

Top Customer Success Executives Predict 2020 Trends

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Introduction

The movement toward dedicated customer success initiatives began over a decade ago with innovative start-up software companies leading the charge. A few years later, established players in the software industry began adding Customer Success teams to drive retention and revenue.

In 2020, more and more industries will build out CS teams. Both services and product companies in diverse industries such as financial services, manufacturing, and professional services will be on the short-list to adopt the tools and techniques of customer success — and quickly reap the benefits.

“Leaders in these industries will need to determine how to customize best practices, processes, and tools to meet their unique Customer Success needs,” said Gregg Frohmann, Director of Consulting at ClientSuccess. “They will need to create Customer Success champions among their peers and train their emerging Customer Success teams to deliver results.”

We reached out to customer success leaders across the industry to get their predictions and thoughts for 2020. How do they see CS changing as we move into the future? Read on for their insights.

The Art of Adoption

“Customer Success teams will focus more on the ‘art of adoption,’” said Dave Blake, the Founder/CEO at ClientSuccess. “Driving more sophisticated strategies that take CSMs way beyond being ‘check-list & check-in’ CSMs. This ‘seasoning’ of CSM strategies will see CSMs becoming more consultative, business-savvy customer advisors who align business needs with solutions that ultimately drive deeper adoption.”

The customer success experts we talked to point to this alignment and an ever-greater emphasis on the consultative nature of relationships.

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"I think that 2020 is going to bring a greater focus on Leadership and what we drive," said Maranda Dziekonski, Vice-President, Customer Success and People Operations at Swiftly. "Customer success is moving from being the new kid on the block into a well-established and respected young adult (not quite mature but working hard to get there). As we cross that chasm, I believe that our customers, teams, and companies will expect more from us.

"It'll be time for us to iterate on everything that we've become comfortable with and level it up," according to Dziekonski. "This means that leaders will need to help drive these changes, be innovative in the way that we approach the customer journey, and rethink how we marry the quantitative with the qualitative. "

Establishing the Right KPIs

Establishing the right KPIs and tracking the customer journey will be central to success. Customer success teams and CSMs need constant monitoring and vigilance to increase retention and lower return rates.

Our ClientSuccess experts recommend tracking these [customer journey analytics](#) as part of your metrics:

1. Customer Retention Rate
2. Daily Active Users (DAU) and Monthly Active Users (MAU)
3. Churn Rate
4. Average Days to Onboard (ADO)
5. Net Promoter Score (NPS)
6. Average First Response and Resolution Times
7. Product Engagement
8. Late Invoice Payments

ADDITIONAL RESOURCES:

- [The Ultimate Guide to SaaS Customer Success Metrics](#)

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“2019 was the year of 'product usage,' 2020 (and this coming decade) will see an increased focus on 'process metrics,’” said Andrew Marks, Co-Founder and President at SuccessHacker. “The best companies will focus on making sure they have the right people, doing the right things, in the right ways, at the correct times, and then measuring them to make sure they're doing it correctly.”

Marks describes it this way: Process metrics are what you DO. Outcome metrics are what you GET.

It's easy to fall into the trap of only measuring outcome metrics because that's where senior leadership or the board are focused. “To improve your outcome metrics, you must know and measure what inputs will lead to the desired outcomes,” Marks said. He believes it's crucial to start with your outcome metrics and then lay out all the items and actions you need to do to affect them. “Those are the best metrics on which to focus,” he said. “The list should define all of your process metrics that you need to start tracking.”

These metrics are about delivering outcomes both internally and externally for customers and stakeholders. It's crucial to understand what customers want – and need – and how the products or services you offer can meet these needs.

“Not everything that counts can be counted, and not everything that can be counted counts,” Sociologist William Bruce Cameron wrote in 1963. It still applies today. The better we can get a handle on what counts, the better job we'll do for customers.

Jim Kalbach, Head of Customer Experience, at MURAL talks about the increased importance of Jobs to Be Done (JTBD). “The concept of 'Jobs to Be Done' (JTBD) has been gaining relevance in customer success in recent years, and rightfully so: there's a natural fit,” said Kalbach. “If customer success is about helping people achieve their desired outcomes, JTBD provides a system for observing outcomes and a language for describing them. It's clear that customer success can benefit from decades of materials and techniques developed in the field of JTBD.”

Customer satisfaction only occurs when you meet their objectives. It's crucial to track the metrics your customers need to deliver these outcomes. For instance, Kalbach explains, a job map looks at the objectives and outcome customers have independent

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of any solution, including yours. “Armed with this view, CSMs can better craft nurturing campaigns that address real unmet needs,” he said.

“JTBD interviewing techniques — in particular, the ‘Switch’ method — can be used to learn much deeper reasons for churn.”

Commitment to Coaching

Improving metrics doesn’t happen by just tracking them and identifying where gaps in performance occur. It takes a proactive approach to fill those gaps. Consistent improvement on these KPIs will mean an organizational commitment and emphasis on training and coaching customer success teams. “Customer Success Coaching will become a critical skill for customer success leaders, said Dave Blake, Founder/CEO of ClientSuccess.

“Coaching has been a skill that the sales world has focused on and mastered for many years but tends to be overlooked by many CS leaders,” said Blake. “Those leaders who learn the difference between training, mentoring, and coaching – and master the art of coaching – will see a significant positive performance impact across their team.”

Customer Transparency

Natalie Fedie, VP of Customer Value at High Radius, believes the tracking has to go far beyond monitoring internal metrics. “The trend will be to provide customers a view into measured progress toward successful outcomes and key milestones in real-time,” Fedie predicts.

This alignment of customer priorities against established goals allows for greater transparency.

“To prepare for this growing demand from customers is to make sure there is joint alignment on the outcomes expected and the ability to measure and monitor them in a shared space accessible to customers on-demand,” Fedie said.

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This includes providing customer-facing dashboards that track key customer success metrics in real-time over time. This can establish both pain points where intervention is needed and highlight improvements. This forges a common goal for companies and customers that can increase loyalty. It provides proof-of-performance and has been shown to improve customer satisfaction.

Pre-Emptive Success

As a customer, there is nothing worse than having to sit on hold when you've got a problem or being unable to find the simplest of answers to questions when you need information fast. In an omnichannel world, [customers need a streamlined communication system that](#) provides answers.

In 2020 and beyond, however, this emphasis will shift, according to Jennifer Yorke, VP of Customer Success of Ometria. It will go beyond answering questions and move into proactive mode.

“Customer success has built up an incredible support structure that answers questions as and when they come up. The best have even built-in processes to provide proactive guidance. However, in a world where clients are being asked to do even more with their limited time, these resources are actually a burden, rather than an enabler,” according to Jennifer Yorke, VP of Customer Success of Ometria. “Being able to answer a client question is good. Preventing them from having to ask a question in the first place is best.”

“Customer success should be thinking of ‘pre-emptive success.’ Partnering with products to make the tool/platform/product more intuitive needs to be a top priority, as does integrating support into the tool/platform/product,” said Yorke. “Anything that saves the client's time will help differentiate your company from competitors.”

Artificial Intelligence (AI) and Machine Learning (ML) will allow companies to better anticipate customer needs and deliver relevant content instead of waiting for customers to request it. This can improve customer satisfaction and increase product loyalty. Companies that proactively contacted customers saw as much as [a 70% brand lift](#) in a survey done by Microsoft.

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Ever-Increasing Personalization

“Customers are demanding personalized expertise in all interactions,” said Richard Prashad, Director of Customer Success at Sensei Labs. “Customer Success Managers (CSMs) must continuously revisit and adapt their tactics based on the nature of the account.”

It starts with a deep understanding of the customer journey and each touchpoint across the organization. [Collecting key data and organizing into a journey map](#) can provide the necessary insights. Prashad feels that to be successful, however, you’ve got to evolve your approach to deliver true personalization.

“Segmenting your engagement model based only on health, company size, ARR, and geography is broken. Instead, tailor your approach based on the customer’s sophistication, the maturity of their processes, and growth opportunity. These evolving demands will result in the best CSMs looking more like the best consultants.”

ADDITIONAL RESOURCES:

- [How the Right Processes Can Create Customer Success “Wow” Moments](#)

Winning the Right Customers – And Then Growing Them

No matter how hard you work, you’re never going to make every customer happy. Even if you have great products and great teams, there will always be some level of churn. The key, according to Julie Persofsky, Partner Customer Success and Account Management at Winning by Design, is finding the right customers in the beginning.

“Companies will start to realize the path to sustainable growth is not about winning more and more new customers, but about winning the right customers and growing them,” Persofsky said.

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To do this, it means having the right technology in place that's easy for customers to use. That technology must work across the entire company as well. Your customers aren't the responsibility of one department. They are the reason your entire company is in business.

[Customer sentiment and satisfaction](#) across different touchpoints or departments, however, can be difficult to measure without the right tools. Without the right measurement and tracking tools in place, it can be very difficult to quantify and improve CX.

“Leaders need to ensure their Customer Success and Account Management teams have the right processes, playbooks, and skills (through training and coaching) to drive customers to first impact and full impact while staying aligned and coordinated to drive growth,” Persofsky said.

It's especially important when it comes to [digital CX](#). When engagements are online rather than face-to-face, the entire process needs to be seamless. This means total team alignment and commitment to goals. A customer success playbook, coupled with ongoing training, coaching, and measurement is crucial to continuous improvement.

Expanding Existing Customer Accounts

Star Hofer, Vice President of Customer Success at eCompliance believes we'll need to focus more closely on growing accounts. “As customer success continues to mature the focus on expanding existing accounts will be – in my opinion – the big trend – as SaaS companies purchase other complementary products, leveraging relationship, and outcomes to drive revenue,” said Hofer.

Growing accounts is crucial for long-term success. Upsells and cross-sells get customers more deeply integrated with your products and services which makes it harder for them to consider switching to competitors. Aggressively targeting existing customers for additional opportunities can also significantly decrease the cost of customer acquisition. The probability of selling to an existing customer is far greater than acquiring a new one.

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This attention on growing accounts leads to greater customer retention, which is the key to growing profits. Existing customers are [twice as likely to try new products](#). They spend 31% more compared to new customers.

Bain & Company is known as the inventor of [NPS \(Net Promoter Score\)](#). The firm's research demonstrates that increasing customer retention rates by as little as 5% can increase gross profits by 25% to 95%.

“How to prepare for it, understanding the desires of the customers, and the successes they have had thus far will help with cross-sales,” Hofer said. “Ensuring a strong relationship depth and strength will make the process easier and protect the gross renewal rate as well.”

Focusing on retention and growing accounts can also be a competitive advantage. Companies pour millions of dollars into customer acquisition but pay far less attention to retention. [Less than half \(40%\)](#) of companies and 30% of agencies focus on retention as much as they do on acquisition.

CSMs Will Be Asked to Take an Even More Active Role in Sales

“The line between ‘trusted advisor’ and ‘sales guy’ will be purposely blurred by the C-Suite as the pressure to grow revenue rises,” said Craig Blum, Director of Customer Success at Xebialabs.

CSMs will increasingly be asked to drive more top-line revenue via upsell/cross-sell while not being relieved of their renewal responsibilities. Some CSMs will see this as an added burden, but this customer success-sales-marketing alignment will be a key factor moving forward. Organizations that have [tightly aligned marketing and sales function](#) experience 36% higher customer retention rates and 38% higher sales win rates.

JD Nyland says the process has already begun. “CSMs now manage more revenue than most sales teams,” Nyland said. “In 2020, CSM's will become the epicenter for

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managing revenue and driving customer-led product innovation. CSMs are closest to the heartbeat of their customers' needs and are best positioned to provide a clear signal for forecasting and growing the business.”

“The Customer Success team in 2020 will feel the increasingly-welcomed pressure to own a revenue expansion number and enjoy the ownership of being more technically adept in their specific markets,” said Jarin Stevens, Director of Customer Success EMEA at ClientSuccess. “Customers will look to them for direction not just in how to use the technology they've purchased, but in better and best practices for their relevant products and services.”

Customer success is being recognized more now than ever as not just reactive and keep-the-customer-happy movement. Stevens calls them “the keeper of the sacred recurring revenue.” He sees CS leaders as strategic adoption leaders and great influencers of expansion.

“This will drive an even more consultative approach, requiring more listening and asking questions of the customer's needs, to provide an ever-improving, valuable experience,” said Stevens.

Evolving Roles for CSMs

Whether customer success teams are directly tasked with direct sales or not, they are uniquely positioned to understand customer concerns and needs. Nyland also sees an evolving role for CSMs. “Over the next 10 years, I see Chief Product Officers growing up through the ranks of customer success organizations and moving into product to become the true product champions for their customers,” he said.

This customer-centric vision is what drives customer success. It also drives retention and engagement. Globally, 90% of CEOs surveyed said the [customer has the greatest impact](#) on their business. Who knows the customer better than the customer success team?

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For some CSMs and CXOs, this can be a significant change in their role and Blum offers a word of warning as pressure increases on Customer Success teams to generate more revenue.

“I don’t see this as a negative, necessarily,” Blum said. “But customer success leaders will need to be cognizant of the skillset of their team members. True CSMs are problem solvers and nurturers, not quota-carrying sales professionals. Asking a CSM to go out of her comfort zone, while sometimes good, could at times be detrimental.”

Companies need to make sure they provide the right tools and training, along with clear objectives, to fuel this change. “Products will also emerge in 2020 to help better align sales and customer success as growth engines working in unison,” said Nyland.

“Customer Success leaders will play a more significant role in driving the overall customer experience strategy for their company,” stated Dave Blake, Founder/CEO at ClientSuccess.

ADDITIONAL RESOURCES:

- [What is the Role of the Customer Experience Officer \(CXO\)?](#)
- [5 Strategies of Top Performing Customer Success Teams](#)

“I see customer success as a young profession that is going through puberty right now trying to find its identity. Different companies have different interpretations for what the purview of customer success is and it usually somewhere along the spectrum between sales on one end and consulting on the other end,” said Adi Aloni, VP of Customer Success at Folloze. “Customer success has to lean towards the consultative end of the spectrum and act as a results-driving-subject matter-expert for the customers.”

“When CSMs are laser-focused on driving the customer's desired outcomes, then business will follow,” said Aloni. “To allow this to happen, Customer Success teams must be very data-oriented and, regardless of tools, know what behaviors in the product lead to business outcomes. They can then evangelize those behaviors among all customers.”

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Evangelizing is a great way to phrase it. The best CS teams will become advocates for the practices that will make their customers successful.

Enhancing the Customer Success Culture

Research from Forrester shows that [companies that aligned in their culture](#) report a 32% annual revenue growth rate. By comparison, companies that are less aligned reported a 7% revenue decline. Despite an acknowledged commitment to customer success and a customer-centric approach to business, few companies have yet to master the concept.

"Customer success as a culture is not a new idea but still rare to find. 2020 will be the year when customer success, guiding chosen customers to achieve their goals, is truly recognized as the raison d'être of B2B SaaS companies and not just a department," said David Jackson, CEO of TheCustomer.Co.

"Companies can no longer only rely on pipeline and closed business," noted Julie Hogan, VP of Customer Experience and Success at Drift. "To remain competitive, companies have to deliver on the promise of their brand and ensure the experience their customers receive not only delivers but exceeds expectations."

Hogan sees a significant change in the way companies pull together. Over the last decade, Sales and Marketing alignment has been a key focus for companies, she said. "However, a shift is happening. In 2020, it's going to be the Customer Success + Marketing relationship that is more important than ever.

To achieve this alignment (or realignment), it will take a consistent and dedicated approach to integrate every department and employee into the customer success culture.

"Marketing, sales, and CS will focus on customer goal achievement, rewriting processes and content to reflect how they help the customer resolve their issues at every step of the acquisition and post-sale journey," said Jackson. "Most significantly, the product will become the primary way that many companies deliver the success process, leading to the creation of success process product managers."

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Jackson also sees the customer success dashboard evolving to reinforce this culture. “Measures of how much success customers achieve will become part of dashboards from CSMs to CEOs,” he said.

Delivering ROX (Return on Experience)

Jarin Stevens, Director of Customer Success EMEA at ClientSuccess, has a term he likes to use: CoreVETs (Core Valued Engagement Touches). “Every time a CSM has a touchpoint with a customer, the engagement MUST provide value to the customer.”

In 2020, there will be an increased focus on ROI and understanding what moves the needle when it comes to customer success. This will become one of the key drivers for how companies will judge business relationships. Two-thirds of companies now say they [compete based on customer experience](#) – an increase of 36% from 2010. With that increased competition and focus, companies must make sure they are providing an effective return for their customers. It will be up to customer success teams to validate the investment to drive customer satisfaction, loyalty, and advocacy.

“Customers will require a ‘return on their experience’ (ROX) more than ever before,” said Stevens. “...Or else they'll go shopping for that Corvette (CoreVET) at some other business where they'll find the 'ride' they were looking for when they originally purchased your product/services.”

Julie Hogan, VP of Customer Experience and Success at Drift, said we are entering the age of ROX. “Are your customers getting what they want from what you offer in an efficient, super personalized and creative way? How do you know?” she asks.

This is where Customer Experience comes into play. “Customer Experience needs to be a first-class function of the business, focused on connecting the dots throughout the journey of a customer to ensure the entire business is constantly improving to meet their needs,” said Hogan.

A big part of delivering the return on experience will be providing a simple and seamless way for customers to get what they want. Bobby Cooper, Senior Director of

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Customer Success at Weave, says customers just don't want to have to work to get what they want.

“Customers want convenience and they want it now. They don't want to work for it,” said Cooper. “Customers are buying your service and expecting a return on their investment. They are not expecting to be WOW'd. They are expecting to solve a business problem without spending extra time or mental capacity to do so.”

Staying Ahead of Changing Customer Behaviors

2020 is a time to step back and review customer success processes. Determining the ROI and ROX will help guide you, but it's important to remember that customer behaviors change and evolve constantly.

“As customer success becomes more established we are seeing companies (particularly larger more mature CS teams) continue to invest heavily in functions like customer operations, customer marketing, customer enablement, and customer data/product/growth teams to keep up with the changing demands of their customers and the demands from their business to get more efficient, quantify ROI, and reduce costs,” said Phil O'Doherty, Director of Customer Success EMA at HubSpot.

The more investment that is made in the process, systems, and workflows, the more difficult it can become to evolve when necessary. Teams get comfortable with systems and ways of doing business. When it's time to make a change, it can be uncomfortable. Whether teams believe a process is working or not, they have developed the habit over time. It simply becomes how things are done.

As companies become more successful, these habits become deeply ingrained. That's a good thing...until it isn't.

Consultant Steve McKee studied 5,700 successful companies over a decade. He found that [41.2% of them had stalled or declined](#) during that time. These stalled or stuck brands failed to evolve as business conditions changed.

“Customer success leaders in 2020 should start to evaluate and experiment with how or if these functions will add to their organizations and improve their customer experience and decide if they should be shifting their investment to these areas over time.”

2020 and Beyond

Customer success leaders are poised to take an even bigger role in their organizations in 2020.

“As the leader who is closest to the customer, customer success leaders will ride the wave of elevated influence and ‘lead out’ in closing what I call the ‘experience gap’ in their business,” said Dave Blake, Founder and CEO of ClientSuccess.

This represents a significant opportunity to grow and evolve using the tools that can drive organizations forward.

“CS leaders will bring data-driven insights to the table, drive cross-functional alignment and accountability, and deliver real change that positively impacts the customer experience.”

About ClientSuccess

ClientSuccess is a customer success management software that helps companies build relationships that last™. Revolutionizing the way SaaS companies manage, retain, and grow their existing customer base ClientSuccess provides customer success leaders actionable insights, rich customer analytics, and best practices to proactively manage success throughout the customer lifecycle. ClientSuccess helps SaaS companies increase renewal and expansion revenue, reduce churn, and maximize the lifetime value of the customer. For more information, visit <http://www.clientsuccess.com>.

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