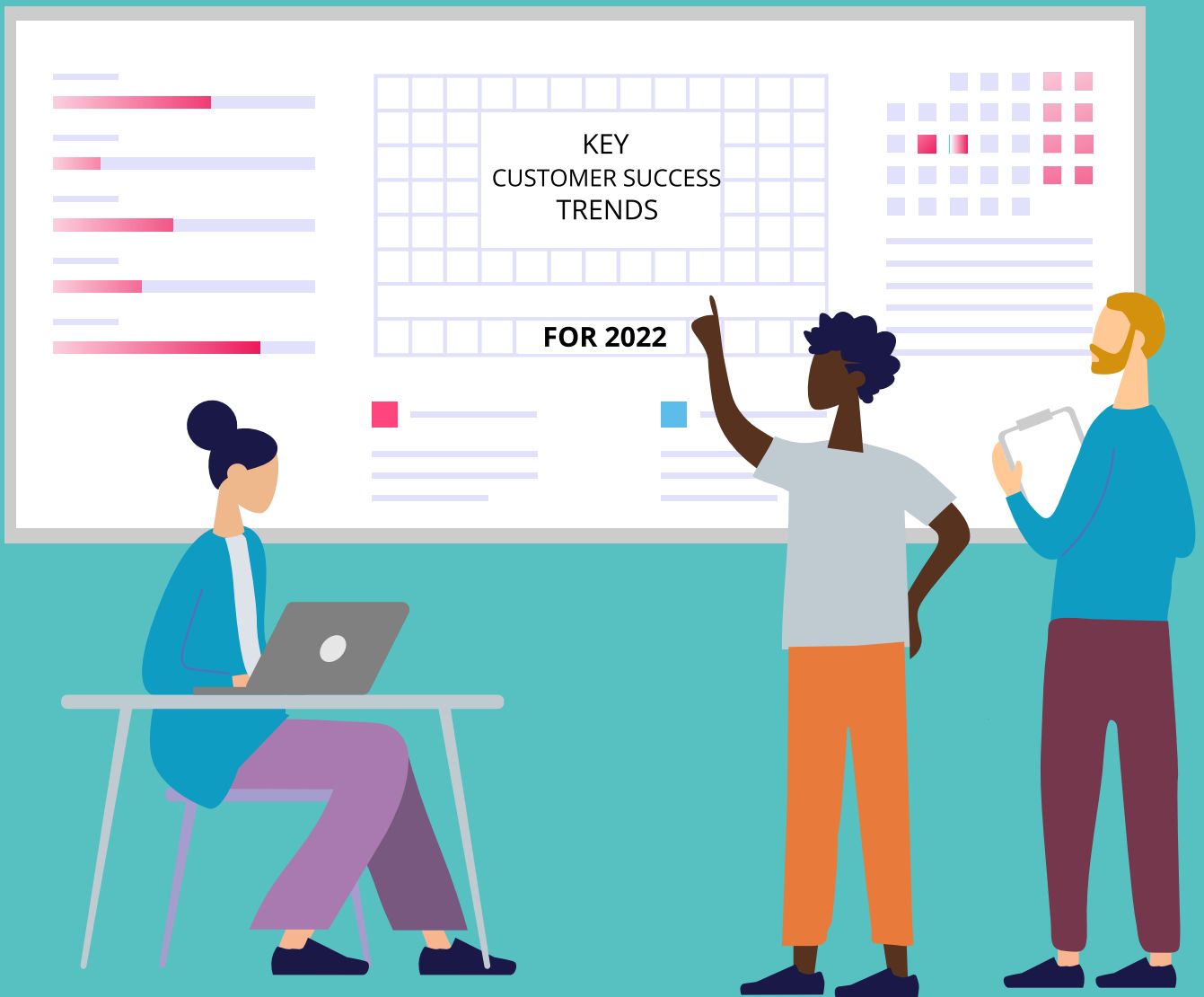




The State of Customer Success 2022

Part 1



When we started Gain Grow Retain in early 2020, we had no idea it would take off like it has. We wanted to connect with like-minded people to discuss the innovations we were seeing in the B2B world, and both offer guidance to and learn from our peers.

It was a simple idea and yet, here we are two years later, with a thriving community of friends and colleagues who are growing their careers in customer success. Along the way, they share their ups and downs, their professional goals, mishaps, and incredible accomplishments.

This is a community that looks out for one another and offers a hand or a shoulder to (virtually) cry on, whichever may be needed in a given moment. We couldn't be prouder of what Grow Gain Retain has become and of the people who make it what it is.

We predict that customer success will continue to grow in its importance to B2B SaaS and beyond in 2022. With that we've compiled ideas from some of the top leaders in the space to help you shape your strategy and execution plans for the year. There are some gold nuggets in here that you won't want to miss.

The State of Customer Success is our gift to you this year to help you build a healthy, flourishing customer success team and to establish a stronger foothold for yourself within your own organization.

Enjoy, and don't forget to share with us how this book is impacting your strategy this year.

Cheers!



Jay Nathan
Chief Customer Officer
Higher Logic



Jeff Breunsbach
Director of Customer Experience
Customer Engagement
Higher Logic

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Where CS Sits in an Organization



Derrick Eason ,
Director, Customer Success,
Higher Logic

“

Every company will need to invest in their Customer Success departments and initiatives in order to achieve their company's growth targets. Doing so creates a solid base to add new sales and can also help to push the sales pipeline.

”

This chapter features input from Emilia D'Anzica, Jeff Breunsbach, Debra Squyres, Jay Nathan, and Derrick Eason.

Nothing in business is certain. But in 2022, there is one thing that we simply cannot ignore – the need for a strategic and thriving customer success department.

The evolution of the customer success engine was in motion pre-pandemic but over the past two years the heft of Customer Success (CS) has become increasingly apparent.

We've seen the evolution of customer success from a nice-to-have, to an essential for success. So how do you get ready for even more success in 2022 and beyond? How are you enabling your success team to do their best work, and how is that enablement paying off?

This year, customer success within an

organization is set to change in two important ways. 1) C-Suite positions will be influential, 2) Customer Success is going to become a central business driver.

According to Gartner, 90% of organizations had a Chief Customer Officer (CCO) in 2020, but how much influence did those CCOs have? How will their impact increase? And what will that new reach look like?

1) More Authority to the CCO

The importance of customer success sitting at the C Table was actually a trend that began before the pandemic. Between 2017 and 2020, Gartner reported that [C Suite positions for Customer Success grew from 63% to 90%](#).

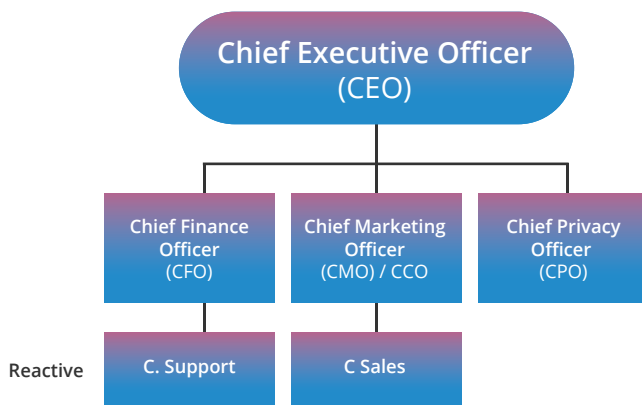
The pandemic has accelerated this trend and

highlighted the importance of the customer and customer-centric strategy at a high level. C-Level Customer Success representation isn't rare anymore, but what's going to change is the heft of the position. Over the coming years, we're going to see a lot of power shift to the CCO to deliver a winning strategy.

CURRENT:



FUTURE:



1.1 Proactive Teams are a Must

Despite the numbers reported by Gartner, many companies still expect customer success to report to other departments in the C Suite. Without a seat at the C Table, how can a Customer Success Department be expected to evolve and grow at the rate that a company needs it to?

Debra Squyres works with a myriad of clients, and some have made the leap to the C-Suite while others are still reliant on Support and Sales departments to lead their business

goals. "I do believe it's best when the CCO is reporting directly to the CEO and has a seat at the table alongside other C-Levels," Debra told me., "Relying on reactive teams just cannot be the way forward."

Reactivity is out. Proactivity is in. Indeed, that fact was a common thread throughout the interview process for this book. If CS leaders are reporting foresighted goals to hind-sighted departments, it's going to be pure chaos. **You need proactive customer success teams.**

At HackerRank, Debra talked about the reactive nature of the customer success department she recently inherited and why this year that was going to change.; "My challenge is to create a proactive team," she said.

She's not the only one either. Peter Armaly explained that his strategy is changing to a more predictive model; he wants his Customer Success Managers (CSMs) to be "forward thinking."

The days of reporting to the chief product, sales, or support managers are over – it simply does not align with a proactive strategy. The C-Suite shouldn't just have the Chief Customer Officer at the table, it should be paying attention to their strategy, objectives, and reports.

1.2 A Customer-Centric Business Model

Blake Morgan discussed the connection between CEO and Customer Success in

Forbes back in 2019 – she was ahead of the game. What did she report?

[90% of CEOs](#) believe customers have the greatest impact on their business. And that means that customer- centricity is going to have to permeate all departments sooner than later.

As [Ben Bunting](#) put it on LinkedIn, “Companies are seeing the immense value a CS leader has (knows the product, knows the space, knows the customer, knows the revenue model). That ability to master something brand new makes them perfect for driving the company in new ways. The growth companies are projecting will need leaders like this in all areas of the business.”

Customer Success is going to have to provide influence across the company – not just within its own department. This customer- centric business model must be a fluid, permeable solution that can be adaptable to all departments, and all decisions (including C-level ones).

But true customer-centricity can only be achieved when an organization is fully invested in customer success, and customer success can only be taken seriously when the metrics prove valuable to the company.

2) Customer Success as a Central Business Driver

Multiple verticals all growing at their own speed is not the type of business model you want to bring forward in 2022.

What should you want to emulate? An organization that sees the importance of linking marketing, customer success, support, sales, and product and eliminating silos between departments.

Consider how CEOs understand the importance of the customer. That attitude is going to have to percolate company wide. Customers must be the heart and soul of a company if they want to succeed beyond 2022. This is the year they must lay that foundation.

2.1 Horizontal Departments

Businesses need to be customer- centric, not only in 2022, but going forward, and true customer- centricity cannot happen without an aligned, horizontal approach to how you connect with your customers.

Each and every customer touchpoint needs to be considered important and to enable that, marketing, sales, product, and customer success teams must become parallel departments.

Each of these roles relies not only on effective communication, but on understanding the customer in as deep a manner as possible. We can't expect our people to successfully retain, market or sell to customers without far-reaching knowledge about them.

The silos that exist between these teams will have to disappear this year and your organization must be working towards a harmonious, coordinated connection

between each of these teams. We need to “Proactively work, sell collaboration and unification of missions,” said Jeff Heckler on LinkedIn.

We need to ensure that separate departments are working towards a singular goal.

[Jay Nathan](#) sees 2022 as a year of friendship between departments: “In 2022 Customer Success and Marketing become BFFs. CSM and marketing teams will increase collaboration to deploy customer communities, education programs, live (in person!) events, and high-quality thought leadership content generation.”

How can you achieve that? Through “a customer-first team,” [Nausheen Khan](#) says. “All client-facing teams can reexamine how their behaviors align with a successful customer experience and that there’s consistency between the experience that’s promised and the one actually delivered across all touch points.”

You must remember that customer success sits directly between brand promise and customer experience – they are there to bridge that gap and ensure that both brand promise and customer experience align. They cannot do that if they are not on the same page as Sales, or Product, or Marketing.

We want to deepen empathy across the business. The depth of customer understanding that customer success

possesses is invaluable. It needs to be shared with other departments so that they too can reap the rewards of a customer-centric strategy.

2.2 New Customer-Centric KPIs for All

In 2022, not only are customer success metrics getting a makeover, but these new and improved KPIs are going to apply to business goals – company-wide.

[Pedro Barros](#) posted his customer success prediction for 2022 on LinkedIn: “**Customer Success will become the most important KPI in a company.** What does it matter if you convert a client, but you’re not satisfying him?” It’s an excellent question and one that seems unwise to leave unanswered.

Let’s say you are converting clients left, right, and center, but within their contract they are unhappy, and they decide to look elsewhere.

We all know that this level of churn costs a lot more than it would to have retained the client, yet it is only now that organizations are really grasping the impact of a well-oiled customer success machine.

If you’re asking your CS team to measure churn and decrease it, your instruction is erroneous.

Customer success professionals can increase adoption and retention rates but “Most of the time people churn, it’s not because of a CSM,” Derrick Eason explained. “Either, they’ve been mis-sold a product and promised something unreal, or your competitor is more attractive.”

It's time we stopped expecting Customer Success to measure values they cannot control, and this turnaround in CS metrics should apply to the company too.

The more attention you focus on retention, the more relevant customer success becomes across the company – not only are your CSMs adept at retaining clients, but your organization can see tangible results.

“I think people are looking at retention rather than the negative perspective,” Emilia D’Anzica told me. “Focusing on what matters; what leads to growth, is the right approach. That’s what I think we’ll see the most innovative companies doing this year,” she continued.

In 2022, we want to drive usage and satisfaction rather than only reducing churn and this should be reflected throughout the company. We don’t want to just talk about being customer-centric, we want to be customer-centric.

That is the key to success in 2022 – centering your business around your customers, and in turn, around your customer success department

The Digitization of Customer Success



Sarah Bochino,
VP Customer Success
Management, Talech

“Digitization should be used to build relationships with brand and CSM and focus on relationship growth rather than bottom lines. It won’t necessarily cut costs, but it should increase net revenue and retention rates.”

“

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This chapter features Peter Armaly, Emilia D’Anzica, Kristi Falturousso, Trevor Bunker, Peter Armaly, and Rachel Orston.

There is a significant shift underway: digital transformation in the Customer Success space. What this means is finding ways to prioritize automated digital interactions and leverage digital processes so that your people can do more in the same time.

You might be on the side of change and ready for the next year and beyond, which is great. If you’re not, read on to find out which you need to stay competitive.

Key Customer Success (CS) areas that can be improved by digital-first processes:

- Enable customer success professionals to better perform their jobs
- Increase their capabilities and allow for your company to scale
- Ensure better Net Revenue Retention

(NRR) within the organization

Let’s look at two important approaches to this whole discussion: 1) Customer success professional enablement, and 2) Self-service and community programs.

1. Customer Success Professional Enablement

Let’s think about how your Customer Success Managers (CSM) perform as they are. They may do everything in their power to be there for their clients, go above and beyond with training, reporting, and improving. But there is always a lag between organizational growth and your CSMs’ capabilities. Despite the best of intentions and lots of hard work, they just can’t keep pace.

Collectively, we’ve all realized that customer

success is tasked with so much work that they cannot perform at their highest level which means that companies cannot achieve their highest outcomes.

Emilia D'Anzica talked at length about how overwhelmed she has seen customer success teams become, "Customer success managers are so overwhelmed. They are managing much more than they can handle."

1.1 Automate the Mundane

Digital means you can really help your customer success teams shine.

How? Through enablement. Moving into the future, we want to be achieving a one-to-many approach i.e. a low-touch with high-tech approach. This is simply impossible if CSMs are over worked and over tasked. You should not need to up your headcount exponentially: you want to make your budget work smart, not hard.

We must start by enabling our customer success professionals in a useful, sustainable manner. Using digital tech that can record CSM and customer calls to catch buzzwords, to flag issues, and to further train them on best practices, and virtual assistants that can help them plan what steps are most needed with their customers.

Rachel Orston was super enthusiastic about using tech in this sense: "I'm very big on call recording – it's an education in itself on how we can better coach our teams and our CSMs. Actually, I think this coming year will see a

lot of CS leaders leveraging call recordings to help improve their teams."

The more we assist CSMs, the more time we free up for them to really engage with their clients. Using digital means and investing in tools that make time-consuming tasks easier is paramount to your success team's success, as well as the success of the organization overall.

Emilia talked about the virtual assistant that Zoom supplies: "That's where the future is." And Kristi's expectations for the coming year aligned directly: "Updated AI is a virtual CS assistant that can listen to your conversation and create tasks for you. It can highlight terms ensuring CSMs don't miss important keywords in their conversations," she explained.

There are tons of softwares out there that can take on these tasks and help success professionals not only better do their jobs, but do them more efficiently. Automate the mundane and you give your CSMs more time to deliver better service.

"Enabled CSMs lead to enabled customers leads to better retention and adoption," said Emilia, and she's absolutely right.

1.2 Improved Revenue and Retention

When it comes to enabling your customer success team, there's one objective that can keep everyone happy.

"Digitization should be used to build relationships with brand and CSM and focus

on relationship growth rather than bottom lines. It won't necessarily cut costs but it should increase net revenue and retention rates," Sarah explained.

You want your customers to find value and you should also want to be efficient with your resources, you might think that digitization will cost more than it will save, and you'd be right but actually, "You will get more in the long run," Sarah continued, and realistically we should be spending more time worrying about lifetime value of customers than immediate profitability anyway.

The better equipped your success team is, the better able to delight your customers they will be. And happy customers, are long term customers. Isn't that the point?

2) Self-Service and Community Programs

We need to ensure a sense of belonging and connection between employees and customers and to achieve that, we need to understand that self-service and digital experiences aren't 'less than' - rather, they contribute value between human touchpoints.

With the implementation of digitization, there can be space for teams to become proactive rather than reactive, and to use Peter Armaly's words: "They should have more time to provide 'go-forward' knowledge vs 'this happened in the last 6 months' retrospect."

Ideally speaking, customer success teams should have future-facing insight rather than hindsight - what good is understanding your

customers' issues after they have churned? Freeing up your aa' time will allow them to "start thinking about what the customer would really benefit from," Peter continued.

2.1 Self-Service is Popular

Something customers will really benefit from is self-service - the ability to find accurate, useful information quickly and easily and on their on schedule.

But, there's huge resistance to offering this. "There's a common thought that the only valid interaction is human-to-human but actually, customers appreciate speed and accuracy. They want information that helps them to accomplish something and ultimately, that's the goal of CS." Peter Armaly said.

He's not the only one to feel that way either. Multiple people referred to self-service

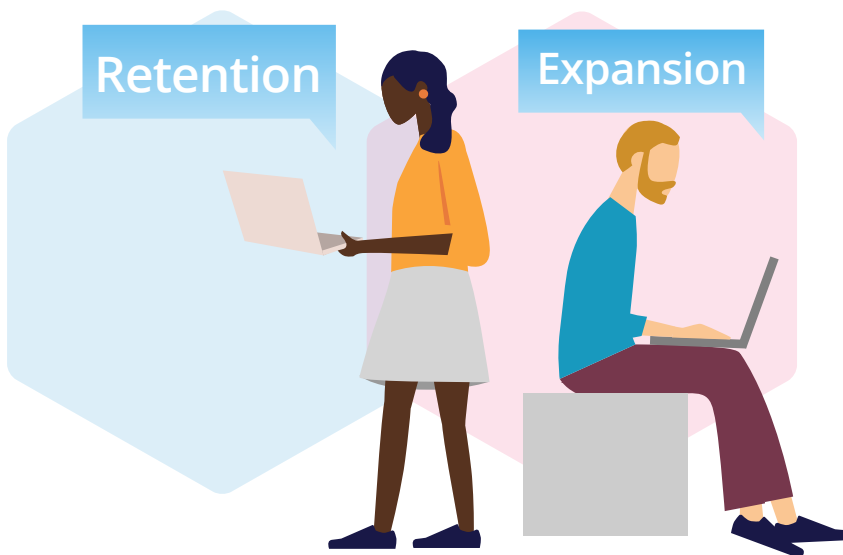


options during our interviews. “I completely disagree with the notion that self-service is a low-end experience,” Trevor Bunker told me.

Community was mentioned many times as a great option to fulfill self-service functionality, and it can live under the customer success department. Multiple participants in this project want to see a community implemented in their organization this year.

Sarah Bochino mentioned specific budget requests around community. “I need to properly define digital customer success within my organization but, if we follow my pillar strategy approach, and do this I won’t need hundreds of people on my team,” she said.

There’s a common fear amongst CS



professionals that selling the need for digital CS upward, especially in a traditionally high touch model that there will be a loss of human touch, but actually, using programs like community can improve customer satisfaction exponentially, and serve to

further assist customer success teams.

“It [community] provides a knowledge base for support that customers have access to” Debra Sqyures explained. Once again, this type of software actually improves personalization capabilities rather than limiting human connection between CSM and customer.

2.2 White Glove Service Through Digital Resources

Despite what you might be thinking, the goal of this project wasn’t actually to discuss community. It quite naturally came up as a solution to customer success goals, most specifically because it can act as a self-service tool and give customer success professionals access to customer insight, best practices, and feedback that they may not otherwise be privy to.

As Emilia explained: “We have different generations in the workforce and as users. Some people don’t want to talk to a human. It can be difficult to scale across all segments and create focus groups,” without the use of digital means.

We should be offering our customers everything on demand – that’s the only way to ensure that everyone is happy. “Self-service is actually prestigious – it’s a premier experience,” Trevor explained. We can offer customers white glove service through digital resources in a way that cannot

be achieved by purely human teams.

For most customer success professionals, getting the budget for digital tech can be monumental, “but once it starts working, we need to be very careful that the business doesn’t start cutting head count. That’s when you lose the personal touch – that’s how you define the CS relationship,” Sarah Bochino warned.

It is important to remember that the entire point of digital and human abilities intersecting, in customer success terms, is that one can support the other, they should work together rather than be in opposition to one another. Digitization cannot oust human CSMs but should absolutely be implemented to improve how CSMs can serve both customer and organization.

The Rise of Customer Marketing



Kristi Falorusso,
VP of Customer Success,
ClientSuccess

“
This year, “There will be stronger alignment with Customer Success and Marketing and a big focus on Customer Marketing to support scale, adoption and advocacy.”

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This chapter features interview excerpts from Kristi Falorusso, Debra Squyres, and Rachel Orston.

Customer marketing is set to become a foundational piece of the customer success pie in 2022. Customers are clients. Satisfied customers on the other hand are so much more; they can be your best salespeople and increase your abilities to upsell, cross-sell, and renew.

But does customer marketing live in marketing or customer success?

The simple answer is: customer success.

Customer success professionals know their customers. They understand them thoroughly and that enables them to build a highly effective customer marketing program.

With the ability to help an organization build relationships, trust, and credibility,

customer marketing should have a space in your strategy for this year. But, you need to get leadership buy-in to encourage budget increase specifically for customer marketing.

4 Million Potential Clients

With The Great Resignation, a huge wave of change has hit the corporate world.

More than 4 million people in the US resigned from their jobs in 2021. Why? Because these jobs simply weren't a good fit.

4 million people left companies that weren't satisfying them – that means that there are 4 million potential company changes that have at one point worked with your product or service that can recommend it to their new company. Your product can quite literally

stow away and get a new client.

When customers leave their role but loved to work with your product, there's a strong chance they will recommend it to their new company. Kristi Faltorusso explained that we should be capitalizing on 'second order revenue.' People are out there capitalizing on their new-found success and "Client Success wants to come along for that journey," she said.

There are two ways to look at how customer marketing will take off in 2022. When companies 1) see the Customer as Part of the Sales Engine, and 2) Treat Existing Customers better than Prospects. Once organizations understand the value of their existing customer base, outside of the obvious immediate revenue generation, they will be capable of so much more.

1) The Customer as Sales Engine

Think about the 80:20 rule (80% of a company's revenue comes from 20% of their customers). Now ask yourself: what can I do to get more from my existing customers? Acquiring new customers is expensive. How can you mine what you already have?

That's where customer marketing comes in. To produce a well-oiled, functioning customer marketing program you have to know your customers and you have to truly understand what it is they like, dislike, and want from your product. You need to find the customers who are going above and beyond, those who have use cases outside the norm, and those who

use it all the time!

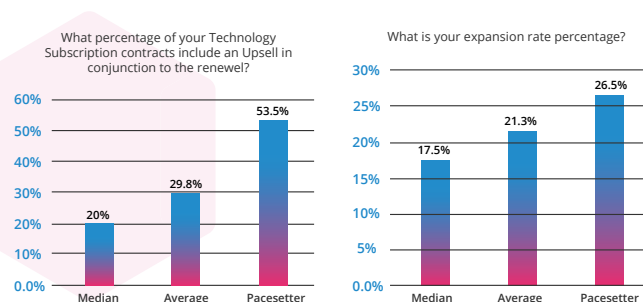
Debra Squyres told me that until this year, there was "no emphasis put on customer referrals." But this just won't cut it going forward. She realizes that their "customer base is an untapped resource," and that there needs to be more done to nurture it.

Customer referrals are the sales of the future and in 2022, you need to be laying a solid foundation to set yourself up. To ensure customer marketing is successful this year, there needs to be clear communication between marketing and customer success departments.

"There will be stronger alignment with Customer Success and Marketing and a big focus on Customer Marketing to support scale, adoption and advocacy," Kristi said.

We need our customers to help us push adoption, expansion, and upselling as well as encouraging prospects to climb aboard – if we want to scale, we need to see customers as an operative resource available to us rather than as a metric or quota.

47% of CS Organizations Have a Charter of Expand Selling



1.1 The Most Curated Experience

To ensure that we're doing this to the best of our ability – we need to focus on Account-Based Marketing (ABM). If you want to encourage customers to market for you – you need to offer them the most curated experience possible.

In order to appeal to your varied customer base in specific terms, you have to be aware of their unique needs and you have to invest in creating distinct campaigns directed at them.

“Marketing is no longer a one-way street,” Shari Johnston of Radius said. “You simply cannot shove promotions to your prospects. You need to engage in an active dialogue and ABM lets you do that with unparalleled precision.”

The whole key of customer marketing is that your customers need to feel cared for by your brand, but no one is going to feel cared about if they don't feel that you can distinguish them from the crowd. You want to identify who is the best fit and ensure that they see you as the best fit too. The goal here is to become integral partners so that if someone does leave their current company and move on, you are front of mind to bring with them – or indeed to pass to someone in their network.

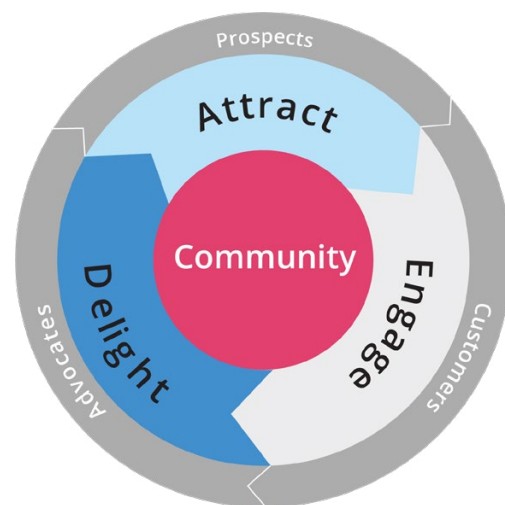
2) Treating customers better than prospects

With the advent of COVID, something that became glaringly obvious is that it is cheaper

to nurture existing customer relationships than it is to acquire new customers. By now, we surely all understand the benefits of existing customers over prospects, but do we treat them differently enough?

This year, it's crucial that companies ensure that their customer success team is highly skilled at nurturing existing customers because, at the end of the day, your customers are your potential sales engine.

2022 is a year in which organizations have no choice but to see their customers as evolving parts of their brand – and to keep them as customers, we have to help them evolve further.



2.1 What's in It for Our Customers?

The process becomes a virtuous cycle: you can take the marketing flywheel and apply it to customer success. You want to attract people in, engage with them through great content and show them the value of your brand, and they become your best advocates because you've made them feel special. You've helped them become more effective in achieving their goals and thus they help you

to attract more customers.

Rachel Orston wants her team to ensure that customers gain something from working with her organization. **“What’s in it for our customers?” is the question of the year.** It can no longer just be about profit for an organization, there must be profit sharing! “We need to elevate their careers, invest in their success,” Rachel continues, and we should be constantly asking ourselves, “Are our customers better at their craft as a result of working with us?”

We need our customer success teams to foster the best relationships with their clients and to do that, they must be able to offer more than product support – they should be offering customers the chance to do more with the product or service they’re paying for.

2.2 Community Ticks a Lot of Boxes

This book is primarily information for CS professionals and leaders from CS professionals and leaders. But, omce again, community did, organically, come up as a solution to enabling customer marketing.

This is by no means a sales pitch. It’s a logical perspective on how certain software can tick a lot of boxes.

Community can be a place where customers bring stories of your product or service or stories of how you’re enabling them to be better in their careers. These interactions ideally happen under your control, but can

happen outside of your control and still be hugely impactful and beneficial.

Even though it’s an ideal setting to offer educational content and resources to your customers the reality is that community is not meant for every organization. Kristi talked about the benefits of community but how it just doesn’t make sense for Client Success right now: “There are communities like GGR and slack groups that we don’t want to compete with – we’d rather partner with them. It seems unnecessary to create for the sake of creating.”

She’s right – you don’t want to inundate customers with too many places to visit in order to benefit from your product, you want to meet them where they are. Offering them tools, courses, and training that helps further their careers rather than their usage of your product is the ultimate proof of appreciation.

Multiple CS leaders I spoke to in the creation of this book talked of plans to help grow their customers’ skillsets, networking opportunities, and the availability of free resources. The idea is to prove that you value your existing customer base.

2.3 Beyond Customership

We need to be generous to our customers if we want them to become advocates of our brands. Giving them a reason to come back to us, offering them benefits beyond their customership, and providing an opportunity

to further their careers will become the norm in 2022.

recommend you within their network.

Kristi has well laid plans for the coming year;; “We’ll continue our CS leadership bootcamps. We want to enable leaders to build their own CS workshops and offer them practical tactical advice. We might actually bring these to life – maybe start a road tour! We’ll continue to offer these at free or minimal cost.”

And her plans aren’t the only ones discussed. Rachel is planning on setting up Talech branded “educational master classes or certifications.” But, she makes an excellent point: “This isn’t one size fits all – leaders will need to be a lot more intentional about engagement strategy and how to tailor content to your audience, especially if your audience is nuanced.”

Basically, we want to ensure that every interaction we have with customers is impactful. “Is what we’re doing driving the need for insights and content?” Rachel asked. “Are we making sure that in thinking about customer marketing, we’re thoughtful about bringing forth content and data they actually want to consume?” she finished.

Ultimately, a successful customer marketing program should be constantly driving the right level of interest and to do this, we need to recognize how best we can serve our customers. The better you serve your existing customers, the longer they will remain loyal to your brand, and the likelier they are to



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