



ARIT NSEMO

██████████
SENIOR DIRECTOR, CUSTOMER SUCCESS

SEARCHSPRING

Unlocking AI's Potential: Creative Approaches to Capacity Modeling and Planning for Customer Success Teams



CS100SUMMIT



I'm a CS leader with nearly 15 years of experience building and leading customer success teams. With experience with both VC and PE backed technology start ups ranging from EdTech, to tech recruiting, to IoT, to eCommerce, I've led teams and managed customers worldwide. I currently lead a global team of CSMs and AMs driving retention and expansion. I specialize with creatively and mindfully building CS teams and processes that scale, with a people and customer-first mindset.

AI Has its Limits



How many r's are in strawberry?



The word "strawberry" has 2 r's.



Fears Around AI



arsTECHNICA

BIZ & ITTECHSCIENCEPOLICYCARS
GAMING & CULTURESTORE

IN THE NAME OF AI —

Intuit’s AI gamble: Mass layoff of 1,800 paired with hiring spree

Intuit CEO: "Companies that aren’t prepared to take advantage of [AI] will fall behind."

BENJ EDWARDS - 7/11/2024, 10:37 AM

This CEO replaced 90% of support staff with an AI chatbot



By [Anna Cooban](#), CNN
🕒 3 minute read · Published 8:54 AM EDT, Wed July 12, 2023



But its Proliferation Is Epic



Focusing On The Questions Can Help



Instead of, “*How can I incorporate AI into my CS team’s workflows to find efficiencies*”

Try, “*What problems exist for my CSMs?*”

An Ai Case Study For Cs Leaders



Q: *“What problems exist for my CSMs?”*

A: CSMs are saying they have too many accounts for what’s expected of them

An Ai Case Study For Cs Leaders



Step 1 → Data collection

Step 2 → Data anonymization & validation

Step 3 → Prompting around capacity and efficiency

Step 4 → Translate capacity output to internal planning

Current Team Structure



Scale → 3 CSMs

SMB → 3 CSMs

Enterprise → 2 CSMs

APAC → 3 CSMs



Time Inputs → Current time CSMs spend on key activities, by tier

Capacity Snapshot → Current number of accounts managed by each CSM

Pipeline Review → Closed-won deals from sales, by tier

Leaky bucket → Churn rate, by tier

Starting With A Broad Prompt



I'm doing capacity planning for a customer success team. I have four teams:

Australia team that has to manage 200 customers

Scale team that has to manage 715 customers

SMB team that has to manage 615 accounts

Enterprise team that has to manage 475 accounts

There are 35 working hours in the week, and each CSM spends 3 hours in internal meetings and 8 hours in customer meetings. They also take an average of 3 weeks off annually for PTO

How many CSMs do I need, by team, to manage the account load?

ChatGPT told me I needed:

- Scale → 30 CSMs
- SMB → 26 CSMs
- Enterprise → 20 CSMs
- APAC → 9 CSMs



To calculate the number of customer success managers (CSMs) needed for each team to manage the account load, we need to consider the following factors:

1. Total working hours per CSM per week.
2. Percentage of working hours spent on internal meetings.
3. Percentage of working hours spent on customer meetings.
4. Number of working hours per week.
5. Annual PTO days.

First Step Of Refinement: Adding Context



Prompt 1

If it takes 20 hours to support one Scale customer for the duration of an annual contract, assuming a CSM works 8 hours a day during the weekdays takes three weeks of PTO, has 11 public holidays, and a one hour lunch each day, how many Scale customers could one CSM support?

ChatGPT told me that each Scale CSM can support 82 customers

After adjusting the prompt → 77 customers

... But we have 715 Scale customers...



Using the same calculations for working hours as previously, we need to determine how many Scale customers one CSM can support if it takes 20 hours per customer for the duration of an annual contract.

Prompt 2

If it takes 20 hours to support one Scale customer for the duration of an annual contract, assuming a CSM works 8 hours a day during the weekdays takes three weeks of PTO, has 11 public holidays, a one hour lunch each day, and two hours of internal meetings per week, how many Scale customers could one CSM support?




To determine how many Scale customers one CSM can support given the additional time constraints (two hours of internal meetings per week), we'll follow these steps:

Third Step Of Refinement: Adding Planned Efficiencies



If we are planning to introduce technology that makes each Scale CSM 15% more efficient in the hours they're spending supporting customers throughout the duration of an annual contract, how many customers could each Scale CSM support?

 If the introduction of new technology makes each Scale CSM 15% more efficient, this means that the time required to support each customer will decrease by 15%.

Therefore, with the introduction of technology that makes CSMs 15% more efficient, each Scale CSM could support **90 Scale customers** for the duration of an annual contract.

What if we made them 30% more efficient?

Therefore, with the introduction of technology that makes CSMs 30% more efficient, each Scale CSM could support **110 Scale customers** for the duration of an annual contract.

What if we made them 50% more efficient?

Therefore, with the introduction of technology that makes CSMs 50% more efficient, each Scale CSM could support **154 Scale customers** for the duration of an annual contract.

Efficiencies include:

- Capturing usage data → Internal resource investment
- Leveraging AI tools to analyze risk → need budget
- Offloading support activities → team realignment

Fourth Step Of Refinement: Translating To Internal Planning

If we currently have 715 Scale customers, but only 3 Scale CSMs, and each Scale CSM can manage 154 Scale customers, and we add 7 new Scale customers per month, how long will it be before we need to hire an additional Scale CSM assuming the churn rate for Scale customers is 10%

Since you currently have 715 customers, you are already **253 customers over capacity**

Even assuming 50% efficiency in managing accounts, we were down headcount, which means the team was drowning

Outcome → Approval for one additional immediate Scale CSM hire



CSM Capacity

With no efficiency or automation

Tier	Ideal # Accounts per CSM
Scale	100
SMB	57
Enterprise	47

With efficiency and automation

Tier	Ideal # Accounts per CSM
Scale	160*
SMB	85
Enterprise	75



Outcomes



- Organizational shifts
- Headcount approval (immediate and into 2025)
- New role creation
- Risk mitigation
- Budget approval for tools
- Internal buy-in for resource allocation

If Capacity Planning Is A Challenge For You



Here are three things you can do when go you back to your desk on Thursday

1. Pull data points
 - Current CSM capacity (who has what accounts now)
 - Sales pipeline (how many new customers are you adding)
 - Hours it takes for CSMs to do their job (how long does a CSM spend on tasks)
 - Churn rate
2. Anonymize data
3. Write one high level prompt

See what the model suggests vs. where you are today → **validate the sentiment of your team**