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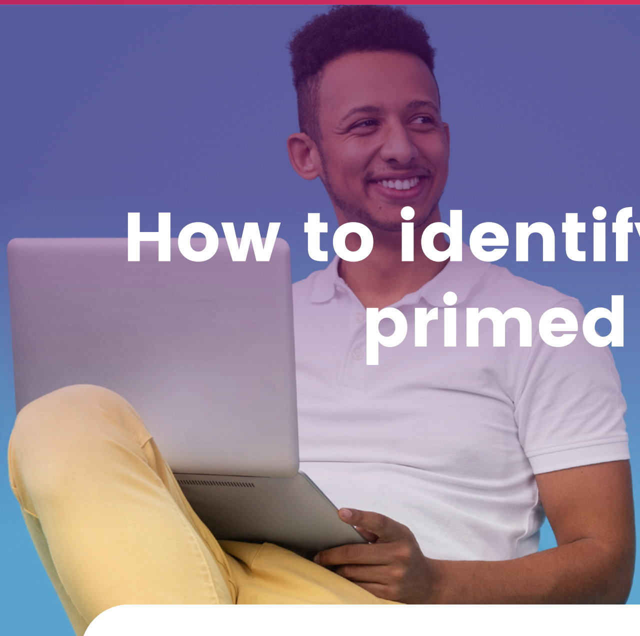
Empowering Customer Success As An Engine for Growth

Customer success is not just about meeting your clients' needs—it's about identifying all the ways of potentially adding value for the customer and using that as an opportunity for growth.

Both sales teams and customer success managers (CSMs) are in unique positions to build relationships with customers that not only help meet baseline customer objectives, but leave room to find further customer needs and desires that create openings for more success. When sales and customer success (CS) teams work together, it's easier to identify when a customer is ready to grow, align the desired customer outcomes with other products and services, and create a tailored value story to ensure the customer understands how a further investment will help them realize even more value. This process requires sales and CSMs to work in unison and, in some instances, for CSMs to develop their selling tactics further. But the results—happier, more fulfilled customers, and greater revenue fulfillment—are worth the effort.



How to identify if a customer is primed for growth

At its core, CS puts into action the needs of the customer and the strategic value a company's product(s) provides.

Growth-oriented CS teams see meeting customer needs as a baseline, then expand from there, uncovering subsequent objectives and use cases as the relationship grows.

"Growth is the byproduct of the customer's desire for additional impact. Given this, CS must first meet the customer's primary objectives. Once their objectives have been realized (Impact), we have earned the right to investigate with the customer where else impact can be realized; Whether that is with them directly (up-sell) or with another team (cross-sell)." — Tony Fisher- VP Customer Success, Centercode and Brannon Santos - VP of Growth, Centercode

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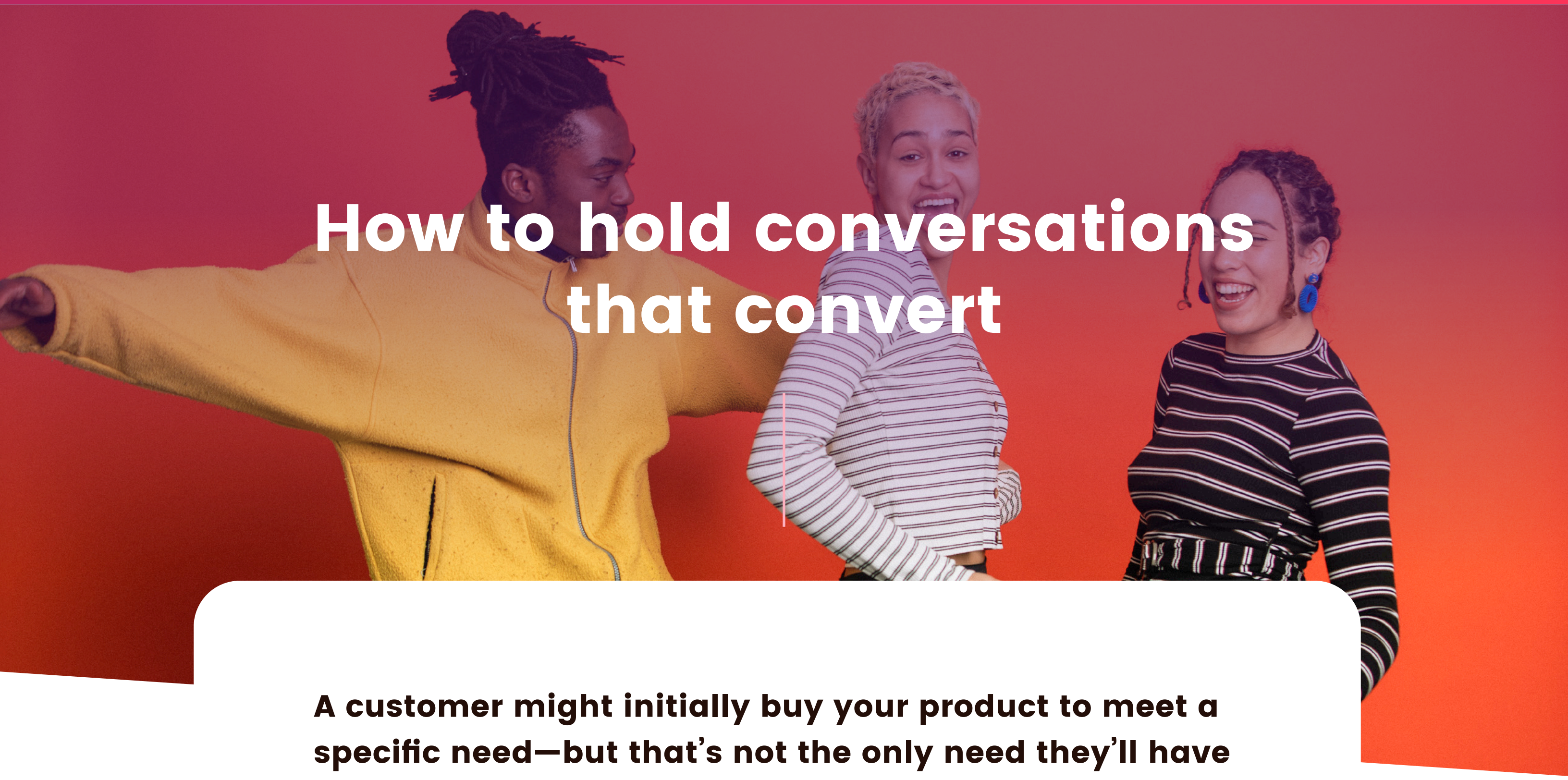
To anticipate and meet current and evolving customer needs, a growth-oriented CS team must know the customer better than they know themselves. This means harnessing the power of data to get a complete picture of customer behavior in the past to overlay it in the future. As Kim Humphrey, Vice President, Customer Success Platform, Methods and Tooling, IBM Technology Group, puts it, "you need to understand what the data points are the leading indicators that point you toward a path for growth."

A bird's-eye view of customer habits, behaviors, friction points, and needs will help sales and CSMs know when to intervene, innovate, and expand their sales approach. This can mean focusing on indicators like utilizing what they initially purchased or creating a hypothesis of what the customer will need in three months. But remember: some of this will happen organically. Your customers are intelligent. They can also discover new and innovative ways to utilize your products.. Katie Bond, VP of Customer Success at ALICE Technologies, Inc., has seen this customer proactivity toward growth firsthand: "When a customer starts innovating with our product to solve their business needs without us in the room to prompt and nudge, I know we're gaining traction, and it's time to discuss growth."

A successful, growth-oriented sales model will meet the initial needs of the customer while constantly scanning for additional needs the customer might have, creating opportunities to up or cross-sell and build an ever-evolving and mutually beneficial relationship.



How to hold conversations that convert

A customer might initially buy your product to meet a specific need—but that's not the only need they'll have in their journey with you and your company.

> "Once you can demonstrate that your product or service has provided quantifiable value, it instantly lowers the barrier to talk about expansion into other teams or discussing other products that could be beneficial,"
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A smart CS team will start building a growth-oriented plan with their customers from day one, starting with the onboarding process.

Onboarding is a vital stage in the customer's journey. Customers often buy software or a solution for a specific purpose, "but if the onboarding is done correctly and completely, CS teams can uncover other uses and expansion opportunities early on, during the implementation stage," says Janice Goldfarb, VP of Customer Success at Dozuki.

Remember, customers are drawn to the value a product or service provides. As they continue their relationship with you, they'll continue to find value in your product, identifying more ways it might be a good fit for their needs. Katie Stewart, Director of Customer Success at CertifID, calls these experiences "a-ha moments" and says they usually occur within 45 days of onboarding. A customer that has experienced an aha moment is ripe for growth—and should be cultivated by sales and CSMs.

But before this happens, sales and CS teams should prepare to make a strong case for expansion to the customer.

"We live in an age where buyers hold a ton of power. Switching costs have never been lower, and there is hot competition. What matters to the customer is tangible ROI. Once you can demonstrate that your product or service has provided quantifiable value, it instantly lowers the barrier to talk about expansion into other teams or discussing other products that could be beneficial," says Tim Van Lew, Director of Customer Success Strategy at Gainsight.

This involves gathering intel about customer needs by reviewing everything from support inquiries and current events to conversations sales, and CSMs have had with the customer across the entire experience. This way, teams can identify the vectors through which growth should occur and focus their efforts on those. This will allow you to present a clear, compelling case for expansion, explaining why your products will enable the customer to meet their evolving needs and solve their pain points and problems before you approach the conversation.

"Preparations should be made to connect the dots with as little friction as possible. Envision how your growth solution solves their needs and therefore brings them or their organization direct value," says Fisher. "Minimizing friction here includes being ready with case studies, practical customer stories, etc. to build enthusiasm and momentum toward the opportunity."

Who's responsible for expansion — sales or CS?

Deal expansion is a top goal for many organizations — it's easier and less costly to upsell a happy customer than to land a new logo.

But too often, there's confusion about which teams should be in charge of which part of the process. It's a classic dilemma.

While sales may have landed the initial deal, CS teams are uniquely suited to expand and grow the customer relationship since they've been working with the customers since day one and are familiar with their needs, pain points, and desires.

To create the best, wraparound approach to growth-based CS, teams must redefine CSM skillsets, clarify the relationships between sales and CSM teams, and identify how and when they transition customers at different points along their growth journeys. In uncertain economic conditions, doing more with what you've got and efficiency is also paramount. In that regard, CS teams also bring valuable skills to maintain and nurture a long-term relationship with customers, drive customer value, and create long-term loyalty and lifetime value.

A new definition and skillsets for CSMs

The modern-day sales and CS landscape is increasingly complex.

Sales is not one-and-done; a customer is on a journey that could last a lifetime, engaging with your company on multiple levels as their business needs evolve and grow. CSMs play a critical role in guiding a customer along this journey, building a deep relationship that allows them to speak to their specific pain points and needs and direct them toward tailored solutions. This makes the CSM a growth scout, constantly assessing the growth frontiers of a customer relationship and reporting back, then leveraging opportunities to meet customer needs and build revenue. This approach requires a broad array of skills and a sense of which ones to apply and when.

CS roles and responsibilities are evolving, too. In days past, a job description could look like support mixed with account management and a dash of consulting — and those responsibilities can change depending on product complexity, industry maturity, and company stage. For medium to higher complexity tools, CSMs must be seen as consultative project managers focused on driving value with the client. That way, the CSM can understand the context their customers are working within and know all the options available in the space.

A skilled CSM requires a reasonable understanding of the customer's use-case, the industry, and our product to properly translate the customer's needs and identify challenges," says Fisher. "Many customers naturally want to broaden their impact with a high-value, effective product, so clearing the way to achieve their goals can be an excellent way to win an up-sell."

Taking on a more consultative role with the customer may result in slower adoption or product expansion early on. However, this type of guidance builds trust, resulting in improved product adoption and success. "CSMs can also build trust that "The CSM needs to speak the customers' language, understand the exact outcomes they are looking to achieve, and put together a cohesive plan to execute against those outcomes," says Van Lew. "I always tell CSMs there is a huge difference between if a customer CAN do something in your product vs. if they SHOULD."

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Fisher agrees, noting that the best CSMs are grounded, adaptive, and more than a little empathetic. "It's important to provide a reliable and well-informed sounding board to your contacts to provide smart recommendations, opportunities for greater impact, and paths (likely including growth) to achieve those results," says Fisher.

How sales and CS can work together

Sales and CS teams are two sides of the same coin and should function as such.

Both are essential to securing deals and maintaining strong, sustainable customer relationships—but both have different strengths that they can and should play to.

Goldfarb notes that CSMs should be careful to distinguish themselves from sales reps and focus more on maintaining authentic relationships of care that help customers get what they need — and then on expansion.

“Unfortunately, there seems to be a trend towards making the CSM more ‘hunters’ than ‘farmers.’ They can work together but should have different goals,” says Goldfarb, who notes this approach doesn’t promote honest communication or build trust. “Let sales do the “selling,” and CSMs do the “nurturing.” CSMs should be getting the customer to their desired outcome and make them successful; then the expansion will come, and you can mitigate churn,” says Goldfarb.

But many top leaders believe that CS will become a much more important part of the commercial function in sales precisely because CS is increasingly taking higher responsibility for customer outcomes and expansion.

According to David Sakamoto, VP of Customer Success at GitLab, Inc., it’s about optimizing the right resource for the right phase in the customer journey. “If the CSMs own a lot of the relationship, they are [giving] sales reps more time to sell to new logos," says Sakamoto. "A lot of the renewal becomes more predictable and manageable for the CSMs, and reps don't need to be involved as much."

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> **— Tricia Webb**
>
> VP of Customer Success at Terminus

But because CSMs are taking more responsibility for commercial work doesn't mean that their approach should mimic that of sales reps. CSMs bring a vital and separate role to a customer relationship—that of a trusted advisor—and maintaining that role is vital to maintaining a growth-based success strategy.

For Tricia Webb, VP of Customer Success at Terminus, keeping these functions separate is vital to building positive customer relationships based on growth and mutuality. "Sales are handling the commercial discussions, and we are handling the value realization aspect.," says Webb.

But it's also pivotal for creating harmonious, symbiotic relationships between sales reps and CSMs.

"It's hard to choreograph a smooth handoff of commercials between the land-and-expand. Second, it's important to position the CSM as a trusted advisor solely concerned with helping the customer realize value. If that person is also trying to negotiate commercials or a price increase, it can harm their ability to have transparent, trust-based conversations with their clients," says Bond.

How to master the handoff from sales to CS

The modern-day sales and CS landscape is increasingly complex.

Once your sales and CS teams work synergistically, you'll have lots of growth opportunities on your hands—and many customers who realize the benefits of growing with your company. Now it's time to make the most practical decision: when to transition a customer from sales to the CS team. Different companies handle this process in many different ways, but the critical point here is to consider the strengths of your sales and CS teams, the needs of your customers, and the roles your teams play best. Remember, sales teams are focused on closing deals and are likely better at quicker turnaround deals that involve more immediate insight into the customer's wants and needs and rely more heavily on making an obvious pitch around a product, while CS teams are better suited to act as advisors that guide customers toward what they want in a low-pressure environment, using their long-term knowledge of the customer to move them toward growth opportunities. You can use this knowledge as a template to make a clear process for breaking down the different roles along the sales journey.

Here are some ways our survey respondents do it:

Drawing the line at the point of sale:

At Centercode, Commercial discussions happen across both the sales and CS teams. The line is drawn at the point of initial sale; AEs close the initial deal, and

CSMs take ownership of the relationship beyond that point (including renewing and growing the customer).

Strategic ownership

At Dozuki, **non-strategic accounts** see no sales involvement after the contract is signed unless there is a new division or group to sell into. **Strategic accounts** are handled by the CSM post-contract until renewal; sales negotiates the renewal to penetrate other groups/divisions. “Sales has better skills to uncover new business opportunities and negotiate new contracts. CSMs use a softer approach to uncover new opportunities through their trusted advisor status,” says Goldfarb.

Staying in their lane

At ALICE Technologies, Inc., CS is squarely focused on delivering and quantifying value, and sales are focused on converting that into a commercial conversation and, ultimately, an expansion contract. “It doesn’t make sense for the CS leader to run a second, shadow-sales organization within their function. It can create contention and a negative territory guarding across new logos vs. current customer accounts, especially if you’re in the large-scale enterprise space where you’re seeking a land-and-expand motion,” says Bond.

Sakamoto’s and GitLab follow a similar model. Sales reps are responsible for the account plans, while the solutions architects bottom line new logos and growth opportunities. The account plan is separate from the success plan, which falls under the purview of CS. In this setup, account managers own the account, but the CSMs take charge of day-to-day management, and sales reps step in for conversations around expansion and business reviews.

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Land, then expand: How Gainsight Essentials can help your CSMs find expansion opportunities

Organizations invest a lot of time and money coaching sales and CS reps on how to close a deal and keep a customer happy. But the real art is teaching CSMs how to regularly look for opportunities for growth to move a customer from a one-time buyer to a long-term customer — and potentially an advocate. This land, then expand approach requires engaging customers along an entire customer journey and a deep understanding of how the product or service they're investing in will help them succeed at every level. To do this, CSMs must have up-to-date, working knowledge of the industries their customers are part of and a grasp of the data that explains their customers' behavior, needs, and pain points — and that's where Gainsight Essentials can help.

Gainsight Essentials delivers a broad picture of a customer's entire engagement history, from onboarding to renewal, helping a company see what they need, what obstacles they've encountered, and what solutions might be available. This helps the CSMs know when and where to intervene to help the customer succeed, creating an ongoing series of growth opportunities that benefit everyone involved.