SmartKarrot

THE ROAD TO SUCCESS

CRACKING THE CUSTOMER SUCCESS CODE

"Customer Success is a long-term, scientifically engineered, and professionally directed strategy for maximizing customer and company sustainable proven value.

- CUSTOMER SUCCESS ASSOCIATION"

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CUSTOMER SUCCESS ASSOCIATION

Customer Success must be ongoing for SaaS organizations to implement it successfully into their operations. It also must be scalable. As organizations add more customer accounts, their need for customer success teams to manage the complexity of these relationships grows. They also need to be able to reach these customers across multiple channels, or touchpoints, to forge deeper relationships with them. Achieving this at scale starts with **segmenting customer accounts** based on their current value and potential for revenue growth so you can deploy the best strategies for engaging them and keeping them satisfied. Various engagement categories examples include:

HIGH-TOUCH ACCOUNTS

Accounts that contribute the most revenue and require more hands-on interaction, including in-person meetings and frequent visits or phone calls with key stakeholders.

HYBRID ACCOUNTS

Middle-tier accounts that demand some personal engagement, such as face-to-face training sessions or quarterly meetings, but can mostly be managed through emails or other automated communication.

TECH-TOUCH ACCOUNTS

Accounts that contribute the least revenue and can be managed primarily through email and automated channels and alerts.

Customer success efforts should also be directed across the life cycle of customers and relate to where they happen to be in that spectrum. The actions you take for customers who are onboarding, for example, will differ greatly from the ones you take for longtime customers. Engagement strategies might also differ based on business goals for different accounts. Are you trying to secure a subscription renewal, grow an existing account or increase the lifetime value of a customer? Whatever your objective is, it shapes how you should handle customer success.

REVENUE CONTRIBUTION

High-touch Accounts

- More in-person meetings
- More phone calls
- All digital communication included

Hybrid Accounts

- Certain level of personal engagement
- Infrequent meetings
- Certain digital communication included

Tech-touch Accounts

- Emails and automated channels

To execute Customer Success properly, **customer success managers** must be able to access usage and behavioral data stored across multiple departments or platforms, including customer relationship management systems (CRMs) and financial systems. They also need to be able to work seamlessly with cross-functional teams, such as marketing, sales, support and product development, to ensure they are meeting the needs of customers at each phase of their journey.

2 WHAT YOU NEED TO KNOW

The first step to building a strong foundation of customer success and engagement in your organization is gaining a **deeper understanding of your customers** and their behavior. This insight helps customer success managers know when and how to connect with customers in the most proactive and meaningful way. Some of the data CSMs need to get as close to a 360-view as possible include:

REVENUE AND CONTRACT DETAILS

You need to know how much revenue different customers are bringing in and the growth of these accounts by revenue or their duration as a customer. You can also glean insight from details such as subscription tier, invoice history, and terms and conditions of contracts. If you have trial users who tend to unsubscribe at the end of the month, what makes their behavior different from those who convert to paying customers?

CUSTOMER SUPPORT AND SENTIMENT

You can learn more about the needs of customers by looking at the support they require. How many support tickets are there, and what kind of issues do they raise? How are these tickets being resolved, and how satisfied are customers with the support they receive? You can also use customer feedback to gauge how users are feeling about your platform. This is often more nuanced than whether they are simply satisfied or dissatisfied. For example, the stakeholder who decided to purchase the platform may be happy with it, but the team using it might feel differently. Or the team may like using the platform, but the stakeholder feels like it's too expensive.

ORGANIZATION OR STAKEHOLDER GOALS

It helps to understand how and why different organizations are using your platform so you know how to help them achieve those goals. You also need to know the roles of different users within the organization—especially those making the purchasing decisions—and what their specific needs are. Who are the key stakeholders, and what are they trying to accomplish by using your technology? What do they need to know to use it successfully?

USAGE PATTERNS

You need to be able to track and understand how customers are using your platform at the most granular level, from their roles as users to the features they use the most to where they happen to be in the customer journey. Are the right stakeholders using the right set of features? Do they know about all the features your platform offers? Are they still onboarding, or have they been using your platform for a while? Usage tends to lag over time, so monitoring it can help you pinpoint where users are dropping off and why.

CUSTOMER TOUCHPOINTS

Keeping tabs on the different ways customers interact with your platform, from in-app messaging to email, can reveal a lot about their experiences with your product and how they view it overall. Whether you communicate mostly via email, over the phone or through the platform itself, you need to know the most common physical and digital touchpoints for customers and which ones matter most to them. This helps you determine which touchpoints you need to influence and personalize interactions with customers.

Identifying the data you need is only half the battle. You also need to clarify where you will get this data. Is it being captured somewhere already? Will you gather it through a single tool or from multiple systems? The more data liquidity and integration you have between these disparate sources of information, the easier and more successful this process will be.

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WHAT YOU NEED TO IDENTIFY

Once you have gathered the intel you need to understand the demographics and dynamics of your customers better, the next challenge is being able to slice and dice this data so you can detect patterns in behavior and usage and identify what to do next. These insights can help you prioritize what actions to take and when.

If you're trying to grow existing customer accounts, you need to figure out which accounts are ripe for upsell and expansion. Which customers are more likely to renew or upgrade subscriptions? What products or services could you offer to create more value for them? For example, you might find it advantageous to offer a custom training program for customers who are still onboarding or additional reporting for executives who have been using the platform consistently.

If preventing churn is your goal, you need to assess which accounts are at risk. This includes customers who are not using your products or are using them too little. Are they new to your platform or longtime users? What interventions can you take to increase their usage? You could provide them with in-app content or messaging to ensure they are using your product to its fullest potential or maximizing the features most relevant to them. Using these insights to prioritize how you interact with customers at different subscription tiers and stages can help you deliver targeted initiatives that not only make it easier to achieve your goals for these accounts, but also enable you to personalize your communication with customers.

It is also important to understand that the customer journey is not linear at all.

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HOW YOU NEED TO ACT

"Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves."
– Steve Jobs

After you have gathered the customer data you need and prioritized the insights you have, the next step is to take action. If you're trying to grow a new account, this might include developing a personalized onboarding program to get new users comfortable with your platform or an in-app guide highlighting the benefits of different features and how to use them. If you're trying to keep usage from dropping off, it could mean providing customers with virtual prompts throughout the application or a short training video at the beginning to help them navigate the platform better.

Whatever actions you take, you need to be able to execute them as quickly and efficiently as possible. As your customer portfolio grows, this can become challenging for CSMs who are managing dozens of accounts. Automating these actions enables you to react to customer needs in real time and respond in the most efficient, personalized way through data-driven triggers that set these initiatives into motion. To achieve this, you need a system with data liquidity that allows CSMs to access customer insights immediately without having to search for the information in a different application or offline.

Automation allows you to personalize touchpoints with customers across multiple channels based on your most recent interactions with them. If a customer says something significant during a call, for example, you can incorporate that your next email or push notification to them. If you notice that users tend to log out once they reach a certain point in your platform, you could set up prompts encouraging them to continue to the next screen or guiding them through the next step in the application.

The more insight you have into customers and the experiences they are having when interacting with your platform, the more you can orient conversations and communication to their individual needs and objectives. You can develop automated triggers that allow CSMs to send out customized surveys for instant feedback, launch campaigns over a specific period of time or test initiatives with a designated group of customers. Personalizing touchpoints not only helps you deliver greater value to customers, but also build a strong base of loyal users eager to advocate for your brand.

5 HOW TO MEASURE YOUR CUSTOMER SUCCESS EFFORTS

If you want to succeed at building stronger relationships with customers and helping them successfully adopt and embrace your platform, you must be able to measure the impact of your customer success efforts and gather continuous feedback from customers.

The metrics you use for this may vary based on the objectives you are trying to achieve with different groups of customers. Are you more focused on retaining customers or expanding existing accounts? Is your primary goal to upsell to customers or extend their lifetime value? If you have multiple goals, all of these should factor into your metrics.

After you determine what you want to measure, you need to identify the stakeholders responsible for driving those objectives. That includes everyone involved in the interrelated aspects of customer success, from CSMs to those who handle product development and customer support. You must have clarity on who is responsible for managing what before you can determine if your objectives are being met.

Customer success initiatives need to be adaptive enough in an organization that they can shift as your business evolves or your goals for the enterprise change. For example, if you're bringing on a new set of customers, your CS functions should mostly focus on onboarding and customer satisfaction. But if your customer base has recently doubled in size, those parameters would change to sustaining growth and increasing revenue.

> THE CUSTOMER'S PERCEPTION IS YOUR REATLITY

Once you have established the parameters for measuring a specific objective, identified the accounts you want to evaluate and put these initiatives into motion, you can set tentative timelines for the customer feedback you receive. If you're trying to upsell a product to customers, how many showed interest after the first or second time you reached out to them? If your goal is to improve customer satisfaction for at-risk accounts, how are customers responding to your interventions after a few months? Putting these measurements in place helps you gauge the success of your CS efforts so you can figure out what's working well or adjust your course of action if necessary.