# The intelligence you need to scale customer success.

## CS100 2018 Boot Camp

The Numbers: Mastering the Language of Customer Success Leadership

# Kristen Hayer + The Success League



Kristen Hayer is the Founder & CEO of The Success League, a consulting firm focused on customer success. She believes that **customer success is the key to driving revenue, client retention and exceptional customer experiences**. Prior to founding The Success League, Kristen built and led several award-winning customer success teams. She has published over 60 articles on customer success, and hosts the popular customer success podcast, Strikedeck Radio. Kristen received her MBA from the University of Washington in Seattle, and now lives with her husband, daughter and rambunctious German Shepherd in the Bay Area.

# AGENDA

- Why Effective Reporting Matters
- ROI of Customer Success
- Revenue & Cost of Customer Success
- **DISCUSSION: Primary and Secondary Metrics**
- Metrics for the Executive Team
- Metrics for the Board
- Presenting Reports and Results
- Creating a CS Culture with Metrics
- **EXERCISE: CS Elevator Pitch**
- CS Reporting for Marketing
- CS Reporting for Sales
- CS Reporting for Product
- CS Reporting for Support
- **EXERCISE: Reporting Landscape**
- Additional Resources
- Q&A

# The ROI of Customer Success

ROI = (Gain from Investment - Cost of Investment) / Cost of Investment

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**ROI of CS = (Revenue Driven by CS - Cost of CS) / Cost CS**

**Lever #1**

Increase the **Revenue** Driven by Customer Success

**Lever #2**

Decrease the **Cost** of Customer Success

# Revenue Driven by Customer Success

## Retention

- Retained Revenue OR
- Adjusted Retained Revenue

## Expansion

- Upgrades
- New Products
- License Increases
- Partner Solutions
- New Divisions or Departments

## Satisfaction
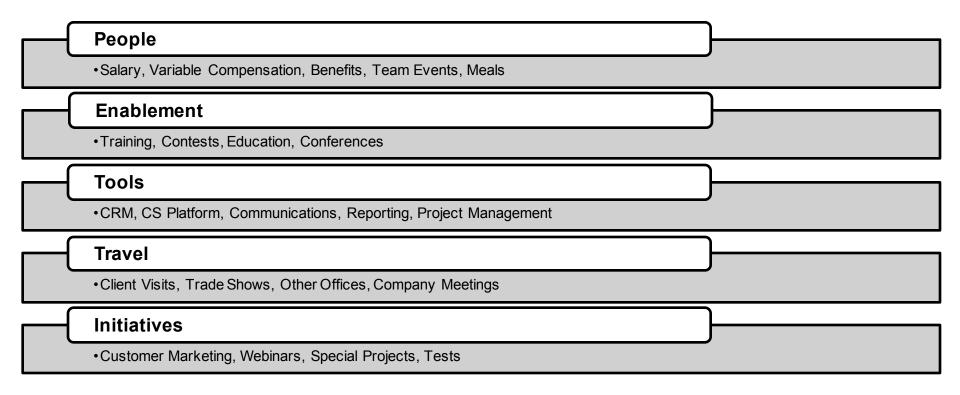
- Referral Leads
- References
- Customer Case Studies

**Practical Applications**
- You don't have to close deals to drive revenue
- Split credit for revenue with other teams as needed
- Don't double-count revenue

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# Cost of Customer Success

**People**
- Salary, Variable Compensation, Benefits, Team Events, Meals

**Enablement**
- Training, Contests, Education, Conferences

**Tools**
- CRM, CS Platform, Communications, Reporting, Project Management

**Travel**
- Client Visits, Trade Shows, Other Offices, Company Meetings

**Initiatives**
- Customer Marketing, Webinars, Special Projects, Tests

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# DISCUSSION
## Primary and Secondary Metrics

What are the metrics you review regularly?

Which should be surfaced at the executive or board level?

Which should you be using to evaluate and explain the performance of your team?

Discuss your reasoning with the group.

# Metrics for the Leadership Team

**Goals of a Leadership Team**
- Determine the High-Level Company Strategy and Approach
- Solve Major Organizational Problems

**What they Care About**
- Is the company hitting monthly and quarterly targets?
- Are there opportunities or threats that could impact the numbers?
- If so, what can be done about them?

**Metrics that Matter**
1. Metrics on the company's annual plan and goals
2. Reports that explain extreme results, high or low
3. Metrics to explore potential initiatives

# Metrics for the Board

**Goals of a Board of Directors**
- Provide Guidance on High-Level Company Strategy and Issues
- Provide Assistance through Connections, Consultants and Advisors

**What they Care About**
- Is the company hitting the targets outlined on the annual plan?
- If so, could performance be increased?
- If not, what is going wrong and what can be done about it?

**Metrics that Matter**
1. Metrics on the company's business model and annual plan
2. Leading indicators of metrics that have proven challenging in the past
3. Business case metrics for initiatives with leadership team support

# Presenting Reports and Results



**Format**

- Slide Deck or Spreadsheet
- Be Consistent Month/Month
- Compare Metrics to both Goals and Past Performance



**Positive Results**

- Celebrate, Don't Skip Them
- Talk About Why
- Consider Setting More Aggressive Goals



**Negative Results**

- Don't Try to Hide Them
- Talk About Why
- Talk About Plans for Improvement
- Ask for Ideas

# EXERCISE
## CS Elevator Pitch

**Step 1:** Choose a company represented by someone at your table.

**Step 2:** List the major goals of the team:
•Value delivered to customers
•ROI delivered to company

**Step 3:** Decide on a recent team achievement to include.

**Step 4:** Write the pitch.

# CS Reporting for Marketing

**Goals of a Marketing Team**
- Drive new leads and build the company's brand

**What they Care About**
- Knowing what customers value so they can dial in messaging
- Customer stories and quotes to use in sales materials
- Driving customer attendance at events, conferences, and webinars

**Powerful Reports**
1. Top customer values x marketing segment
2. Potential customer case studies with details
3. Customer comments and quotes
4. Level of interest in specific industry events

# CS Reporting for Sales

**Goals of a Sales Team**
- Close new customers and maximize new revenue

**What they Care About**
- Knowing what customers value so they can sell better
- Referral leads and references
- Setting good expectations to prevent calls after the sale

**Powerful Reports**
1. Early churn x sales rep
2. Customer success qualified leads x CSM
3. Currently referenceable customers x size, industry, products
4. Top customer values and details

# CS Reporting for Product

**Goals of a Product Team**
- Innovate, while still serving the needs of existing customers

**What they Care About**
- Company value: They are often heavily compensated with stock
- Clear information about feature requests and priority
- Connections with customers who can help guide development

**Powerful Reports**
1. Customer candidates for advisory boards and interviews
2. Feature requests by customer value and number of requests
3. Top customer values x customer profile
4. Product-related churn x feature

# CS Reporting for Support

**Goals of a Support Team**
- Solve customer problems quickly, the first time

**What they Care About**
- Speed: Support teams are usually measured on speed of resolution
- Getting a heads up on potential issues so they aren't caught off guard
- Positive feedback

**Powerful Reports**
1. Common bugs and feature requests
2. Positive customer feedback x support rep
3. Bounce-back calls x support rep
4. Escalations x support rep

# EXERCISE
## Reporting Landscape

What are the reports you have or need to calculate the ROI of your CS team?

What are the reports you have or need for your executive team?

What are the reports you have or need for evaluation and analysis?

What are the reports you have or need for other teams in the company?

# ADDITIONAL REOURCES

*Customer Success*, **Mehta, Steinman, Murphy** – Chapter 12 covers CS metrics, great to share with execs

*Lean Analytics*, **Croll & Yoskovitz** – Several chapters on different business models and associated metrics

*Get the Boss to Buy In,* **Ashford & Detert** – HBR article on building a business solid business case

*How We Track the ROI of our CS Team,* **Pickins** – Blog post with a solid example of how to track ROI

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# Q & A

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**Customer Success Consulting Services**
**CSM Training Program** – classes and workshops
**CS Leadership Program** – classes and coaching
**Weekly Newsletter**
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