# Customer Growth Automation

The New Approach to
Driving Scale in Post-Sales

September 17, 2024

We have a
fundamental
dilemma in
post-sales

# Our Customer Success Model Doesn't Scale



**1-2 hours per week**

Onboarding
Training
Goal Mapping
Regular Calls
Escalation
Exec Business Reviews
Q & A
Success Documentation
…

**Helen**
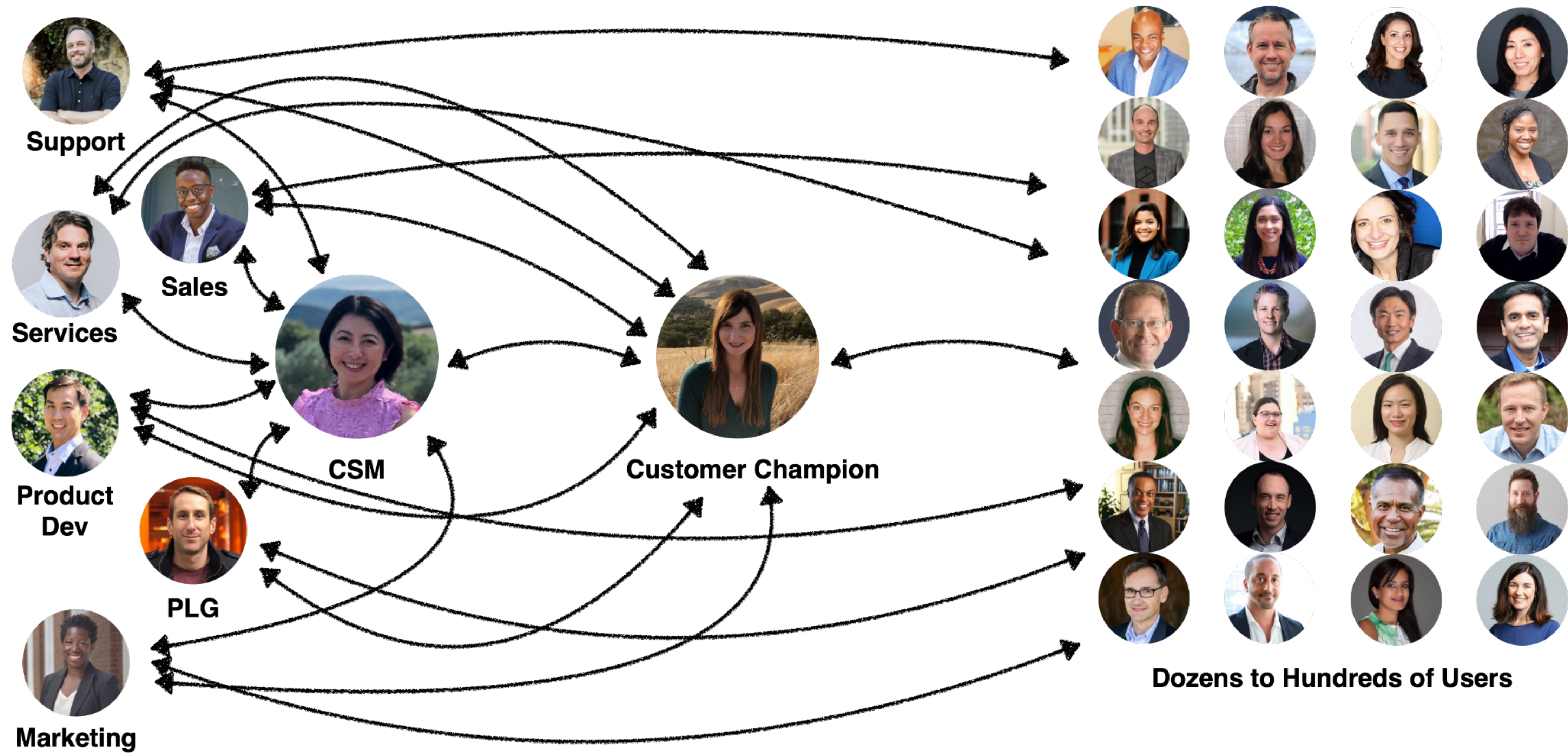Customer Success Manager
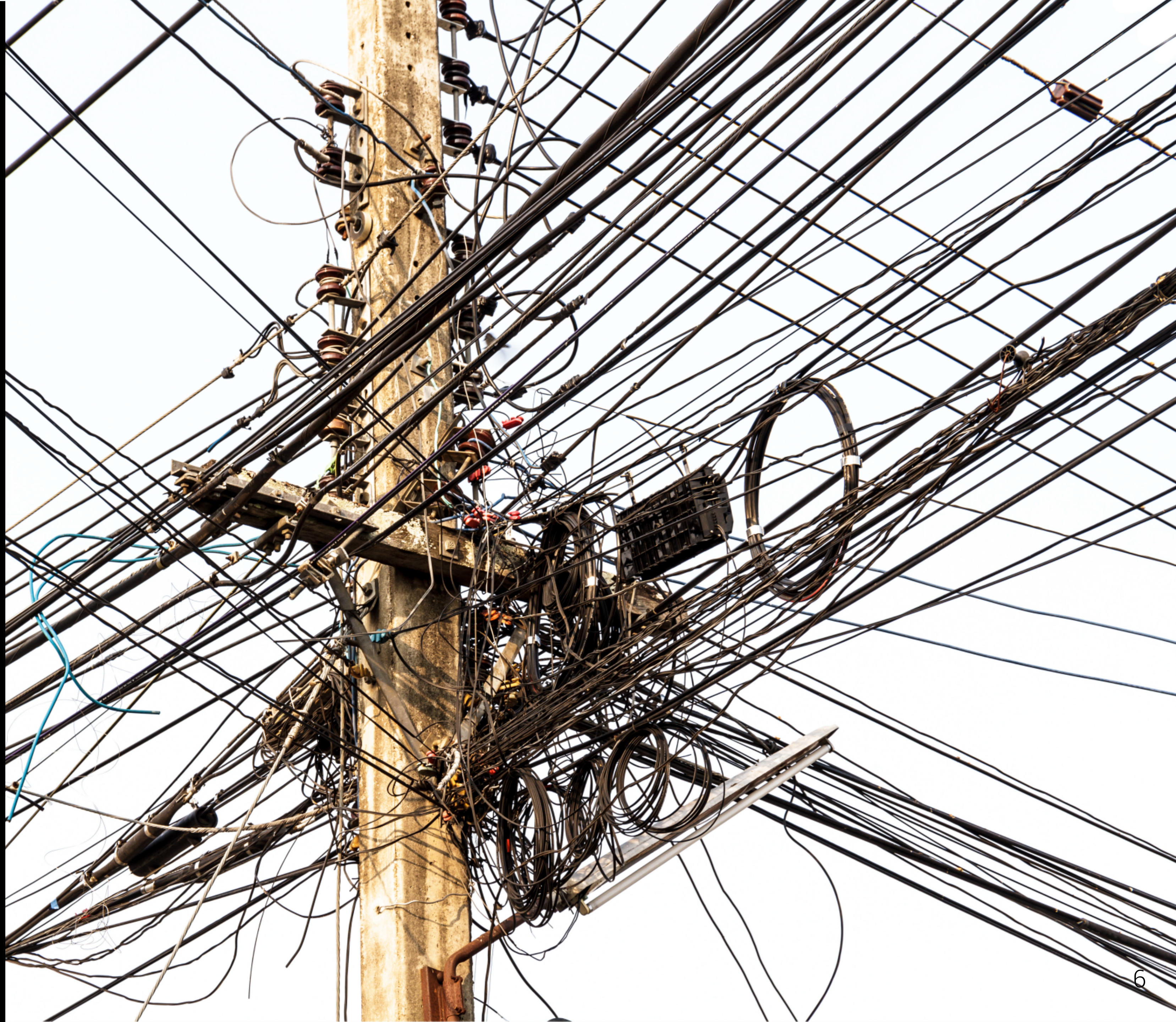
**Nicole**
Customer Champion

# Our Customer Success Model Doesn't Scale



**Helen**
CSM

1-2 hours
per week

**Nicole**
Customer Champion

Few hours
per week

Enable all
other users in
her company

**Dozens to Hundreds of Users**

# Our Customer Success Model Doesn't Scale



Support

Sales

Services

CSM

Product Dev

PLG

Customer Champion

Marketing

**Dozens to Hundreds of Users**

This is the state of the art in the customer lifecycle

# This creates real challenges for CS leaders

- We don't actually drive adoption, at least not directly

- Relies on a game of telephone

- Doesn't scale down well to SMB/scales segments (the economics don't work)

- Doesn't scale up well to the Enterprise/ large segment (can't touch most of the users)

- Puts increasing cost pressure on the organization since can't scale linearly with revenue

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And on top of all this, our industry is facing significant shifts

# The cost-structures of software, including Customer Success, are changing

### 1

## Capital Will Be Tighter

*Interest rates are unlikely to go back to effective 0% in the mid-term, reducing investment*

**The Economist**

Briefing | Higher for longer

## Markets think interest rates could stay high for a decade or more

The economic consequences could be grim

### 2

## Cost Pressures Will Continue

*Reduce capital means continued reduced budgets, asking CS leaders to find greater efficiencies*

**The New York Times**

## *Focused Cuts and Fewer Layers: Tech Layoffs Enter a New Phase*
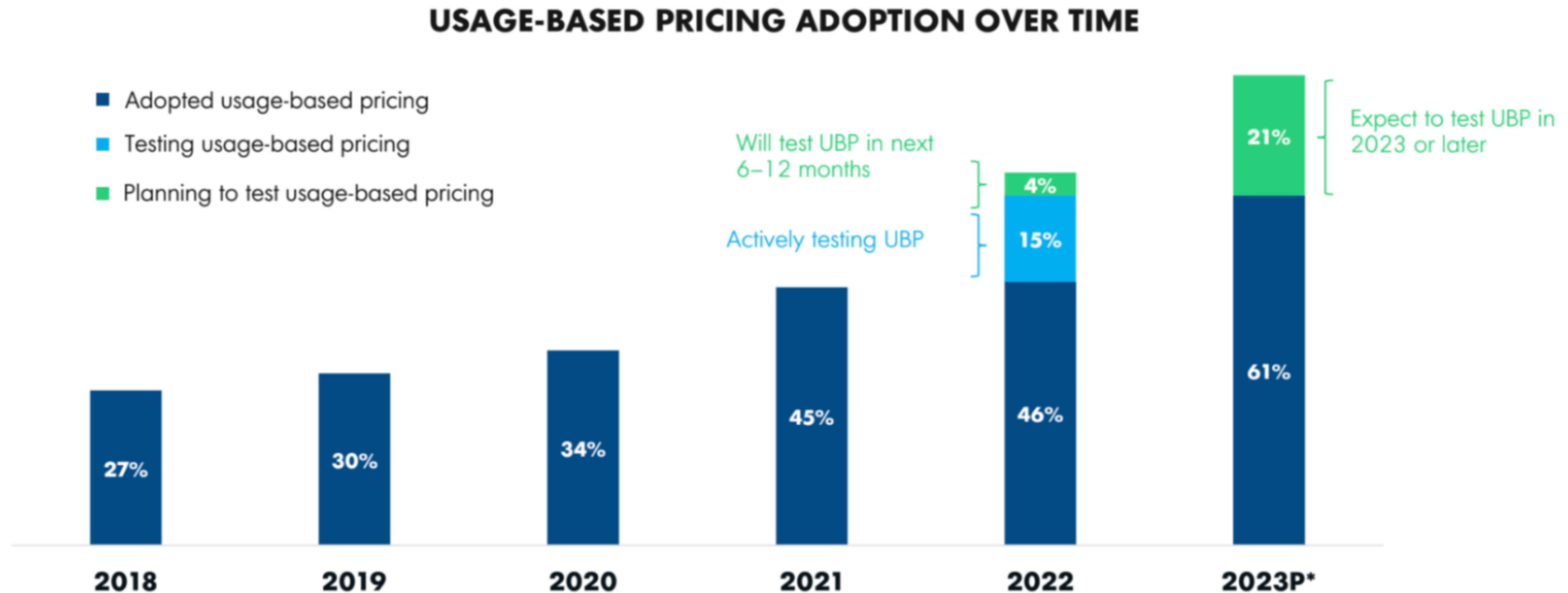
Amazon, Google, Microsoft and other tech companies have been on a layoff spree this month, with the latest cuts differing from last year's mass reductions.

### 3

## Hiring Will Be Constrained

*Growth of CS jobs have slowed to all-time low in industry, forcing CS leaders to do more with less*

3% YoY increase in CS Jobs, All-Time Low

CS Job Openings
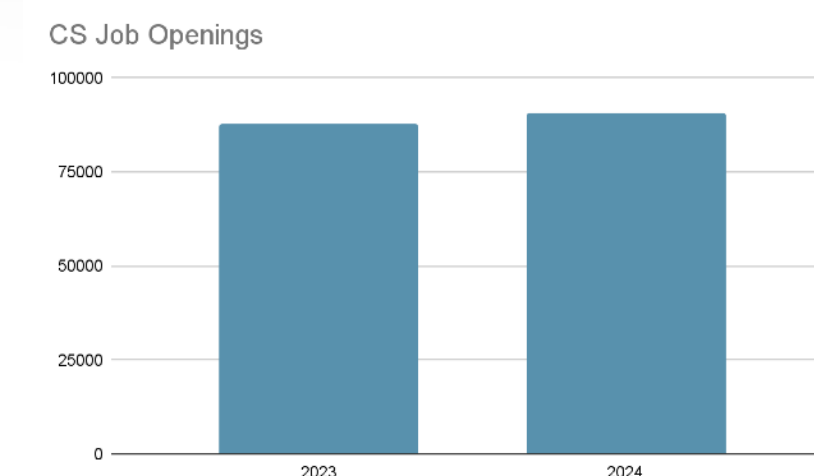


Source: Gainsight, Linkedin

# Usage based pricing, which relies on end user adoption, is becoming the dominant paradigm in SaaS

**USAGE-BASED PRICING ADOPTION OVER TIME**

- ■ Adopted usage-based pricing
- ■ Testing usage-based pricing
- ■ Planning to test usage-based pricing

Will test UBP in next 6–12 months

Actively testing UBP

Expect to test UBP in 2023 or later

2023P*: 21%, 61%

2022: 4%, 15%, 46%

2021: 45%

2020: 34%

2019: 30%

2018: 27%

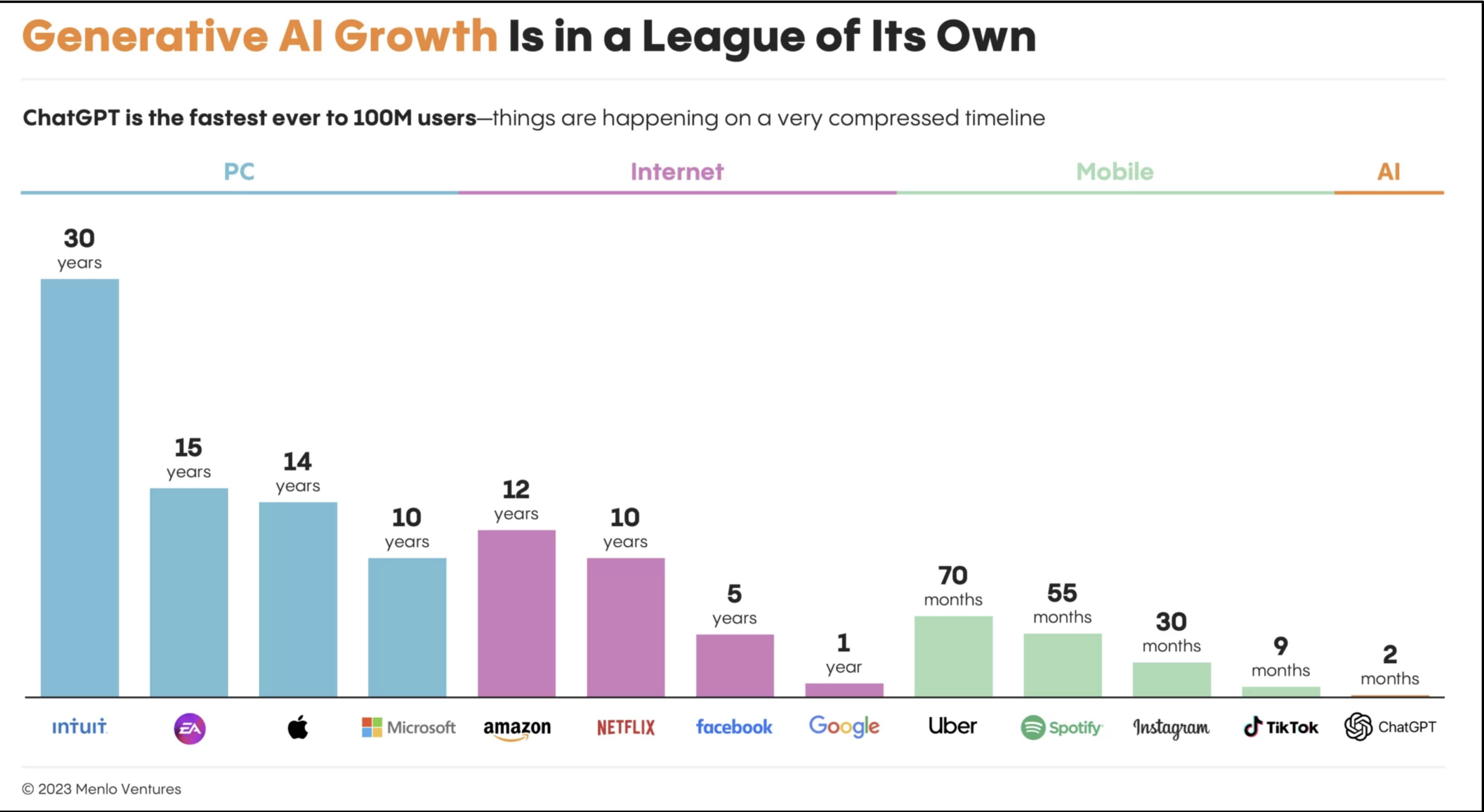| 2018 | 2019 | 2020 | 2021 | 2022 | 2023P* |

Source: OpenView Partners

And of course,
we have to
mention AI.

Job →
interview

# AI adoption is happening exponentially faster than any technology before it

## Generative AI Growth Is in a League of Its Own

**ChatGPT is the fastest ever to 100M users**—things are happening on a very compressed timeline

| PC | Internet | Mobile | AI |
|----|----------|--------|-----|

- **30 years** — intuit
- **15 years** — EA
- **14 years** — Apple
- **10 years** — Microsoft
- **12 years** — amazon
- **10 years** — NETFLIX
- **5 years** — facebook
- **1 year** — Google
- **70 months** — Uber
- **55 months** — Spotify
- **30 months** — Instagram
- **9 months** — TikTok
- **2 months** — ChatGPT

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**InfoWorld**

Generative AI adoption speed unprecedented, O'Reilly survey says

**CNN Business**

AI is replacing human tasks faster than you think

By Matt Egan, CNN
5 minute read · Updated 2:02 PM EDT, Thu June 20, 2024

**Inc.**

ARTIFICIAL INTELLIGENCE

Klarna Plans to 'Shut Down SaaS Providers' and Replace Them With Internally Built AI. The Tech World Is Pretty Skeptical The buy-now-pay-later giant is leaning into automation and slashing its partnerships with Salesforce and Workday.

OPENAI / ARTIFICIAL INTELLIGENCE / TECH
**OpenAI releases o1, its first model with 'reasoning' abilities**
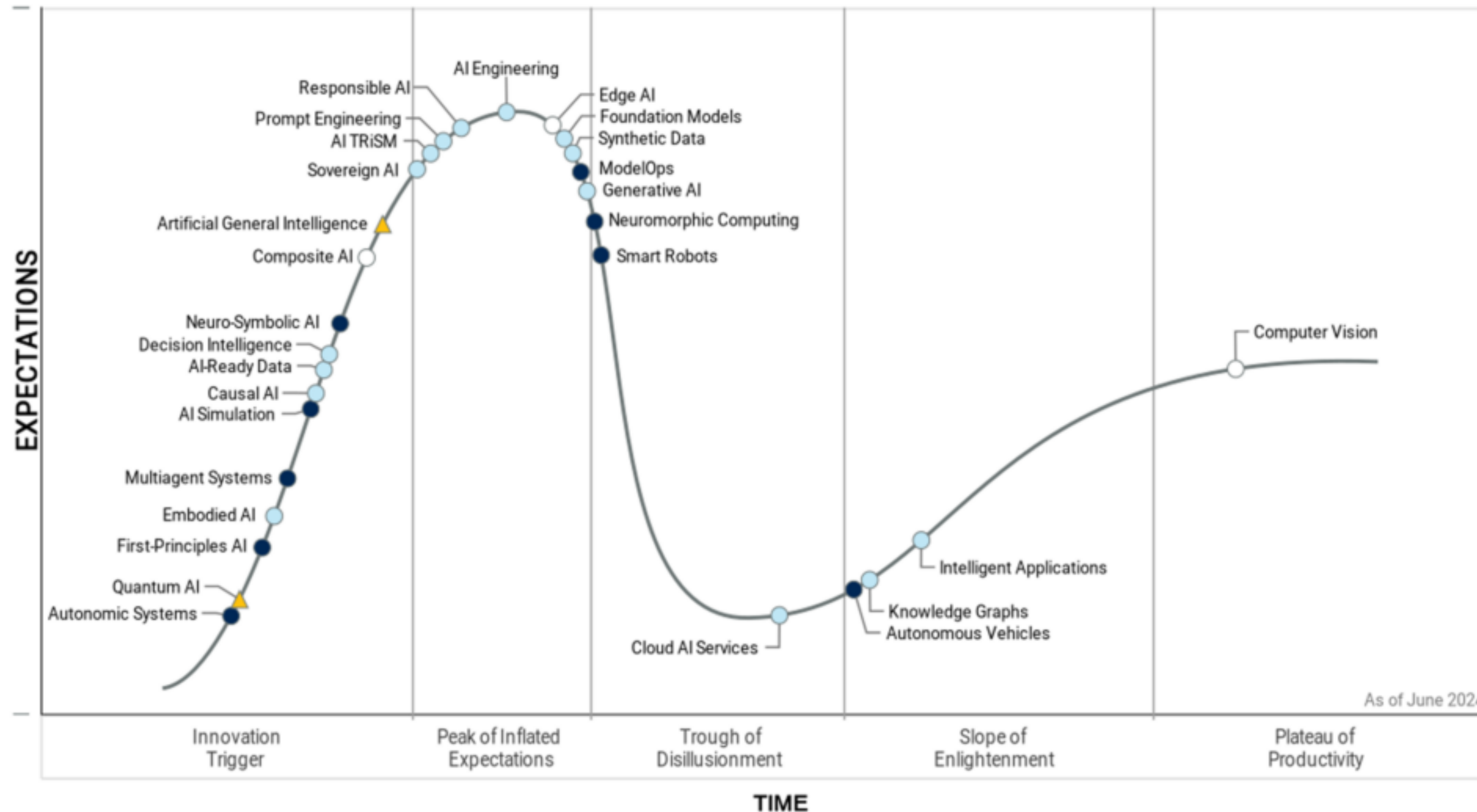
**gt government technology** AI CYBERSECURITY DATA WORKFORCE MORE

K-12 EDUCATION
**Parent Survey Finds Half of Gen Alpha Students Using AI**

# Despite all the hype, AI as a category is just beginning and will be incorporated into every facet of technology



**Hype Cycle for Artificial Intelligence, 2024**

As of June 2024

EXPECTATIONS / TIME

- AI Engineering
- Responsible AI
- Prompt Engineering
- AI TRiSM
- Sovereign AI
- Edge AI
- Foundation Models
- Synthetic Data
- ModelOps
- Generative AI
- Artificial General Intelligence
- Composite AI
- Neuromorphic Computing
- Smart Robots
- Neuro-Symbolic AI
- Decision Intelligence
- AI-Ready Data
- Causal AI
- AI Simulation
- Computer Vision
- Multiagent Systems
- Embodied AI
- First-Principles AI
- Intelligent Applications
- Quantum AI
- Autonomic Systems
- Knowledge Graphs
- Autonomous Vehicles
- Cloud AI Services

Innovation Trigger — Peak of Inflated Expectations — Trough of Disillusionment — Slope of Enlightenment — Plateau of Productivity

Plateau will be reached: ○ <2 yrs. ○ 2–5 yrs. ● 5–10 yrs. ▲ >10 yrs. ⊗ Obsolete before plateau

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Gartner

# So, just to recap...

- The CS model we've used for the last 15 years doesn't scale well, particularly to drive end-user adoption

- Economic/cost pressures will continue for the foreseeable future, increasing strain on CS

- Consumption pricing, which relies on end-user adoption, is becoming the dominant model in SaaS

- We have a massively disruptive technology that is rapidly gaining traction in both our customers and industry



#SchittsCreek

It's time to expand our minds about what is possible in Customer Success

Did you ever grow anything in the garden of your mind?

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# What if you could…

…predict revenue 6 months ahead?

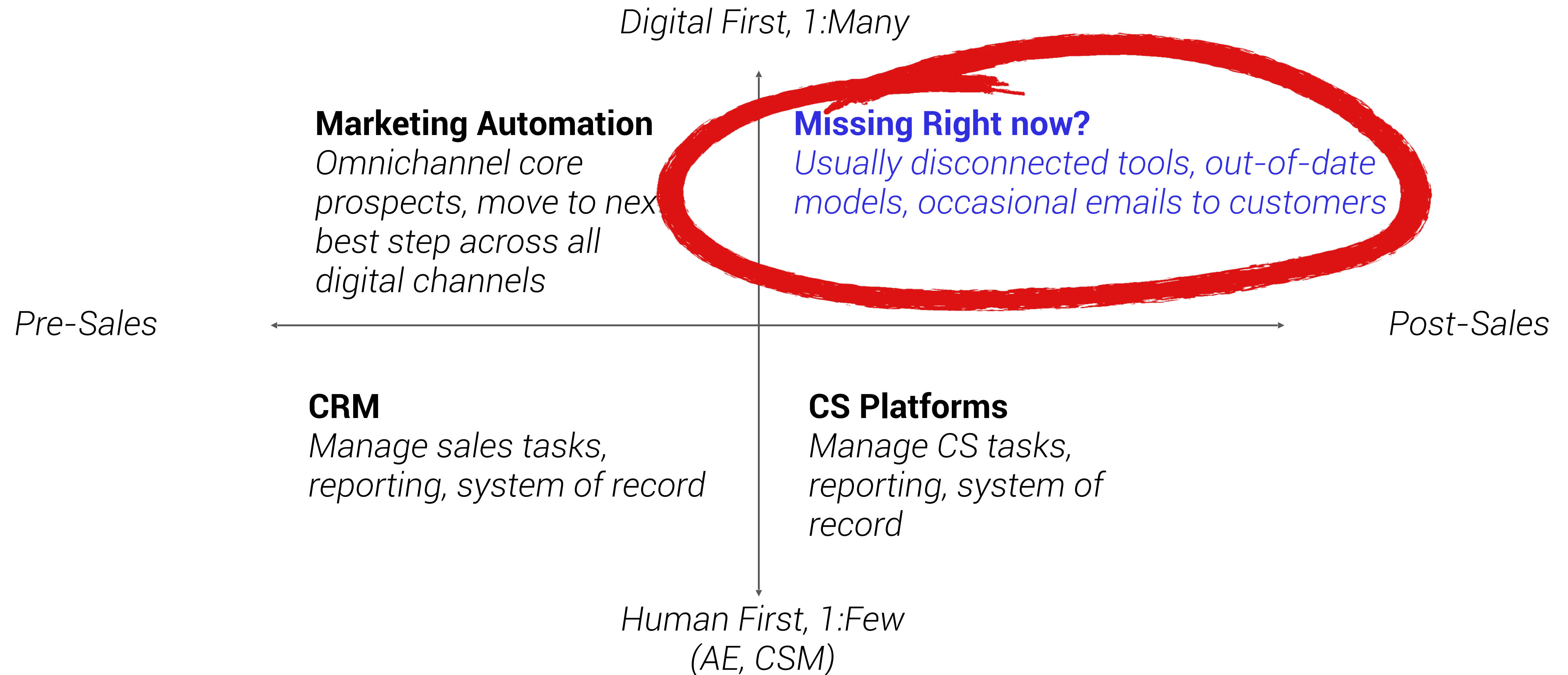…find and generate new upsell opportunities with a few clicks?

… identify at-risk accounts, why, and fix them automatically?
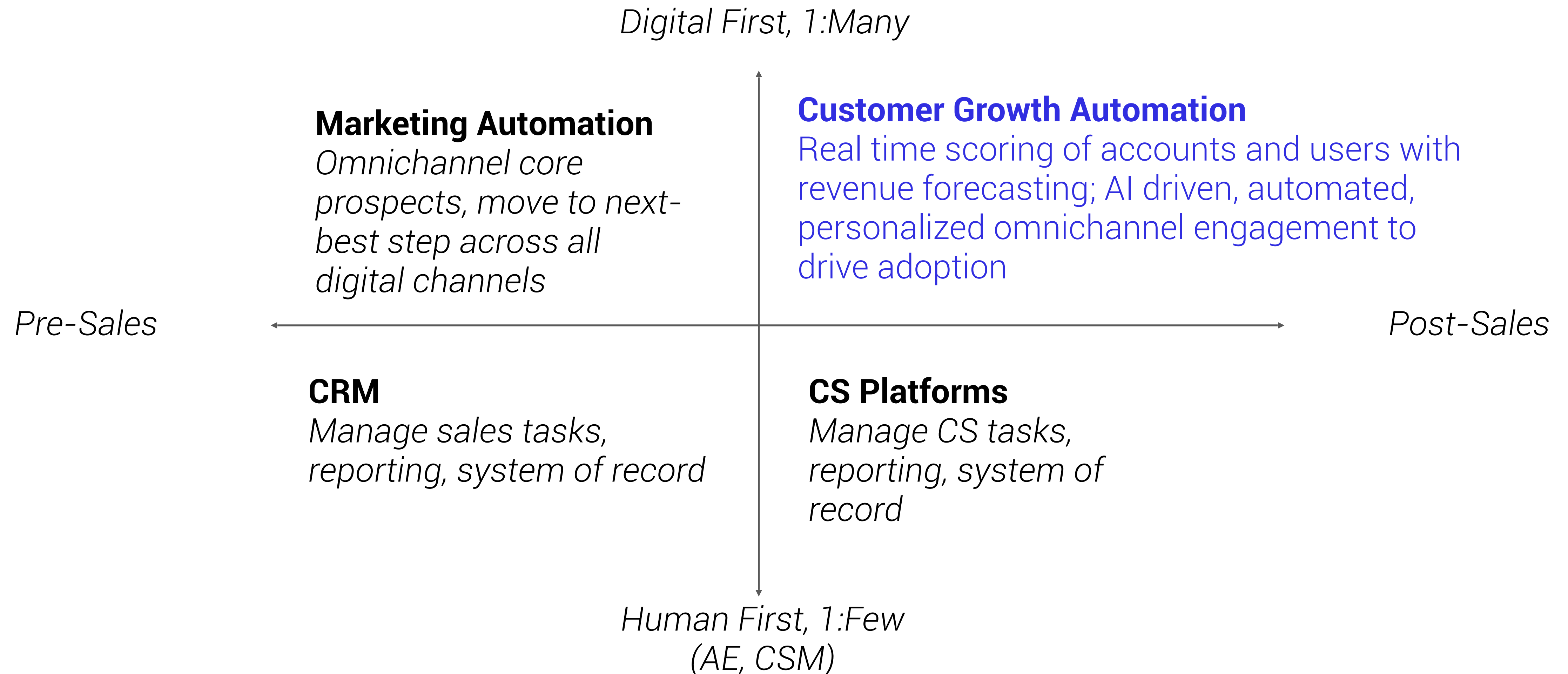
…remove repetitive tasks for CSMs and save cost?

… manage scale accounts easily with automation?

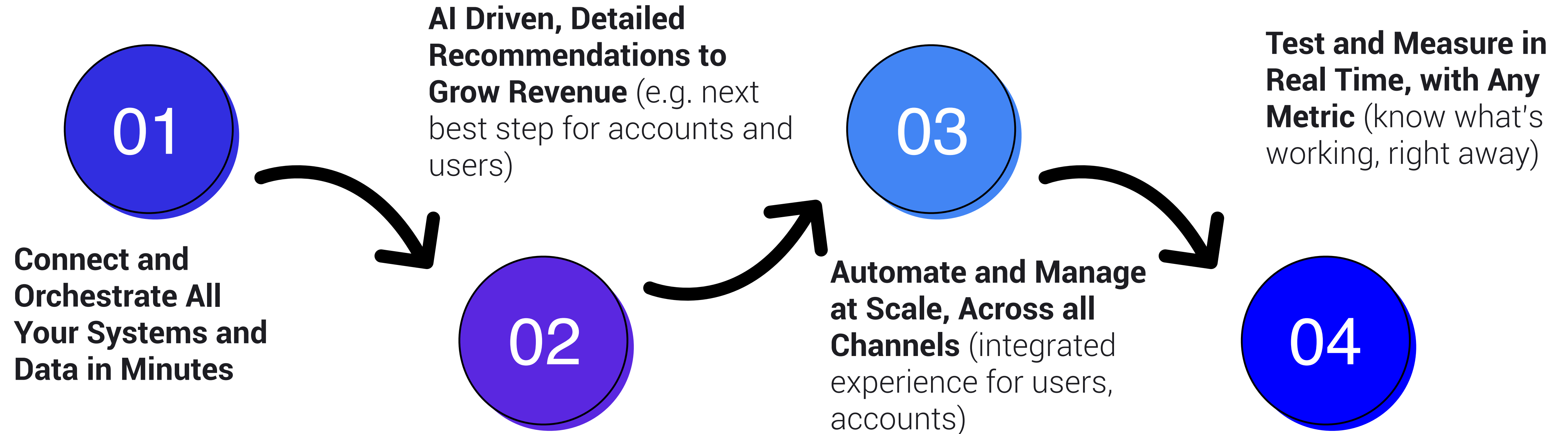# A new, complementary approach is needed in Post-Sales

*Digital First, 1:Many*

**Marketing Automation**
*Omnichannel core prospects, move to next best step across all digital channels*

**Missing Right now?**
*Usually disconnected tools, out-of-date models, occasional emails to customers*

*Pre-Sales* ————————————————— *Post-Sales*

**CRM**
*Manage sales tasks, reporting, system of record*

**CS Platforms**
*Manage CS tasks, reporting, system of record*

*Human First, 1:Few*
*(AE, CSM)*

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# This is a new category of post-sales software called Customer Growth Automation

*Digital First, 1:Many*

**Marketing Automation**
*Omnichannel core prospects, move to next-best step across all digital channels*

**Customer Growth Automation**
Real time scoring of accounts and users with revenue forecasting; AI driven, automated, personalized omnichannel engagement to drive adoption

*Pre-Sales*                                                                 *Post-Sales*

**CRM**
*Manage sales tasks, reporting, system of record*

**CS Platforms**
*Manage CS tasks, reporting, system of record*

*Human First, 1:Few*
*(AE, CSM)*

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# What can we learn from Marketing Automation?

01 **It's both the account AND the user**

02 **Score everyone**

03 **Get everyone to the best next step**

04 **Use every channel– manage all the interactions**

05 **Measure everything to build a predictive model**

06 **Test and iterate all the time**

# Customer Growth Automation Has 4 Essential Components

**01**

**Connect and Orchestrate All Your Systems and Data in Minutes**

**AI Driven, Detailed Recommendations to Grow Revenue** (e.g. next best step for accounts and users)

**02**

**03**

**Automate and Manage at Scale, Across all Channels** (integrated experience for users, accounts)

**Test and Measure in Real Time, with Any Metric** (know what's working, right away)

**04**

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# An example…

**Challenge**

DevOps SW, with no visibility into churn in 70+% of accounts, leading to missed revenue targets, esp in SMB

**What They Did:**

Integrated systems and used AI/ML to build a churn/expansion prediction with over 85% accuracy across Enterprise and SMB. ID'd drivers to address to improve NDR, including feature usage recommendations for users

Built automated campaigns targeting users to adopt features; built lifecycle programs at user and account levels

**Outcome**

Feature adoption by users trended up; churn trended down

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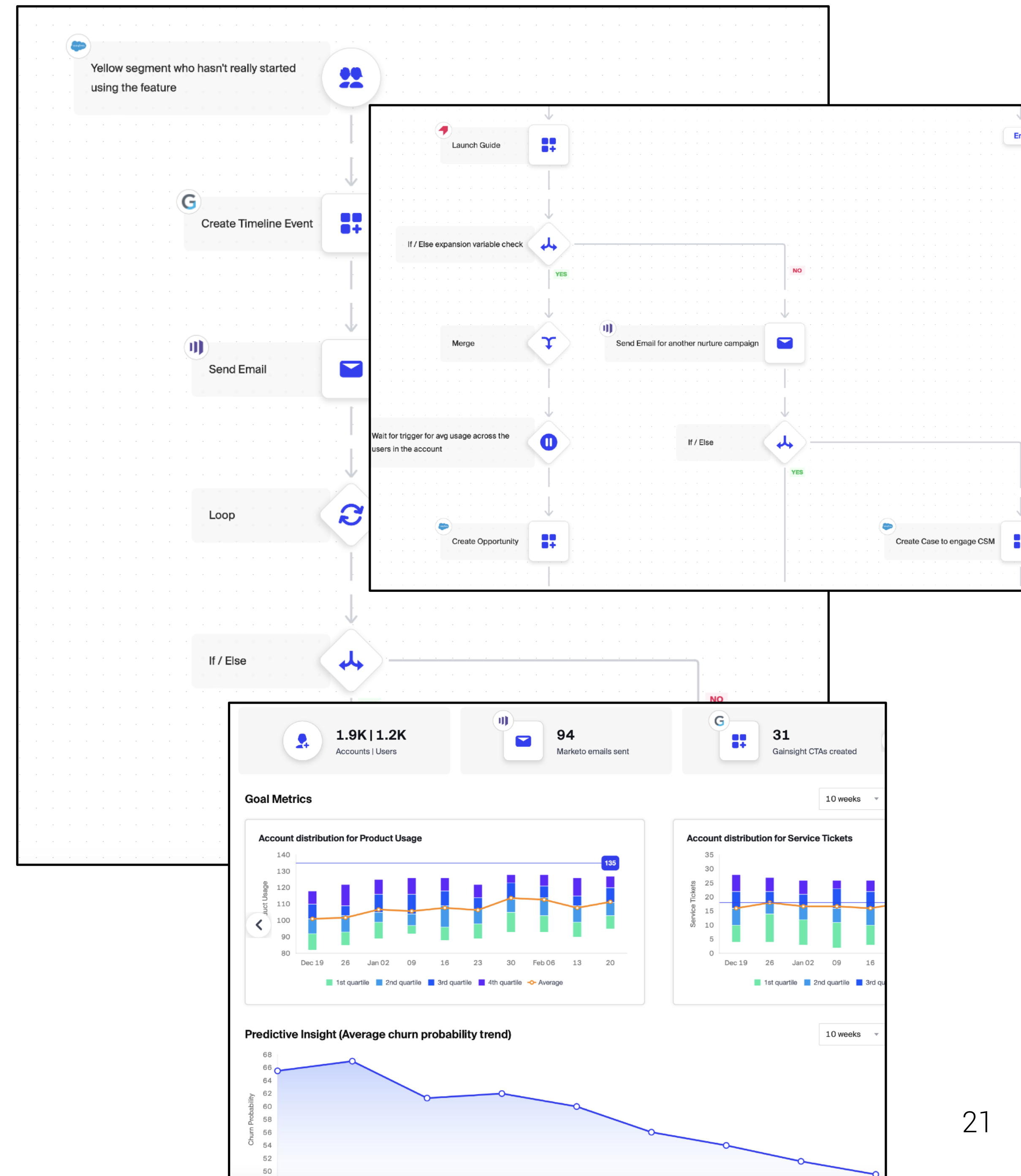
# Now it's your turn!

# Your mission

- You are the head of CS (and now a customer growth automation expert!)

- You work at an Enterprise SaaS company with problems in both SMB and Enterprise (more details in a sec)

- Have no extra headcount this year, and need to improve NDR

- Imagine you have a magic wand that can connect and integrate all your systems together.  Now design a campaign that you could launch in a week.   Assume you have the content that you need, and you can pull data from any system, ship that data anywhere, and trigger any actions in any system whenever you want

- Pick one of the two problems they are facing and design the campaign and metrics in less than 15 minutes; use the template provided

# The details

- SaaS company, 70/30 Enterprise /SMB customers
- Product is a recruiting software — think like a Lever or Jobvite type of product. Important for business, HR teams view as essential, but crowded market and lots of end-users that use it intermittently. Pricing is done on an annual license, based on number of jobs that get used
- Two significant problems:
  - Higher than sustainable churn in SMB. Primarily due to lack of adoption across the business and turn over by champion
  - Limited upsell / expansion in Enterprise segments — premium features don't get used (like integrations into ERP, HR systems) and limited adoption outside of core HR teams
- Company has the following in their GTM stack:
  - CS platform (e.g. ClientSuccess)
  - Telemetry/usage data (E.g. data stored in Snowflake)
  - Support platform (e.g. Zendesk)
  - Email platform  (e.g. Marketo)
  - Messaging platform, internal and external/customer as well (e.g. Slack)
  - In-app notification (e.g. Pendo)
  - CRM (e.g. Salesforce)
  - LMS (e.g. Skilljar)

# Some questions to think about:

- What would be the outcomes of the campaign?

- What are the metrics associated with the campaign?

- What are the key steps/elements of the campaign? Imagine you can do ifs, loops, branches, like you were designing a flow chart.

- What would you A/B test/iterate?

- Where would you want to insert manual tasks (e.g. human follow up) for the CSM, if at all?

- Where would you want to insert manual tasks (e.g. human follow up) for support, if at all?

- What do you wish you could personalize? Imagine you had a magic AI wand to personalize wherever needed.

**Get all the information and a template to use here:**

**http://bit.ly/3BhtDYP**

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