

The next generation of customer success:

Four key behaviors of leading customer success (CS) teams

INTRODUCTION

Introduction — Customer Success: A core C-suite partner for defining the path to growth

Today's enterprise B2B environment exhibits fierce competition as businesses work to drive growth by capturing the attention of a selective customer base. With two-thirds of the buyer's journey now conducted in the digital realm, customers feel more informed and empowered ^[1].

Meanwhile, buying committees have expanded and become more complex. On average, six to 10 cross-functional decision-makers participate in a B2B purchase, including the CFO, a role tasked with delivering bottom-line results quickly ^[2]. The stakes are high, with an urgency to demonstrate end-to-end value to customers and businesses.

This current climate means customer acquisition comes at a staggering cost, demanding five times the investment to win a new customer as opposed to retaining a current one ^[3]. Despite this reality, nearly half of companies remain steadfast in their pursuit of customer acquisition, prioritizing it above all else while hoping to grow their market share ^[4].

Leading enterprises do not think of securing a sale as the finish line but as the beginning of a process to retain customers. They turn their CS teams into engines to generate

WHAT'S INSIDE

- **Introduction:** Customer Success: A core C-suite partner for defining the path to growth
- **Four behaviors defining CS driven business impact**
 - Leading with business growth
 - Starting with customer results in mind
 - Using product adoption and feedback to drive advocacy
 - Leaning into enterprise integration
- **Conclusion**

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Greg Daines
CEO, ChurnRX

long-term, predictable growth by doubling down on retention and expansion.

The customer success team—more than any other enterprise function—can steer businesses through today’s changing environment. According to research from ChurnRx ^[5], a new generation of customer success is emerging—marked by four key behaviors proving to be key factors in their ability to drive business growth:

- 1 **Lead with business growth:** Use a 360-degree view of the customer to secure retention and drive expansion.
- 2 **Start with customer results in mind:** Begin each customer engagement by identifying business outcomes and nurturing their goals over time.
- 3 **Use product adoption and feedback to drive advocacy:** Turn product engagement and customer feedback into a continuous loop to propel innovation.
- 4 **Lean into enterprise integration:** Establish CS software as the center of the enterprise stack for insights.

BEHAVIOR SHIFT#1:

Leads with business growth

By orienting their goals and operations around customer business results, leading CS teams speak the same language of the C-suite and board. This mission includes a focus on metrics like revenue, revenue retention, customer lifetime value, customer value expansion, or company valuation.

While many teams within an enterprise contribute to these metrics, only CS can deliver the customer insights and business actions needed to drive retention. CS teams see the intersection between what customers need and the interactions creating value for them and their businesses.

Companies only focused on retention tend to have poor retention, but companies focused on expansion benefit from retention—at no additional business cost ^[6]. Simply put—customers who expand their account value at any point are more likely to renew later.

Leading businesses approach churn as a challenge to be mitigated and managed rather than a problem to be eradicated. “Eliminating churn is not realistic, nor is it necessary,” said ChurnRx CEO Greg Daines. “The only way to eliminate churn would be to stop selling altogether.” And, of course, that is not an option.

Reducing churn starts by aligning CS initiatives with factors driving retention. CS teams use customer data to identify and prioritize escalations. Better customer portfolio management ensures a proactive approach to assessing and resolving customer issues because this strategy focuses most on customer results, not customer rescues.

Rescued customers churn at more than 2x the rate of non-rescued customers^[7]. “Usually, it’s too late,” said Daines. “They don’t understand why they are falling, and they’ve run out of energy to try again.” The only effective solution is to prevent customers from failing in the first place by operating with customer results in mind.

BEHAVIOR SHIFT #2:

Starts with customer results in mind

Understanding and aligning with customer goals forms the bedrock of building solid, lasting relationships. The process begins during the sales cycle.

As early as the first conversation, sales teams can identify their prospective customer’s desired goals (i.e., what they hope to achieve and the new investments they want to make). This understanding makes the sales to CS hand-off more transparent because sales provides CS with the direction to build a customer success plan with the best support for that specific customer. Tailored customer success plans typically include:

- A list of objectives.
- An action plan that outlines concrete steps to achieve those objectives.
- A set of key performance indicators (KPIs) and benchmarks to track and measure progress toward objectives.
- A feedback system for incorporating customer input and data to make strategic improvements and adjustments.

Cross-functional alignment helps CS teams drive engagement, even on the C-suite level, to align desired outcomes and related KPIs with company goals. This alignment, paired with tracking desired outcomes, drives retention.

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Brent Cogswell

Head of Customer Success, Schneider Electric

Customers with measurable results stay six times longer on average than customers who don’t measure their results.”^[8]

Whether their product can track specific business metrics or not, leading CS teams track proxy metrics and leading indicators about products and services influencing a customer’s main goals. Measuring some kind of goal or desired outcome is better than measuring nothing at all.

“It became our mission to get rid of the spreadsheets and bring all the data and telemetry into one tool, so customer success could control outcomes for our customers and positively affect recurring revenue and growth,” said Brent Cogswell, Head of Customer Success, Schneider Electric

BEHAVIOR SHIFT #3:

Uses product adoption and feedback to drive advocacy

Product adoption and customer feedback drive advocacy and innovation. Businesses that develop open communication channels and encourage feedback strengthen relationships and gain valuable insights. Customer life is 5.9x higher for those who submit support tickets ^[9].

Customers who submitted at least one support case during onboarding had half the first-year churn and a higher average overall lifespan than those who did not.

Leading CS teams see service tickets piling up as an opportunity to highlight pain points for the product team to solve. Utilization, product telemetry, and feature requests are a gold mine for engagement insights, which inform training and enablement resources and product innovation.

As strong customer advocates, leading CS teams connect with customers frequently, personalizing product engagement by including product tips or content specific to their needs. Product engagement should provide value so customers remain active users. Engaged product users contribute to business expansion and accelerated product advancement.

BEHAVIOR SHIFT #4:

Leans into enterprise integration

Among the various customer data sources, CS stands apart as a trove of critical insights that can drive an enterprise forward. CS data shows where customers engage and struggle with products, how customers are tracking to desired business results, and how customers are aligned (or not aligned) cross-functionally in their efforts. But, this valuable data can't be confined to the CS team alone—it's a competitive resource in fueling product, sales, and marketing efforts.

To help companies surface and act on customer insights, leading CS teams put their role and software category at the center of their enterprise stack.

Each enterprise function requires best-in-class tools to serve their respective needs and the opportunity to take action with a shared source of customer truth. Software and data integration, tech alignment, and partnerships will support a new wave of enterprise growth featuring holistic insights.

CS platforms that connect and integrate customer data (like product usage, support tickets, marketing campaigns, and contract details) from across an entire organization, prevent valuable information from falling through the cracks and empower enterprises to deliver value at every point in the customer journey.

A unified, integrated customer data approach leads to increased retention and decreased churn. Customers who integrate a company's product with at least one other product stay twice as long as customers who don't use integration ^[10].

Conclusion

In the dynamic enterprise B2B environment, more leading businesses recognize that long-term growth will be driven by retention and acquisition, and their leadership and C-suite will look to customer success as the go-to engine for growth.

While this shift is not an evolution that happens overnight, research proves that CS teams leading with business growth, operating with customer results in mind, using product adoption and feedback to drive advocacy, and leaning into enterprise integration deliver an accelerated pipeline of revenue for their organizations. As a result, these CS teams cement a new seat in the C-suite and with their boards.

References

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