Collaborative and Effective Working Environment Among Teams

Account Executive (AE)

Primary Objective: Maximize Monetary Value to Us by **Selling and Closing** (win) as Many and as Large Deals.

Key Measures: ARR, TCV, Pipeline.

Key Responsibilities:
1. Single Point of Ownership for Sales Cycle Towards Closing Deals
2. Develop Relationships with Economic Buyers and Influencers
3. Lead Sales Activities, Calls and Demos
4. Identify Opportunities to Sell More Solutions
5. Advance Up-sell Opportunities Along the Sales Cycle
6. Negotiate Favorable Terms of Contract
7. Tee-up Sold Solutions for CS to Execute On and Ensure Smooth Handoff
8. Act as Escalation Point If Needed
9. Update SFDC

Customer Success Mgr (CSM)

Primary Objective: Maximize Value to Customer by **Expanding Their Program** Scope, Usage and Value.

Key Measures: On-time Renewal, Program Expansion, Net Retention, NPS, References

Key Responsibilities:
1. Single Point of Ownership to Drive Customer Program Expansion
2. Develop Relationships with Executives, Users and Influencers
3. Act as Customer Advocate for our Teams
4. Act as Escalation Point for Both Customer and Our Teams (PS, TS, Int.).
5. Communicate Value of Program to Customer Execs and Users (QMRs)
6. Identify Program Expansion Opportunities to Additional Use Cases, Users and Capabilities/Solutions
7. Identify Up-sell Opportunities
8. Tee-up Up-sell Opps for AE to Execute On

Project Manager (PM)

Primary Objective: Maximize Value to Customer by **Deploying Solutions** at Highest Levels of Quality, Speed and Cost.

Key Measures: On-Time, On-Budget, On-Quality, References, NPS,

Key Responsibilities:
1. Develop Relationships with Project Owner and Key Task Owners
2. Develop Solution Strategy & Architecture
3. Direct Customer and Our Resources
4. Coordinate Partner Resources (if appropriate)
5. Maintain Project Plan
6. Communicate Project Statuses
7. Escalate issues as Needed
8. Identify Opportunities to Expand Program
9. Tee-up Expansion Opportunities for CSM to Convince Customer With
10. Update SFDC Project

CS can provide a meaningful engine to help the company achieve its growth plans

1. Drive Top-Line Growth

a. Increase renewals / reduce churn

b. Define program expansion plans and drive up-sells

c. Identify and assist cross-sells

d. Solidify case studies, references, referrals and other marketing assets

e. Launch additional revenue generating offerings

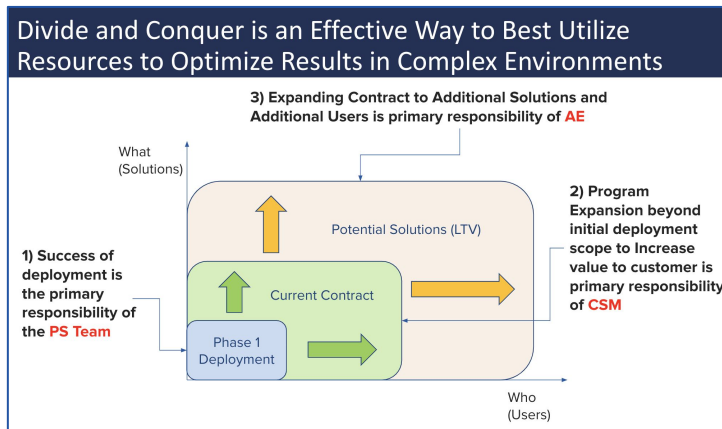**2. Enhance Value to Customers**

a. Speed and ease initial deployments

b. Ease on-going management of apps

c. Provide value-add insights for improved usage and value capture

d. Launch premium service offerings (by industry and/or use case)

3. Design Team to be Ready for Scale

a. Streamline processes w/ other functions

b. Deploy tech to curb people growth

c. Re-org to enable specialization

d. Establish a culture of accountability

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Divide and Conquer is an Effective Way to Best Utilize Resources to Optimize Results in Complex Environments

Sales wants to be able to quickly and easily sell:
1. Simple solutions
2. Simple deployments
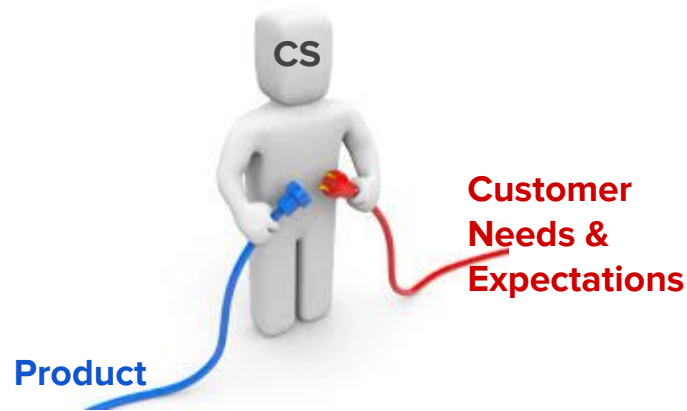3. Proofs, successes
4. Minimal disruptions

CS wants to be able to quickly & easily deploy and expand:
1. Simple solutions (Std)
2. Easy deployments (Std)
3. Monitoring capabilities
4. Minimal surprises

Key Interface Needs:

1. **Supporting the Sales Cycle:** Service Definitions, a "Box", Scoping Deployments, Order Forms, SOW, SLA, References, ROI, Case Studies (and other Mkt assets)

2. **Customer Onboarding:** Internal (S2CS Handover), External (Kick-off)

3. **Ongoing Mgt:** Periodic Reviews, Escalations, Commercials (Renewals, Upsells, Downsells)

Managing the Customer Success - Eng Interface

Engineering wants to be able to develop the best products:
1. Clear requirements
2. Quick market feedback
3. Minimal disruptions

CS wants to be able to quickly & easily deploy and expand:
1. Simple solutions
2. Easy deployments
3. Monitoring capabilities
4. Minimal surprises
5. Product knowledge

Key Interface Needs:

1. Addressing Customer Needs: SLA (Ext, Int), Escalation Process

2. Collecting Customer Feedback: Surveys (NPS, CSAT), Reports (Usage), Conversations (prioritized list of desired features), Qualitative and Quantitative

3. Communications: Ext (Customers), Int (CS, Sales), New Releases, Enhancements, Roadmap

Who's Boaz
Passion for Customer Success, Startups

Customer Success Leadership Network
Internet · Sunnyvale, CA · 646 followers

Sustaining the CS Function by creating content and hosting events for CS Leadership. Everyone is welcome to participate!

Cisco Announces Intent to Acquire newScale

Customer Success Innovator of the Year 2017

Why Your Customer Health Score May Be Quite Useless – Part 3: Your Framework to Calculate CMI

Boaz S. Maor on LinkedIn
March 14, 2017

20 Publications

Executive Playbook: Planning and Budgeting for Customer Success in 2022 • Who should own renewals and upsells: Sales or Customer Success? • Who Should Own Renewals and Upsells: Sales or Customer Success? • Who Should Own Renewals and Upsells – Salespersons or CSMs? • Gaining 20/20 Visibility into CS in 2020 - Top Trends • What I learned from my Daughter's Volleyball Game about Customer Success • Why CMOs and CCOs Should Be Allies • Why You Must Assess Your Customers' Maturity to Serve Them Well • Your Customer Health Score is Probably Useless • Why Your Customer Health Score May Be Useless • Customer Maturity Index – The way to Make Customer Health Scores Useful • WHY YOUR CUSTOMER HEALTH SCORE MAY BE QUITE USELESS: YOUR FRAMEWORK TO CALCULATE CMI • Customer Health Score – The Next Evolution Phase! • Why CMO and CCO should be BFF • A Tale of Two Customer Success Books • The Anatomy of Customer Success: Team Structure, Metrics, and Goals • Hiring: Structuring and Recruiting A Customer Success Team to Scale • Framework to Build Killer customer success Scoreboard • How to Hire: The Most Important Quality of a Winning Customer Success Team • 3 Keys to a Profitable Customer Success Team

5 Honors & Awards

2021 Top 100 Customer Success Strategists • 2020 Top 100 Customer Success Strategist • Top 100 Strategists - 2018 • INNOVATOR OF THE YEAR - 2017 • Top 100 Customer Succcess Strategists

A Suggested Customer Maturity Framework (Implications)

	Customer Maturity Index	
High	Retain	Expand and Leverage
Low	Churn or Let Churn	Save
	Low	High

Customer Health Score