

CUSTOMER SUCCESS LEADERSHIP BOOTCAMP

PART IV: CREATING A RENEWAL PROCESS AND FORECAST MODEL THAT WORK

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1PM EST/ 10AM PST



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ClientSuccess

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**Renewals are Critical in
Support of Customer
Lifetime Value (LTV).**

Customer Renewal Rate

Customer Renewal Rate calculates the percent of customers who renew after a specific period of time.

$$\left(\frac{\text{\# of Customers Who Renew}}{\text{Total \# of Customers Up for Renewal}} \right) \times 100$$

Revenue Retention Rate

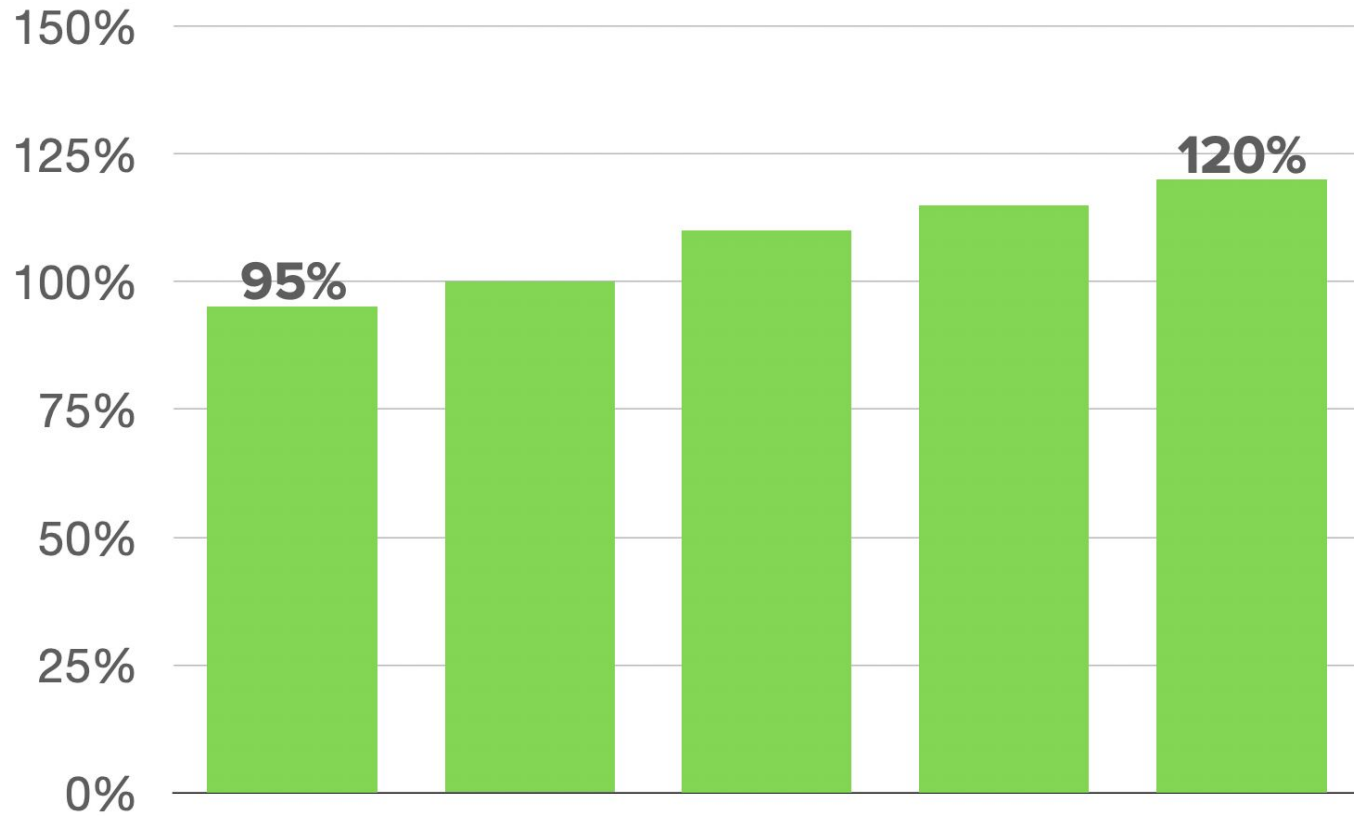
Revenue Retention Rate calculates the percent of revenue renewed after a specific period of time.

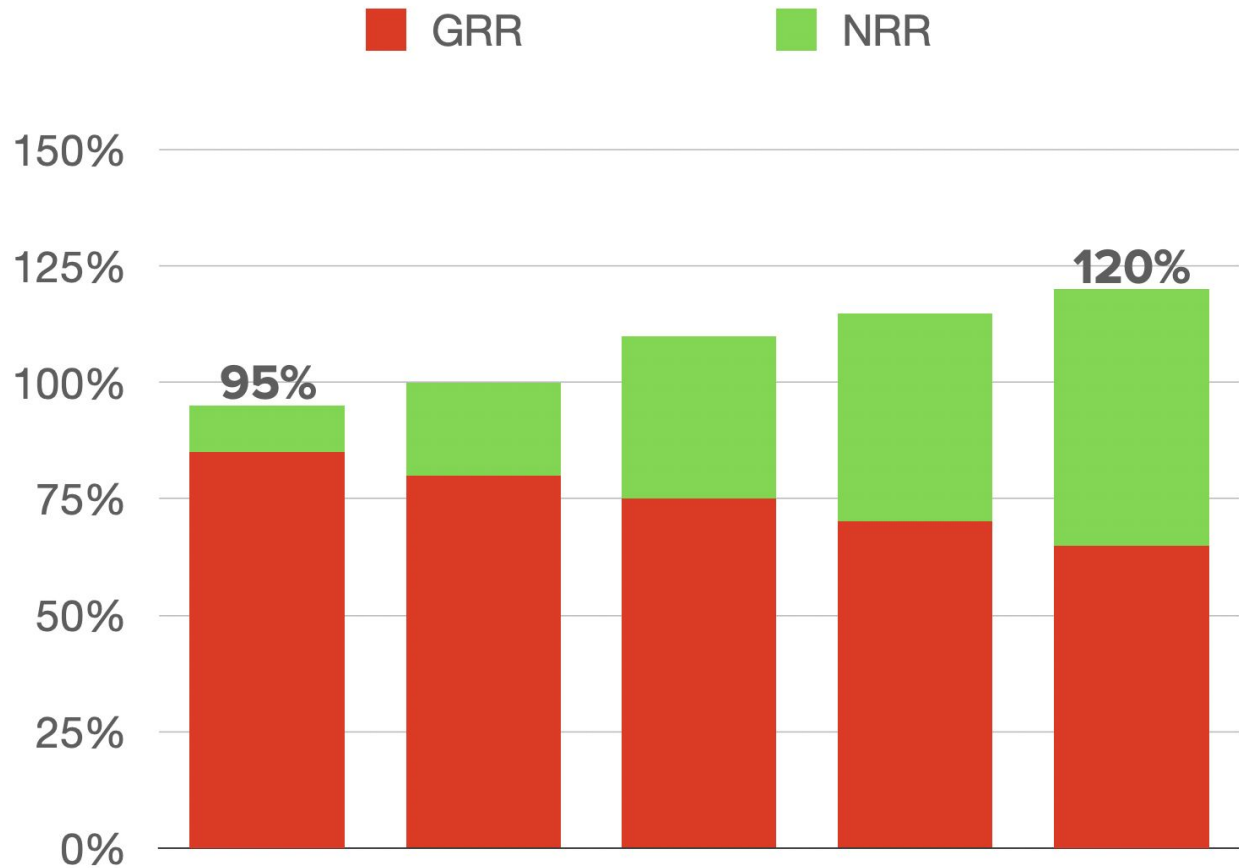
$$\left(\frac{\text{\$ Renewed}}{\text{Total \$ up for Renewal}} \right) \times 100$$

GRR = Gross Revenue Retention

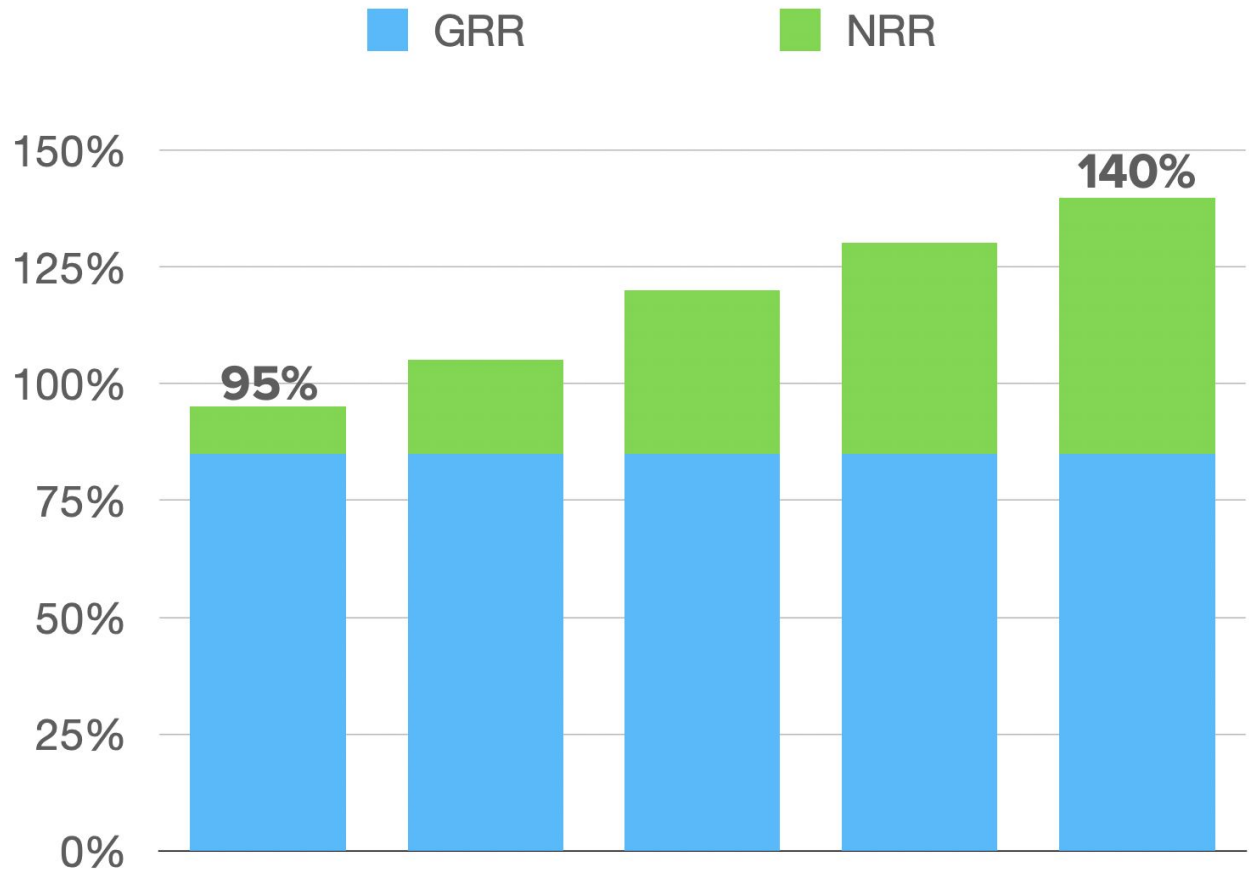
NRR = Net Revenue Retention

 NRR

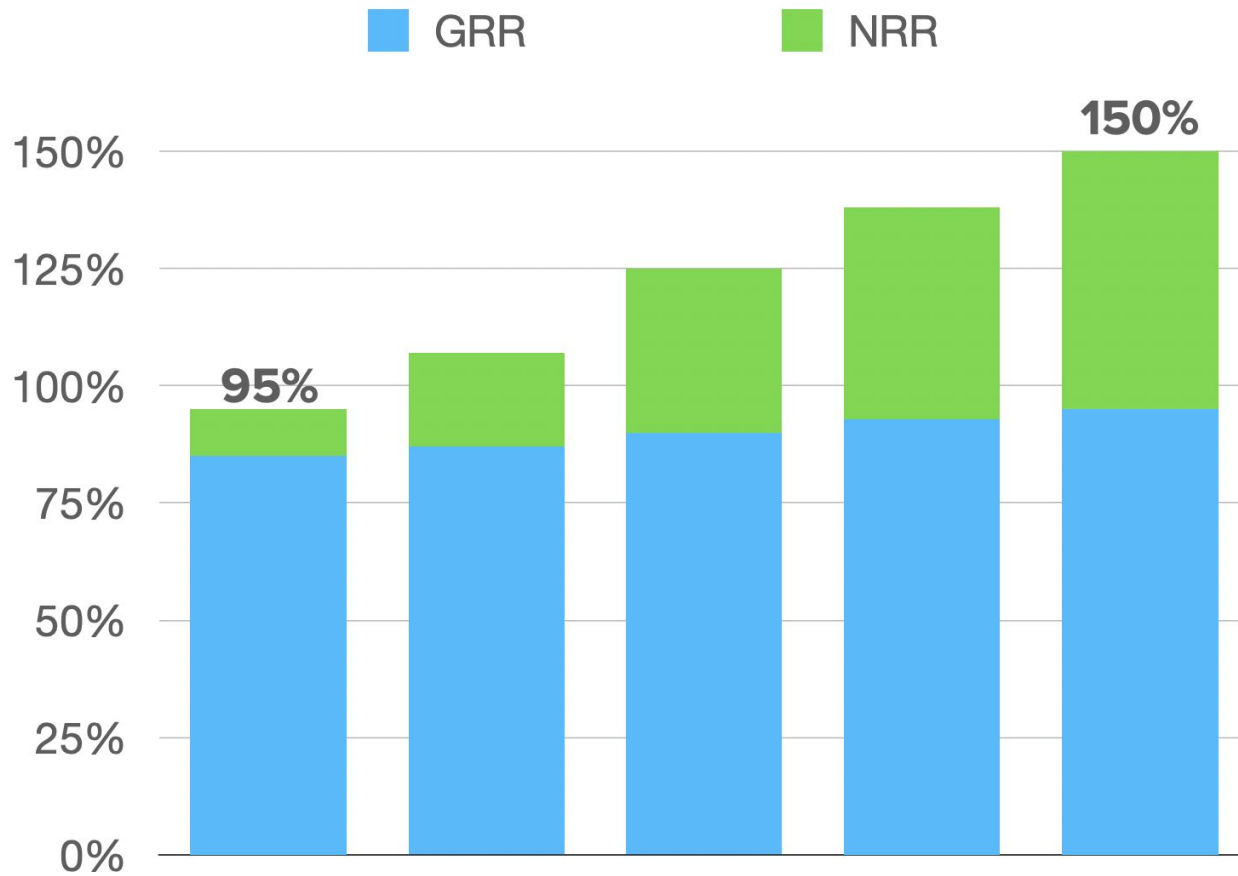




DECLINING RETENTION IN THE BASE
WITH STRONG EXPANSION



JUST MAINTAINING THE BASE
HAS STRONG IMPACT ON OVERALL NRR

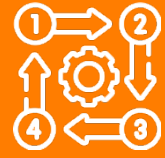


IMPROVING THE BASE AND IMPROVING EXPANSION
RESULTS IN EXPONENTIAL GROWTH

THINGS TO CONSIDER

PROCESS

What are the steps that your team will take to effectively manage the renewal process?



TIMING

How soon do you want your team to start the renewal process?



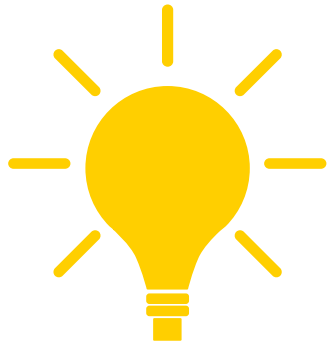
TEAM

Who in your organization is going to be responsible for managing the renewal with your customers?



WHERE IS IT MANAGED

What tools and systems will you use to manage the renewal process and revenue forecasting?



RENEWAL PLAYBOOK

1. RESEARCH

Make sure you do your research. Make sure to understand the previous contract, customer health etc.

2. AUTO-RENEW

If your customer has an auto-renewal in the contract it's important to make sure your customer has all of the necessary details.

3. TIME TO MEET

Schedule a call with your customer to discuss their intention; do they plan to renew. Manage steps based on response.

4. MEDPPICC

Collect all of the necessary information to effectively leverage the MEDPPICC methodology.

RENEWAL PLAYBOOK

5. OBJECTIONS

If the customer expresses concern about pricing, product etc. you must manage this risk and help overcome the objections.

6. PROPOSAL

Once you have aligned with your customer on what they need in order to move forward, prepare a proposal for their review.

7. REVIEW

Make sure to confirm all of the next steps with your main POC or Exec to ensure you understand their timeline and process.

8. CLOSE OPP

Once everything has been executed effectively then make sure to manage the opportunity and update your systems.

PLAYBOOK AUTOMATION

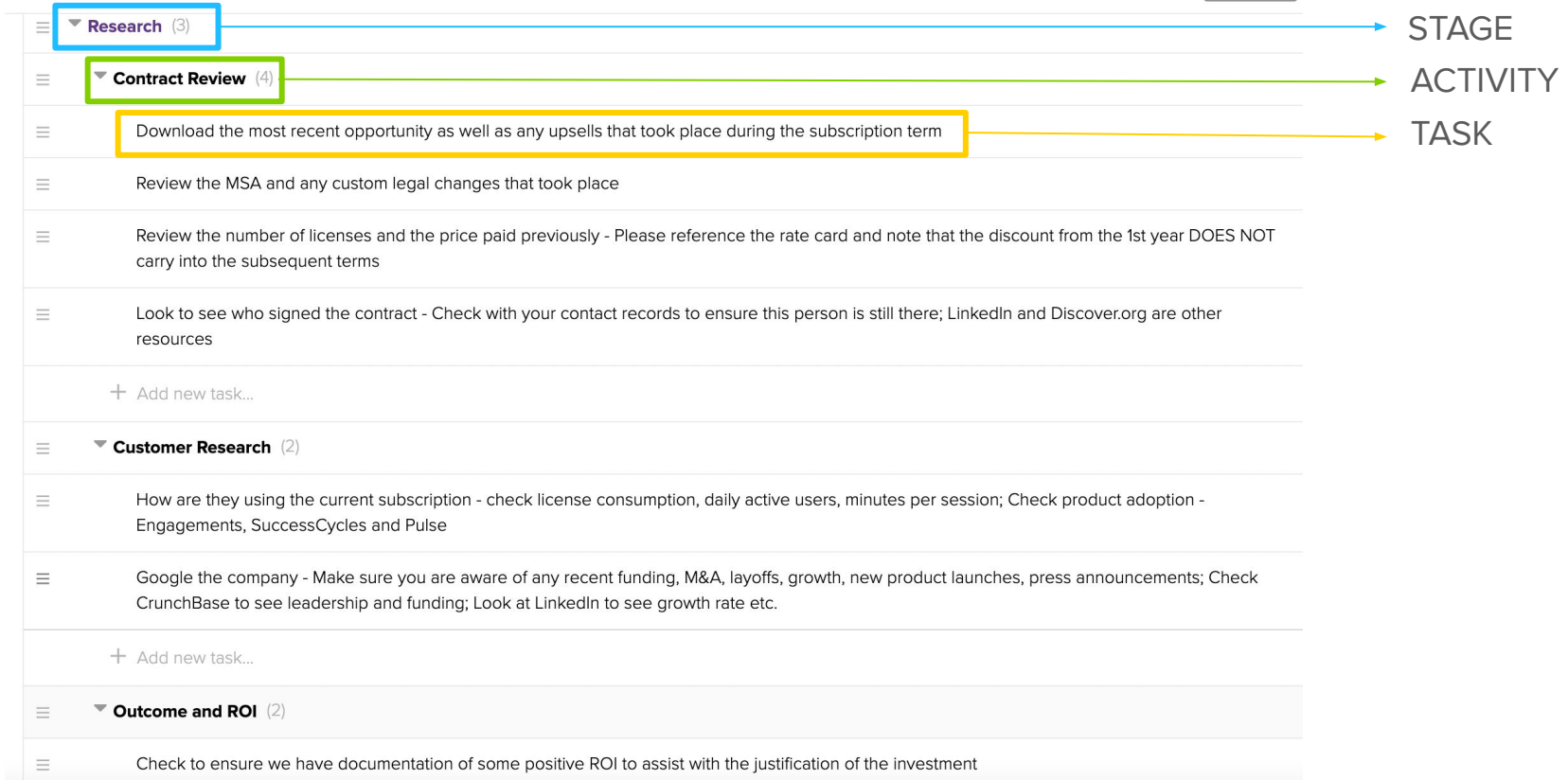
The screenshot displays the ClientSuccess user interface. At the top, a blue navigation bar contains the logo and menu items: Clients, Contacts, Tasks, Revenue, NPS, Reports, and My Company. A left sidebar lists various settings categories, with 'SuccessCycles' highlighted. The main content area is titled 'SuccessCycles' and features a 'Lifecycle: Renewal Management' section. This section includes a 'Cycle Active' toggle switch, a 'Description' field, and expand/collapse controls. Below these are several stages of the renewal process, each with a menu icon, a title, and a count in parentheses: Research (3), Auto-Renewal Management (2), Meet with Customer (3), MEDDPIC (8), Objections (4), Proposal (1), Review Next Steps (3), and Close the Opportunity (1). A 'Thank You (1)' stage is also listed. At the bottom, there is a '+ Add new stage...' button.

Use Customer Success Management Technology, like ClientSuccess, to design your renewal process and ensure that your team executes the steps as designed.

PLAYBOOK AUTOMATION

SuccessCycles

Cancel



FORECASTING OPPORTUNITIES

ELEMENTS OF AN OPPORTUNITY

STAGE

This will outline where you are in the opportunity management

FORECAST

This is how you are forecasting the opportunity internally

PROBABILITY

This is the % that you would call for the opportunity to come in

MEDDPICC

The process in which we manage the key components of the renewal



MAPPING OPPORTUNITY STAGES



STAGE

- **Initial Outreach** - Contacted customer to notify them of the upcoming renewal and the auto-renewal; Scheduled a call to discuss the renewal and to collect feedback
- **Consideration** - Customer is considering their options to renew the subscription
- **Overcoming Objections** - Managing an objections preventing them from moving forward with the renewal
- **Contract Review** - Subscription has been sent to the customer to review
- **Won** - Closed won; signature received
- **Churning** - Customer has communicated their intention to churn
- **Churned** - Closed lost; customer has churned

MAPPING OPPORTUNITY FORECAST



FORECAST

- **Churn** - Customer has committed to churn; no path forward **0%**
- **Risk** - Renewal is at risk; **10%**
- **Pipeline** - Customer is in the early stages of the decision process, and deals in this Forecast Category need further development. **30%**
- **Best Case** - Work to do to advance these opportunities. Nevertheless, the renewals are fully qualified, and the opportunity has a Close Plan. **75%**
- **Commit** - Confident of a successful outcome, and only in exceptional circumstances. You can confidently rely on these opportunities in your sales forecast. **90%**
- **Closed** - Closed opportunities are won. No further sales effort is required. **100%**

MAPPING OPPORTUNITY PROBABILITY



PROBABILITY

- Churn - **0%**
- Risk - **10%**
- Pipeline - **30%**
- Best Case - **75%**
- Commit - **90%**
- Closed - **100%**

MAPPING MEDDPICC



MEDDPICC

- **Metrics** - Metrics are the quantifiable measures of value that your solution provides
- **Economic Buyer** - Person or people with the purchasing authority
- **Decision Criteria** - The various different criteria that will be evaluated to determine if your product meets their needs
- **Decision Process** - The steps that will be taken to move this through the review process
- **Paper Process** - Process that the paper goes through from decision to execution
- **Identify The Pain** - Understand the pain your solution solves for your customer
- **Champion** - The internal contact selling the value of your solution
- **Competition** - Understanding if there is competitive risk in the conversation

SAMPLE FORECAST TRACKER

Account Name	Account Owner Name	Renewal Date	ARR	Term Length	Opportunity Name	Opportunity Owner Name	Stage	Forecast	Probability	Notes:
ACME Corp.	CSM2	12/21/2021	\$25,500.00	24m	ACME - Renewal - December 2021	CSM2	Initial Outreach	Best Case	30%	KF 8.20.21: Reached out to Jeff to s conversation; while he is going to re forward, Mary the CCO will make the
StackUp	CSM3	10/23/2021	\$48,250.00	12m	StackUp - Renewal - October 2021	CSM3	Won	Closed	100%	DB 8.20.21: Closed the opportunity c signature on 8.19.21
Loopaphi	CSM1	1/2/2021	\$19,750.00	12m	Loopaphi - Renewal - January 2022	CSM1	Contract Review	Commit	90%	KF 8.20.21: Sent over the SO vis Do is going to review today and will exe

While it would be ideal to have all of your opportunities tracked in a system like your Customer Success Management Solution (ClientSuccess) OR your CRM (Salesforce, HubSpot, Zoho); you can track renewals in Excel or Sheets as long as your team keeps everything accurate and current.

KEY TAKEAWAYS

1.

Determine who in your organization is best equipped to manage the customer renewal

2.

Establish your renewal management timeline and ensure there is a way to track that everything is happening on time

3.

Map out your renewal management process and clearly communicate the required steps to your team

4.

Ensure there is proper visibility across the organization - create reports and democratize data

5.

Track the renewal opportunity in a system of record - CRM, Customer Success Platform or Excel / Sheets

Q



A