

A woman with long blonde hair, wearing glasses and an orange sweater, is smiling and looking to the right. She is leaning against a white brick wall. The background is a blurred office setting with other people. A large orange circle is in the top left corner, and a thin white arc curves from the top left towards the woman.


A Deep Dive on *How to Measure* Customer Success Performance and *What Reporting* Matters

INTRODUCTION

For businesses that rely on a subscription or contract model, customer success is the key to reducing churn, improving retention, and systematically increasing client wallet share.

Yet, many companies are not clear about what customer success actually means. There are many questions that we hear consistently from our clients, like:

- **Who owns it?** Should customer support, sales, account management, marketing, product, renewals, or the services department take on the responsibility? What if you work through channel partners and rarely interact with your customers?
- **When do you engage a customer?** Should you start engaging customers at the point of sale (POS), after POS (APOS), or before renewal? Should every customer receive the same level of engagement?
- **What are the most effective customer success activities?** Should you invest in onboarding, adoption, health checks, upsell, cross-sell, or renewals? What's the right blend of these activities?
- **How do you measure success?** Should you use renewal rate, product adoption levels, revenue, customer satisfaction score (CSAT), or Net Promoter Score (NPS)? How do these metrics correlate with customer success activities?



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We will supply the framework to answer these questions and more to help you implement and measure an effective customer success strategy.

In this e-book, we will supply the framework to answer these questions and more to help you implement and measure an effective customer success strategy. We'll explore:

- The difference between customer success, customer service, and renewals
- The role of a customer success manager
- How customer success performance connects onboarding, adoption, and expansion priorities
- What data is critical for benchmarking performance and reporting outcomes
- How to map out the top key performance indicators (KPIs) you should be measuring
- How to utilize reports to maximize team performance
- Customer success do's and don'ts
- Case studies to illustrate the real-world impact of effective customer success strategies

CUSTOMER SUCCESS VS. CUSTOMER SERVICE VS. RENEWALS

These terms often get mixed up. Even though the line isn't exactly clear, these functions have different focal points, motions, and outcomes.

Renewal Opportunity

Renewals focus on creating opportunities and driving value of an account through upselling/cross-selling. Success is measured by the financial outcomes of the initiatives.

FOCAL POINT



Opportunity

MOTION POINT



Transaction

OUTCOME



Financial

Customer Success

Focuses on building relationships with customers and helping them get the most value out of the purchased product or service. Consistent contact and customer interactions are critical to improving your CSAT health score.



Contacts



Customer Interaction



CSAT Health

Customer Service

Customer service focuses on quickly resolving technical issues and answering support questions through case management. Success is typically measured by issue resolution rates.



Technical Issues



Case Management



Issue Resolution

CUSTOMER SUCCESS MANAGEMENT PROVIDES COHESION

Customer lifecycle management is a team sport that involves sales, product teams, finance, implementation teams, your partners channel, and more. They must be fully integrated into the process and row in the same direction to deliver a cohesive customer experience.

Customer success managers (CSMs) are the coordinators of all these activities to drive productive customer interactions. They communicate and gather insights across the business to effectively onboard and drive adoption with new customers, mitigate customer issues, facilitate retention, and support account growth.



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CUSTOMER SUCCESS DEPENDS ON A CONTINUOUS AND CONNECTED JOURNEY

The goal of customer success is to deliver a seamless customer journey experience, from acquisition to renewal.

If done correctly, customers should realize the value of your product or service at every stage of the customer journey. All departments must work in sync to tie these stages together. Inside sales should document the outcomes that each customer expects from the purchase. CSMs should revisit these requirements through the onboarding and adoption stage to ensure that the customer is achieving results. With this solid foundation, you can expand the account by increasing the license count or offering more products/services.



Inside Sales

The customer journey oftentimes begins with inside sales. Inside sales fills the pipeline with potential leads. Inside sales is responsible for:

- Evaluating and providing collateral to educate the potential lead
- Converting the lead to an opportunity
- Solidifying intent and purchase

Customer Success

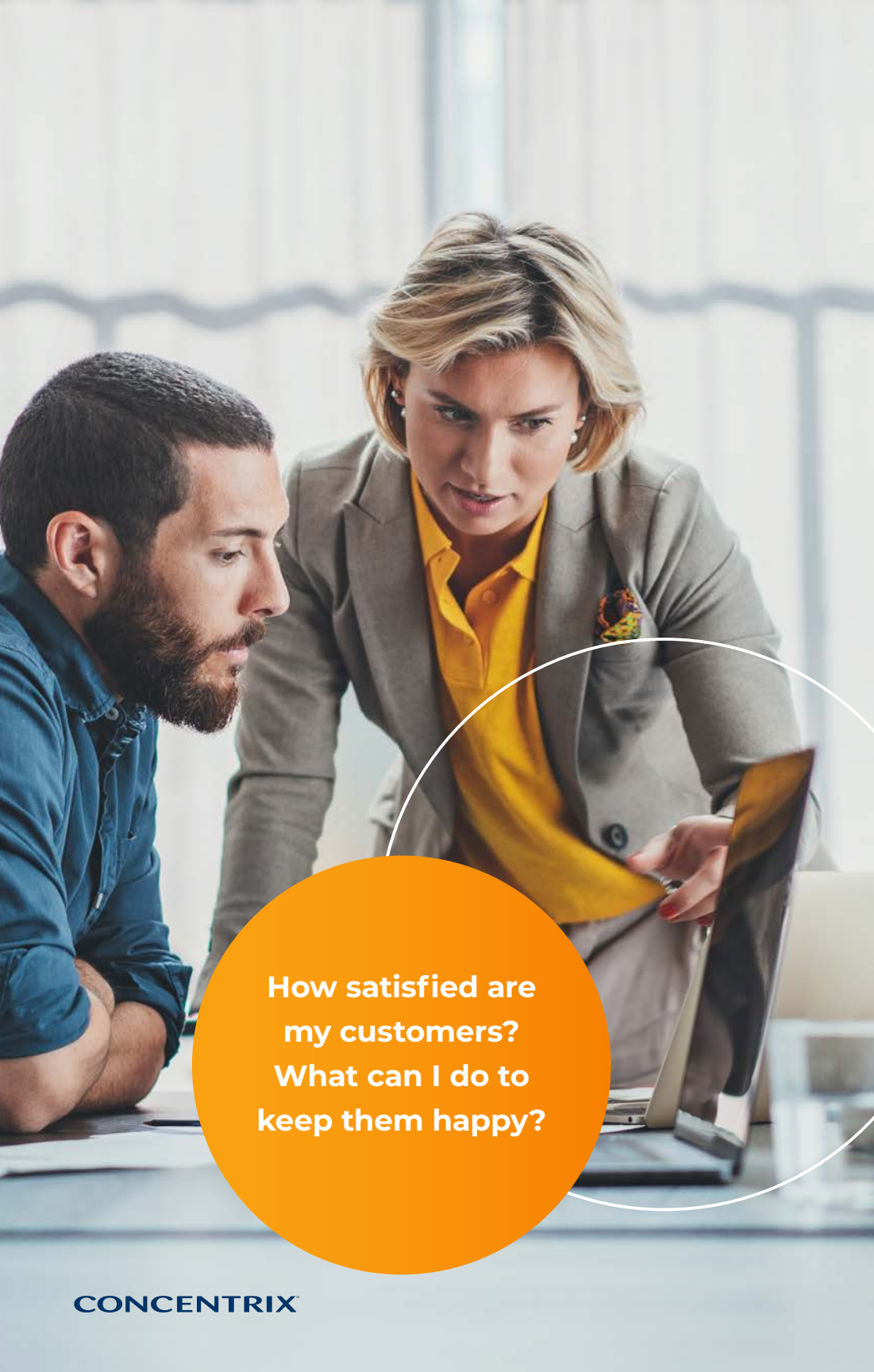
Post-sale, it's the job of the customer success team to ensure the customer has a seamless onboarding and adoption journey. Customer success is responsible for:

- Implementation of product or service and onboard customer
- Ensuring that the customer engages and adopts the product/service and finds value
- Delivering consistent value to the customer via product/service optimization and prompt support, when necessary

Revenue Retention

The final piece of the infinity loop, ensuring that customers renew their contracts. Revenue retention is responsible for:

- Contract renewal and retention
- Converting customers into brand advocates



**How satisfied are
my customers?
What can I do to
keep them happy?**

EVALUATING WHERE TO FOCUS YOUR CUSTOMER SUCCESS STRATEGY

Here are the key questions our clients ask to understand the effectiveness of their customer success initiatives:

- How can I track the way my customers are using my products/ services?
- Do my customers have access to the information they need to realize the value of my solution?
- Am I checking in with them regularly enough?
- How do customers perceive my products, and what's the overall sentiment?
- How satisfied are my customers? What can I do to keep them happy?
- How can I identify churn risks early?
- How does my churn rate compare to my competitors? What can I do to improve or sustain the results?

THE EXPANDING DEFINITION OF CUSTOMER SUCCESS

Customer success is the proactive process to ensure that customers are achieving the intended outcomes with a product or service by:

1. Ensuring successful onboarding and early adoption
2. Monitoring customer health to drive prompt interventions
3. Running intelligent campaigns to nurture adoption and advocacy
4. Managing annual renewals as a project, not an event

Key Activities to Support the Goals Include:



Onboarding

(first 30-90 days):

Guide customers through targeted milestones immediately after purchase to establish optimal usage behaviors and accelerate time to value. Get as much customer information from sales as possible, and reaffirm the reason that customers acquired the product. Also, provide relevant content (e.g., how-to articles, demos, etc.) to make sure they're using the product.



Adoption

(first 90-120 days):

Promote optimal usage behaviors based on established success criteria to increase the frequency and depth of product interaction. Also, benchmark the usage level for each customer so you can repeat these steps whenever there's a drop in usage.



Health Check

(monthly or quarterly):

Reach out to customers at agreed-upon intervals to make sure they're happy with the product and realizing value from the usage. Initiate steps as needed to remediate gaps so you can reach an established benchmark of customer health.



Voice of the Customer

(ongoing):

Capture customers' product expectations, experiences, satisfaction, and abandonment propensity via qualitative feedback and quantitative measurement. This will provide an in-depth view to generate insights so you can identify trends and move customer success forward within the organization.

TOP KPIs FOR MEASURING CUSTOMER SUCCESS

To gauge the effectiveness of your strategy, map out 2-3 KPIs to measure customer success at every stage of the customer journey:



Onboarding

Ensure that your customers are set up to succeed with your product by measuring:

- Onboarding completion rate (30-60 days, depending on your product)
- Percentage of users activated (30-60 days)
- The average number of days to the first login



Adoption

Understand if customers are getting the value they expect with:

- Percentage of ongoing active users/licenses (vs. total capacity planned or purchased)
- Usage or consumption rate percentage based on use case(s)
- Feature usage



Health Check

Track usage over time and identify trends to see if you're moving customers in the right direction by measuring:

- Percentage of completed health checks (indirectly assessed or directly engaged)
- Churn risk and health issues (support tickets) identified vs. resolved
- Return on investment (ROI) or value customers get from the product
- Forecasting customer intentions (churn, right-sizing, expanding)



Voice of the Customer

Analyze data and recommend actions for marketing, onboarding, and product teams using:

- Insights about customer preferences and behaviors
- Common trends that drive customer expectations

Field types you should use for data capture include:

- **Customer details:** Name, address, email, phone number, etc.
- **Product/service usage:** Event type, feature usage
- **Customer service:** Number of tickets, ticket types, days unresolved
- **CSAT:** Survey results, NPS scores
- **Risk level:** Risk reason
- **Product information:** Product name, service level, the volume of assets
- **Key dates:** Inception date, contract renewal date

CAPTURING CUSTOMER SUCCESS DATA

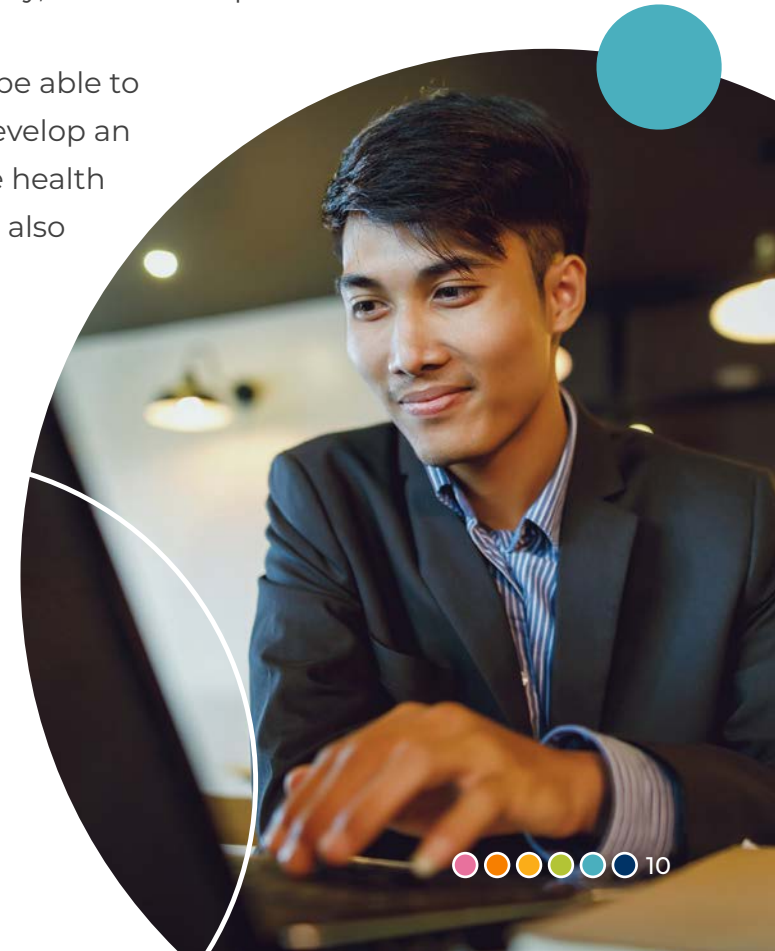
There are a lot of data points that you can collect from customers.

Data quality is critical, so you need to capture accurate information. Also, you need a system to share real-time data and actionable insights so advisors can have the right conversations with the right customers at the right time.

Add a “notes” field in your content management system (CMS) to capture contextual information on customer interactions (e.g., negotiation details at the initial POS) to record the outcomes that each customer wants to achieve. This can help facilitate a seamless handoff from POS to onboarding and adoption, and finally, the renewal process.

By collecting the data listed to the left, you will be able to effectively measure customer sentiment and develop an actionable customer health rating. We measure health rating with a Red/Amber/Green metric (you can also use a numerical number).

Remember, no matter what data you collect, the focus should always be on the success of the customer.



ALIGNING THE DASHBOARD TO IMPORTANT METRICS

These dashboard views will help you keep your fingers on the pulse and decide what to focus on daily, monthly, and quarterly.

Core Customer Success Views

- Onboarding rate
- License movements, such as activation and deactivation
- Customer usage or consumption using targeted filters
- Account risk with reasoning and action plan
- Customer health trends (with visibility to scoring) to understand what conversations with a healthy customer look like and how you can guide customers to a healthy status

Other Customer Success Views

- Word cloud to capture trends and the voice of the customer
- Financial/renewal/upsell correlation based on outcomes
- Product marketing feedback reporting

Where Should You Get Your Data?

- POS data
- Activation and usage data
- Renewal data with contract value and end dates
- Health scoring logic drivers
- Historical spend and transaction





TOP CUSTOMER SUCCESS DO'S & DON'TS

Customer Success Do's

- Vary coverage models by market segment.
- Be agile in coordinating internal teams to address different customer needs.
- Distribute workload evenly among CSMs based on the number of customers and contract sizes.
- Identify power users in each account to focus your relationship-building efforts.
- Develop a success plan for each customer to give them unique attention and drive outcomes.
- Measure everything, especially the effect of activities on desired outcomes.
- Remember, the customer is always right.

Customer Success Don'ts

- Don't focus on customer success only when you start to see a churn problem. Make it an ongoing effort.
- Don't hold CSMs as the sole person accountable for customer success. Customer lifecycle management is a team sport.
- Don't rely on health scores as the main tool to drive account prioritization. Consider the overall profile of a customer.
- Don't use automated outreach at the account level to scale up. Adding a personalized touch is key to success.

CASE STUDY #1:

Leading SaaS Provider Experienced a 12-Point Increase in IT Consumption

Our customer success team helped mid-market customers experience the full value of this provider's product suite with proactive customer success onboarding and adoption.

The Challenges: The client came to us with no customer success infrastructure to support the \$100K-\$500K space. It was experiencing increased churn due to a lack of customer engagement and leaving unrealized upsell and expansion dollars on the table. Yet, it didn't have the resources to address the low consumption metrics.

The Solution: We made sure that customers were utilizing the product. If you wait until renewal time to see if customers are generating ROI, they will churn. If there's a gap between why a customer bought your product and what they can achieve, you need to address the delta before the customer concludes that the investment has failed to create results.

Here are the key tactics we implemented:

- Launched a proactive engagement cycle to maximize customer reach, value realization, and additional consumption
- Immediately uncovered new and ongoing customer cases to triage

- Focused campaigns to address customer pain points discussed at POS and mirrored sales plays
- Seamlessly integrated our process with the client's CRM system, certification program, etc.

Our team met with customers quarterly to review their utilization data. Our CSMs acted as the client's ambassadors to ensure that customers didn't encounter any speed bumps along the adoption journey (e.g., IT challenges). Our CSMs' role as trusted advisors has enabled customers to assign greater value to the provider's contracted services.

The Results: Our 10-person team helped this SaaS provider achieve powerful outcomes, including:

- Engagement with \$95M annual recurring revenue (ARR) across the commercial enterprise segment
- Resolved around 50 customer cases in the first quarter, representing 88 percent of all open cases
- Achieved a 10- to 12-point increase in application programming interface (API) and IT consumption
- Leveraged high customer satisfaction to produce additional revenue from upsell opportunities

CASE STUDY #2: **Networking and Collaboration Provider** **Yielded Over \$93M Incremental Revenue**

We were brought on to seamlessly onboard priority customers to improve renewal rate, revenue, and retention. Our solution focused on customer health, including how customers were using the product, how often they used it, and if any knowledge gaps prevented them from realizing its fullest potential.

We used the voice of the customer as an ongoing resource to ensure that customers were getting the value they expected. We also looped in renewal managers to uncover upsell opportunities and further meet customers' needs.

Driving Adoption

- Yielded an average of 80+ percent adoption rate of in-quarter customers across four strategic business-critical services with an improved onboarding process
- Defined and made substantial customer health improvements through constant engagement to overcome usage barriers and maximize service utilization
- Deployed collaboration-adoption tactics to increase customer value realization and drive incremental spending

Expanding Revenue

- Introduced an advanced support option to build a \$500M incremental pipeline for three strategic business-critical services over three years, which converted at 25 percent
- Delivered a \$13.5M incremental ARR in FY20, equivalent to \$700K+ per inside sales advisor, through collaboration extension
- Achieved incremental bookings in FY20 across four business-critical services, yielding over \$93M in revenue



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CUSTOMER SUCCESS: WHAT GETS MEASURED GETS DONE

To reduce churn and drive incremental sales, customers must achieve their objectives and realize value from your products through effective onboarding, adoption, and health checks.

Defining the role and goals of customer success sets the stage for successful customer retention and revenue expansion opportunities. Make sure different departments are supporting the CSMs, and the right metrics are used to measure success.

Implementing an effective customer success strategy requires extensive experience and the right resources. Concentrix's Customer Success solution helps you drive revenue with a three-prong approach:

Remember, no matter what data you collect, the focus should always be on the success of the customer.

1. Retain Customers: Improve retention and add revenue through timely and effective onboarding to ensure that customers realize your product's value. We perform health checks, monitor adoption levels, and implement a remediation plan for lagging value realization to optimize product usage.

2. Drive Revenue: Protect, then grow revenue by minimizing churn. We also expand your footprint by identifying and closing new revenue opportunities through a deep understanding of customer needs.

3. Increase Customer Lifetime Value: Partner with customers throughout their journey to accelerate time-to-value and enhance their experience. We foster a proactive approach to drive customer lifetime loyalty and engagement, increase renewals and uncover growth opportunities.



Defining the role and goals of customer success sets the stage for successful customer retention and revenue expansion opportunities.

ABOUT CONCENTRIX

Concentrix Corporation is a leading global provider of customer experience (CX) solutions and technology, improving business performance for some of the world's best brands. Every day, our staff delivers next generation customer experience and helps companies better connect with their customers. We create better business outcomes and help differentiate our clients by reimagining everything CX through Strategy + Talent + Technology. Concentrix Catalyst, our experience design and engineering team, combines human-centered design, powerful data, and strong tech to accelerate CX transformation at scale.

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