



Delivering Lifetime Value with Customer Success

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What is Customer Success?



Product – alignment and feedback

Marketing – success stories and introductions

Sales – customer profiling and success factors

Why Customer Success Matters Now

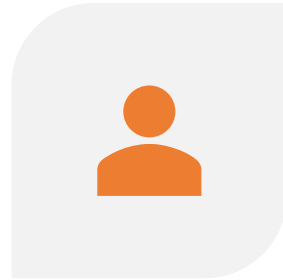
We are in uncharted territory, but we know companies need to:

- Maintain existing customers, at best, on existing pricing and usage
- Reduce cost margins across the business
- Seek innovative solutions to grow

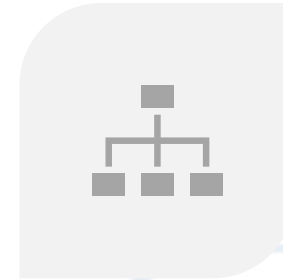
How Customer Success can help:

- Grow and maintain existing customers, where cost of acquisition is almost 10x less than new business
- Understand value gaps in your service and industry trends
- Insight into competitor activity at your existing customers

Growing a Subscription Business



CUSTOMER
CENTRICITY



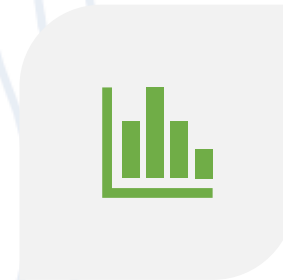
ORGANISATIONAL
ALIGNMENT



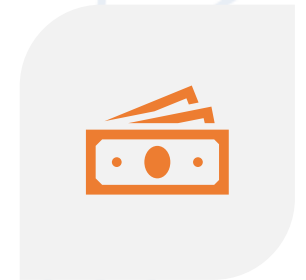
CAPABILITY



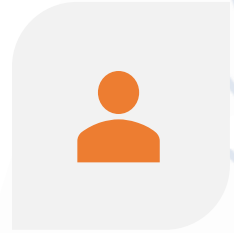
FINANCIAL
METRICS



DATA AND
MEASUREMENT



COMPENSATION
AND REWARD



Customer Centricity

Purpose

- Why do we exist and how do we improve the world? How often do we talk about this? Does our purpose deliver outcomes for customers?

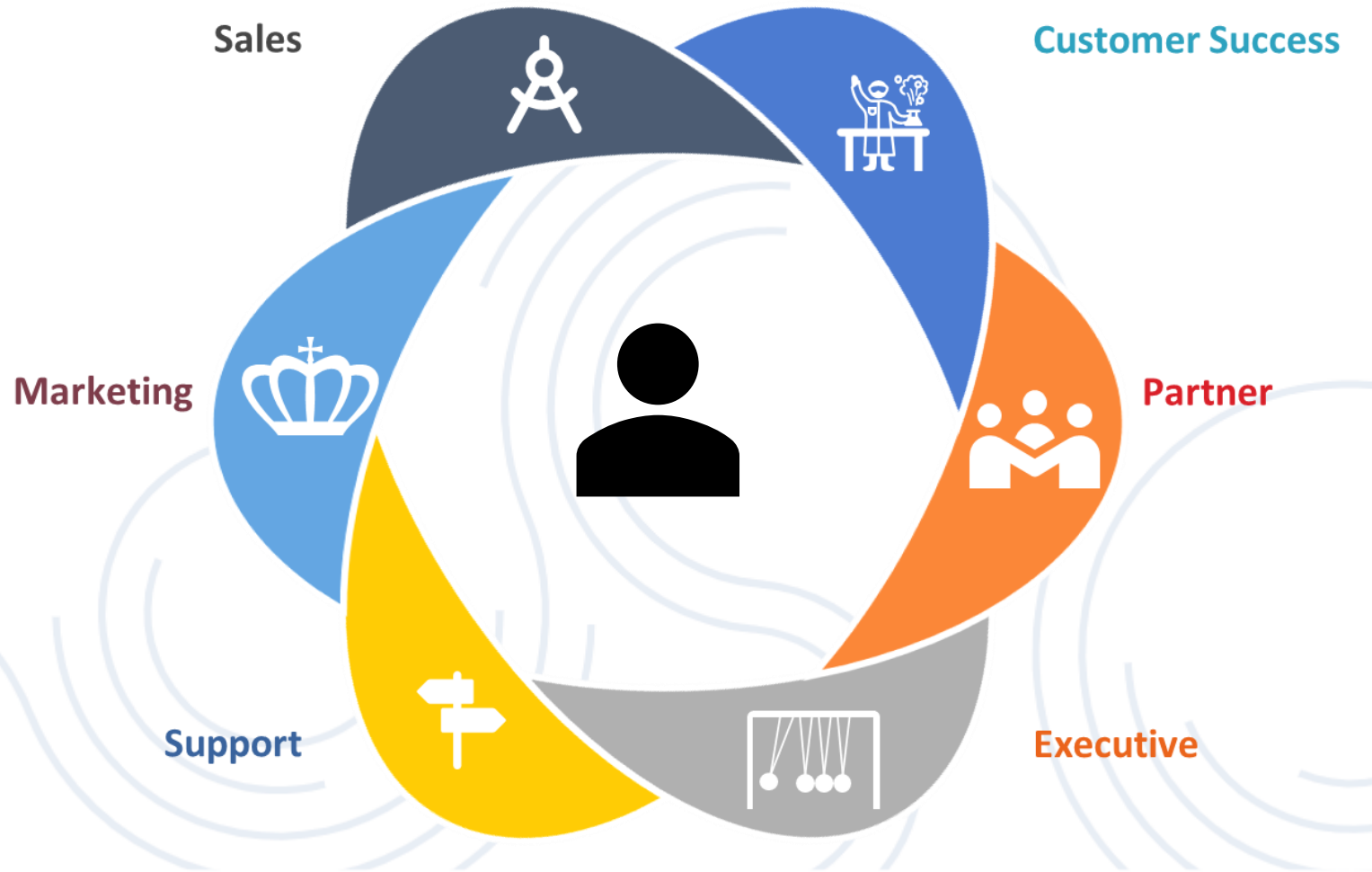
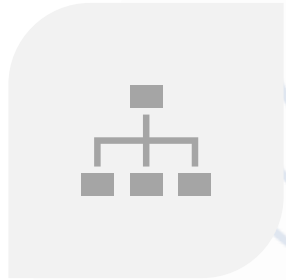
Leadership

- Do we value our long term and emerging customers as much a new sales? Do we talk about our customers' success as often as we can?

Culture

- Does our culture reflect the way we want our customers to see us? Are we centred on ourselves or on our customers?

Organisational Alignment

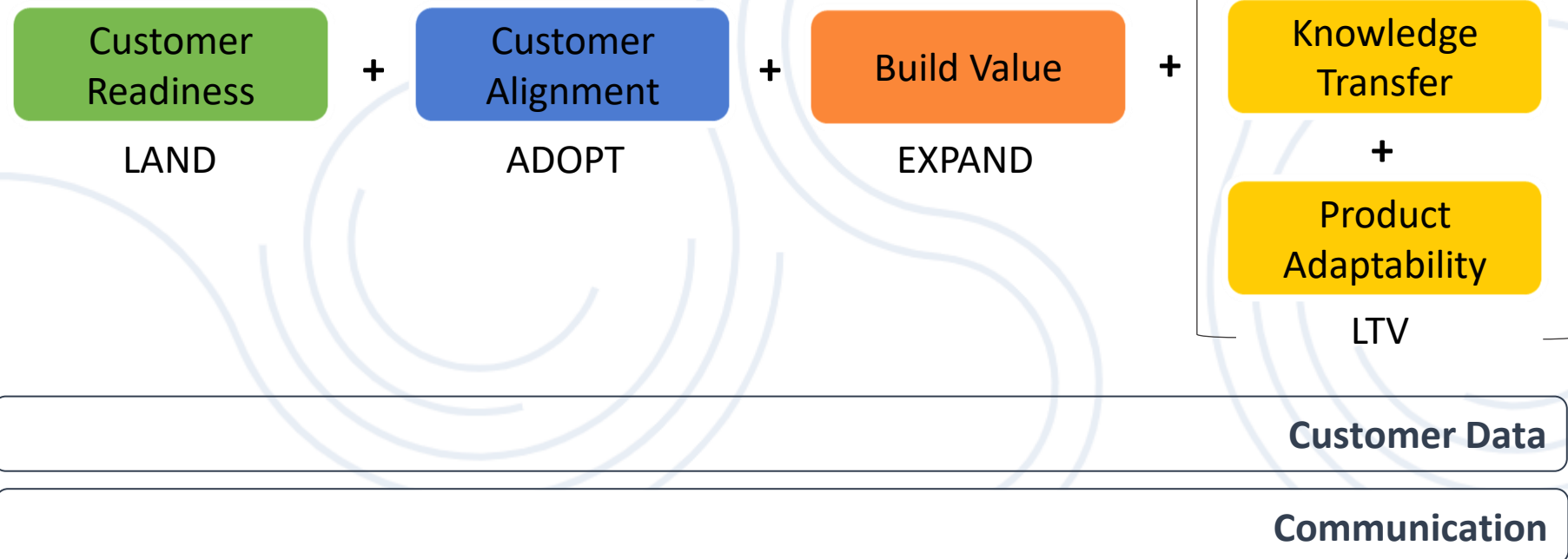




Capability

Most companies have **at least FOUR** customer goals:

1. Realise value from product
2. Have an amazing experience
3. Recommend to others
4. Keep using and buy more





Financial Metrics

Lifetime Value (LTV)

- How much money will this customer deliver to my business before they churn?
- LTV directly impacted by churn rate – which team proactively ensure renewals in your company today?

Customer Acquisition Cost (CAC)

- How much does it cost to acquire a customer?


CAC Payback

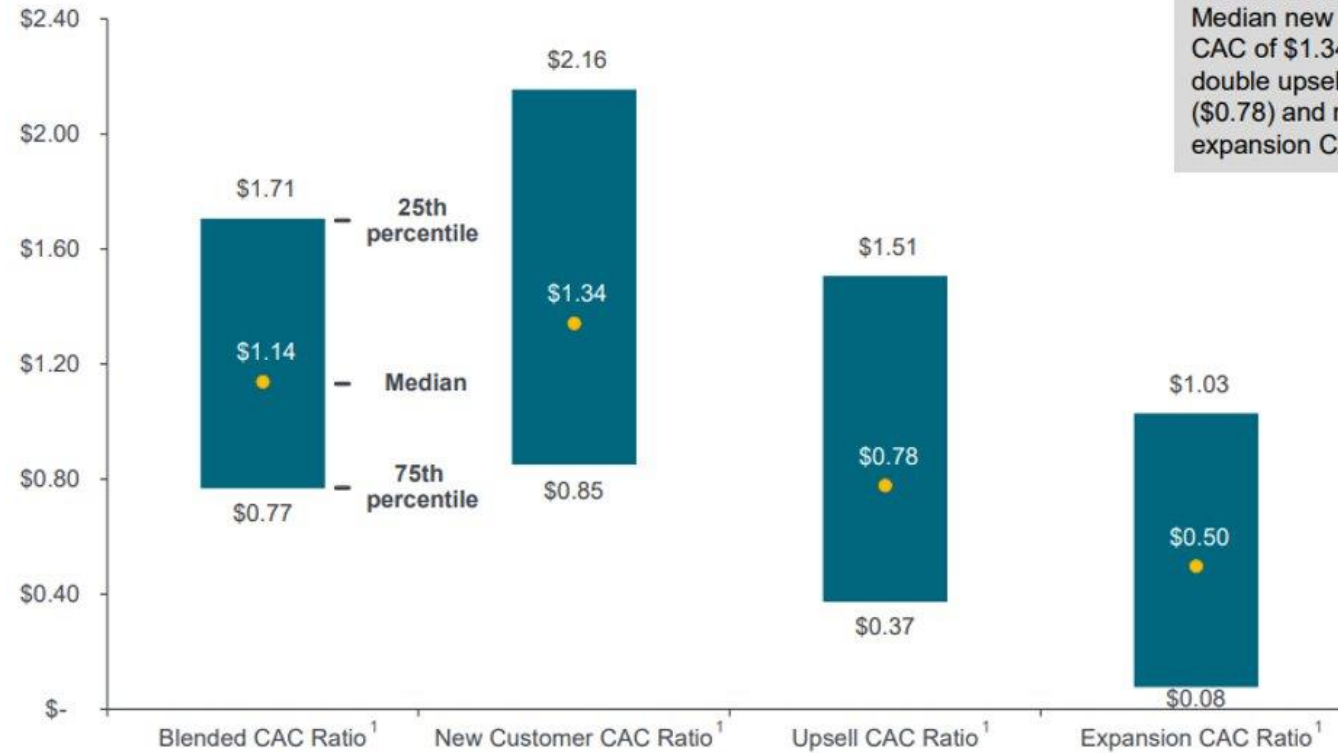
- How many months of revenue does it take to pay it back?

DISTRIBUTION OF 2018 CAC RATIOS

2019 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2018 Ending ARR

 The median blended CAC of \$1.14 provides an all-in benchmark. Median new customer CAC of \$1.34 is almost double upsell CAC (\$0.78) and nearly 3.0x expansion CAC (\$0.50).





Data and Measurement

Customer Health

- Aligns the organisation around the customer
- Start manually, then build automation
- Use calls to action based on customer health

Renewal and Expansion Forecast

- Connect customer health to financial planning and deliver more accurate forecasting, especially now that most revenue comes from existing customers

CSQLs and Referencability

- Ensuring customer success generates more warm leads from customers (customer success qualified leads) and creates more references, both reducing CAC

Compensation and Rewards



Ownership

- Does your CS team own renewals?
- Do they own upsell and cross-sell?

Variable compensation type

- Ensure that compensation drives the right behaviour
- Pay CSMs on overall targets, not transactions

Compensate on leading metrics too

- Compensate on the things that lead to renewals, not just renewals

Think wider than Customer Success

- Customer success is company-wide mandate: what incentives do other teams have?

Questions and comments

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