

Chapter 1

An Overview of the Customer Success Manager’s Role

1.1 What Is Meant by “Customer Success”?

1.1.1 Defining Customer Success

Before we discuss the details of customer success management, it makes sense to pause for a moment to reflect on what we actually mean by the term “customer success.” There are various definitions that I have seen being used, and without a doubt the concept of customer success has evolved over the years, but the essence of it remains the same. At its heart, customer success occurs when the customer gets to realize a satisfactory (or better) level of return on their investment in the company’s products, services and solutions (Figure 1.1).

So, for example, let’s say we sold our customer a fleet of delivery vehicles to replace their old fleet on the basis perhaps of reduced running costs (such as parts, maintenance, fuel and road tax) and increased reliability (less breakdowns and less time off road for servicing and repairs) compared with their existing, aging fleet. If after, say, 5 years the customer could calculate that the combined purchase or lease price plus ongoing costs of their new fleet comes to less than what they would have had to have paid out to keep their old fleet on the road then we could argue that the purchase was a successful one for the customer, all other factors being equal.

Of course, the way success itself is defined will differ from situation to situation, and will not necessarily always all be just about cost savings or revenue increases. For example, alongside the

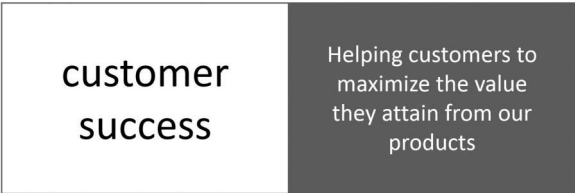


Figure 1.1 Defining “customer success.”

reduction in overall costs, what might be the value to the above customer of an increased reputation for always delivering their products to their customers on time, now they have a more reliable delivery fleet? Or how might their brand reputation increase by reducing their carbon footprint through using more energy efficient vehicles that also produce less toxic pollution?

1.1.2 Customer Success Management Is about Realizing Value

The concept of customer success is more complicated and varied than it might first appear. Oftentimes I have seen vendors and customers calculate the return on an investment just purely on what we might consider to be the hard cash only. This happens either because neither party has uncovered the additional, hidden value in other areas outside of just cost savings or increased revenues or (more commonly) because although they have recognized that there are other benefits, they do not know how to measure or calculate those benefits in any meaningful way. From our perspective as customer success managers it is most definitely in our interest to make sure we have identified *all* of the value that our customer will realize from buying and using our company's products and services, and that we help our customers to find ways to measure and calculate (and ultimately to report back to senior management) on this value. I would say that being able to do this is a critical skill for every CSM, and is one that needs to be honed and improved over time, based upon the experiences that each of us will encounter as we go through our careers.

1.1.3 Customer Success Management Should Focus Primarily on Product (or Service) Value

Recently, it has become fashionable to widen out the definition of customer success (and therefore the role of the CSM) to include not just the value that customers receive from buying and then using our products and services, but from any other way in which we might be able to help them as well. I do not have a big problem with this wider definition, but I do think it is important to recognize that the primary role of the CSM is not just to make the customer successful, but to make them successful *through the utilization of the products and services that they have purchased from us*. Helping our customer in other ways may play a role in rapport building and relationship management with customer stakeholders, and may also contribute to enhancing the overall customer experience (of which more will be discussed below) but ultimately it is only when our customer can see that our *products and services* are generating value for them that they will consistently want to continue to buy them and buy more of them. And getting customers to continue to purchase our products and services is exactly what customer success management is all about.

1.2 Understanding Outcomes and KPIs

1.2.1 Defining “Outcomes”

The concept of outcomes is a really important one to the CSM and indeed to the whole philosophy and ethos of customer success management. As we saw in the previous section, the role of the CSM is to help customers to realize value from their purchases of the CSM's company's products, services and solutions. To perform this role successfully, the CSM needs to understand what the term “value” means to each customer that they engage with.

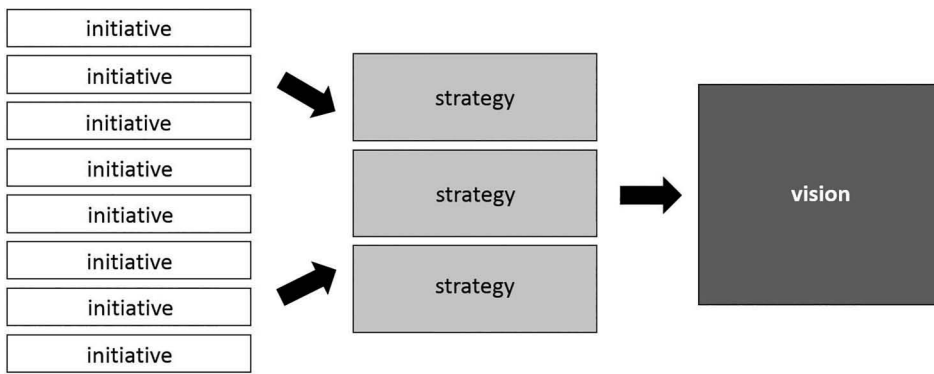


Figure 1.2 Outcomes occur at all levels within the business.

Of course the details of what specific value is being sought will differ from customer to customer, but what we can say is that every customer will have (or at least should have) a set of clearly defined goals or objectives for the initiative that the CSM's company's products, services and/or solutions have been purchased to support, and which will mean that the initiative has been successful if they can be shown to have been attained. These objectives are what we mean by the term "outcomes." To put it another way, an outcome can be thought of as an end result that the customer hopes to achieve over time through the work that the company will perform as they utilize the products, services and solutions they have purchased from the CSM's company (Figure 1.2).

Outcomes occur at all levels within the customer's business, and outcomes from the lower, tactical levels generally combine to create the outcomes for higher, more strategic levels. In this way, the outcomes from each individual project or initiative that might each, for example, be run by a particular department head or process owner combine to generate the overall outcomes of departmental or corporate strategies. In turn, the outcomes from each strategy are what drives the company forwards toward the attainment of its overall business vision. Indeed the business vision itself can be thought of as a statement of the outcomes that the whole company is working toward achieving in the long term.

1.2.2 Identifying and Documenting Outcomes

It is useful to the CSM to try to understand not only the specific outcome requirements of the particular initiative that they are engaged to support but also how the success of that initiative supports wider strategic outcomes and ultimately the overall corporate vision. Understanding these connections can be very powerful for the CSM, since it helps with gaining support and sponsorship from the customer's senior leadership team and with ensuring that the initiative (and therefore the CSM's company's products and services) is seen by the organization as important in contributing to the company's overall success.

A customer may have multiple outcome requirements for any particular initiative, and it is important for the CSM to make sure they understand all of these outcome requirements and to document them for future reference. In order to serve as a useful target, they need to be defined by at least three properties, as shown in Table 1.1:

Table 1.1 Properties of a Well-Defined Outcome

<i>Property</i>	<i>Description</i>
Quality	The type of result that is desired (for example, “Revenues generated from sales of Product X within the EMEA region”)
Quantity	The amount of result that is required. This can be described in either absolute or relative terms (for example, “\$20m gross takings” (absolute) or: “average 15% per annum increase over the period” (relative))
Deadline	The time limit by which the result must have been attained. This can also be described in either absolute or relative terms (for example, “By the end of the Financial Year ending 2025” (absolute) or: “Within eighteen months of implementation” (relative))

Not all customers are good at explaining their outcomes in these terms (though many are excellent at it). If a customer is struggling it is worth persevering with because a clear understanding of the initiative’s goals makes it much easier to work out what action must be taken in order to realize the desired value. It may require some work on the part of the CSM to help the customer with these definitions, although typically this is something that would have been addressed already at the pre-sales stage. If the outcomes have not yet been fully identified, then the CSM needs to ask the relevant stakeholders within the customer’s organization questions such as “What results do you need to achieve from this initiative?,” “How much of it do you need to achieve in order to be successful?” and “By when must you have achieved this result?” By defining each outcome by all three of these properties, the CSM and the customer will be able to clearly understand what needs to be achieved in order to be able to state that the initiative has been successful, and how to calculate how much value the customer has already attained and will ultimately attain from the initiative.

1.2.3 Defining “KPIs”

There are usually plenty of ways in which a company might measure its performance on an ongoing basis, but what is of most interest to learn is the level of progress being made toward outcome attainment. Key performance indicators (KPIs) are measurements that are taken that show this progress toward the attainment of each outcome. Generally speaking, it may take several different KPIs to fully understand just how much progress is really being made, and where any problems may be lying that need to be addressed in order for further progress to be made.

To understand how multiple KPIs can help to build up a more complete picture of the true progress toward a specific outcome, we will use an example. Let’s say that the customer has stated an outcome requirement as follows:

A minimum of \$15m in Product A sales revenues to be achieved within eighteen months.

One obvious KPI to use would be “monthly revenues.” If we divide the target of \$15m by the number of months within the period, we can see that assuming a linear relationship between time and revenues, this company needs to achieve an average of around \$830,000 in sales revenues per month. But is the monthly revenues figure enough on its own to understand what is

happening so that if the target is *not* being met the appropriate corrective action can be taken? Let's say we take this measurement for the first 3 months and we find that monthly sales are currently only averaging at around \$650,000, which is substantially less than what needs to be seen in order for our 18-month outcome to be achieved. Do we have enough information just from measuring sales revenues alone to know where the problem lies and therefore what corrective action to take? The answer of course is "no," so what other measurements might be useful to take as additional KPIs?

Perhaps alongside sales revenues, the company could also measure the number of sales proposals written and the number of sales proposals accepted each month which we will say is 20 and 12, respectively. This will tell us a whole lot more than just the revenues on its own. For example, if we divide the average monthly revenues by the average number of sales made per month we will learn the average size of each sale, which turns out to be roughly \$54,000. If we then divide the *target* monthly revenues by the average number of sales made per month we will learn what the average size of each sale *needs to be* for this number of sales, which is about \$69,000. So we can see that the average sale size is about 20% less than what it needs to be if the company makes this same number of sales per month in the future. Additionally, we can now calculate that the company is currently only closing around 60% of sales proposals. We can also calculate that if the current average deal size of \$54,000 remains the same then increasing the number of sales by another three customers per month to raise the number of deals to 15 per month will bring in the shortfall needed.

So now we have three KPI measurements—monthly revenues, monthly sales and monthly proposals—and just this information alone has started to provide useful data from which the customer can start to formulate strategies for taking any necessary corrective actions to ensure their outcome is met. Of course, there are other measurements that could be taken—for example, around marketing activity to increase the number of prospects to sell to, or around product quality to ensure the product is desirable.

1.2.4 Selecting and Understanding Outcomes and KPIs Is Important (But Not Always Easy)

Each KPI that is measured brings useful information that contributes to the overall picture. More KPIs make for a high-definition picture that in turn allows better quality management decision-making to take place. On the other hand, too many KPIs and/or the wrong KPIs will become expensive and time-consuming to measure and analyze, and may result in increased confusion rather than better decision-making. The customer will (or should) have plenty of expertise in knowing which KPIs are meaningful and important to measure, and it is strongly recommended that if the CSM is not already familiar with them, they should perform some basic research on the typical KPIs used to measure performance within the industry that their customer operates in.

In short, the CSM must understand both what *outcomes* the customer needs to attain from their initiative and which *KPIs* could be used to measure progress toward the attainment of those outcomes. If the CSM is not aware of this information, then they will struggle to understand what activities the customer needs to perform in order for their outcomes to be attained and how they themselves can be of use to the customer. Therefore, they will be less well positioned to ensure that the customer will realize all of the value that could be realized from the products, services and/or solutions that the CSM's company has sold them.

1.3 Treating Your Customer as Your Business Partner

1.3.1 Customer Success Management Is a Business Partnering Approach

I'd like to make a suggestion to you. My suggestion is:

If you are selling business outcomes to your customer then you are effectively going into business with them.

As soon as you stop selling the products and services themselves and start selling results, you have changed the relationship between your own company and your customer. Effectively it's as if you are going into business with them. You have made the business case that they should invest in your products and/or services and they have done so. To continue to use those services and purchase further products the customer will need to see that value is being realized. The more value that gets realized, the more they will continue to invest. Therefore, it is in the interest of your company for their company to succeed—your two company's interests are aligned. When they win, you win, and therefore you have effectively gone into business together and the more success they get from this partnership the more success your company will get.

This is why selling business outcomes is so powerful and it is also one reason why customer success management is such an important part of the business to get right.

1.4 Why Is Customer Success Management becoming More Important?

1.4.1 Customer Success Management—A New Role, but not a New Concept

The CSM as a formal job role has only existed for a relatively short time, but the core concept of helping our customers to gain value from using our products and services is of course something that has been around for a long time. Traditionally, it would form a part of service managers' and support managers' roles to provide assistance to customers around product and service utilization. Additionally, there may be further help in the form of chargeable professional services that customers can avail themselves of should they wish to. These might include consultancy around requirements analysis and building the business case, and/or assistance with implementation and change management. It could also include aspects of customization or systems integration, for example.

1.4.2 Recent Rapid Growth in Customer Success Management

That being the case, why are we only now seeing customer success management being formalized into its own, separate departmental unit with its own workforce, budget, strategy, targets and managers? The business social media site LinkedIn places customer success management as No.3 in their top ten list of most promising jobs for 2018 (<https://blog.linkedin.com/2018/january/11/linkedin-data-reveals-the-most-promising-jobs-and-in-demand-skills-2018>), so we can see that customer success management is growing in its importance. What is causing this increased focus on creating customer value through customer success management? These are good questions to

ask, since an understanding of why customer success management is important and what is causing its importance to grow helps us to understand what that role entails and also how it might continue to grow and develop in the future.

1.4.3 Increased Customer Agility Is Driving the Need for Customer Success Management

The answer comes from the change in the way customers now purchase products and services. Taking the technology industry (from where customer success management as a formalized job role first came) as an example, traditionally customers would need to make a fairly significant, up-front capital investment whenever they wished to buy new technology. This might be an investment in new hardware such as servers, routers, switches, data centers and so on and in new software such as operating systems and applications. Once these capital items were purchased they became assets of the customer, which could be used over a period of time and ultimately scrapped or sold for a small residual value when it became time for the company to reinvest in new replacement technology. Assuming (as typically would be the case) the initial up-front investment together with the ongoing management and maintenance expenses is high and the residual value is either very low or even nonexistent, to realize a return on their technology investment the customer will need to use this technology to increase revenues and/or decrease costs to a level that exceeds the combined initial outlay plus ongoing management and maintenance costs.

This model can work well where companies know in advance what their technology needs are now *and* what their ongoing needs will be over the term of the use of the technology they purchase. The problem, however, is that capital purchases of technology can be very expensive and so it may take many years of ongoing use of the technology before the customer breaks even on the deal. In this day and age, many companies find that the amount of change that they experience on an ongoing basis makes it very difficult for them to plan ahead for that sort of time period in any reliable way. Many things can happen in this time period—customers may have new requirements, new laws may be passed, new competitors may arise, the financial climate may change, and of course new technology innovation may occur.

So with this background, company executives might have to think very carefully about making any significant capital investments which tie them into having to use the products they have purchased for many years before they will realize any profit from their purchase. Far better perhaps, to wherever possible purchase their technology *as a service* instead and pay only for the *use* of it on a monthly, quarterly or annual contract without ever actually owning it outright. What this provides the management team with is *agility*—the ability to make the decision to purchase less of a particular service or more of a particular service or even cease using it entirely each time the contract comes up for renewal (Figure 1.3).

This agility brings significant value to the customer organization since from that company's perspective it reduces risk. However, in reality, it does not reduce risk, instead it transfers it. Some of the risk still remains with the customer of course, but a significant proportion of it transfers across from the customer to the vendor. This is because in the old model the vendor received all (or at least a large part) of their overall remuneration from the deal straight away when the customer made their initial purchase. Now however there is no large capital purchase and instead the customer pays a regular fee on a monthly, quarterly or annual basis over the lifetime of their use of the technology, which will over a number of years finally add up to a similar amount as that which they would have paid via the old method.

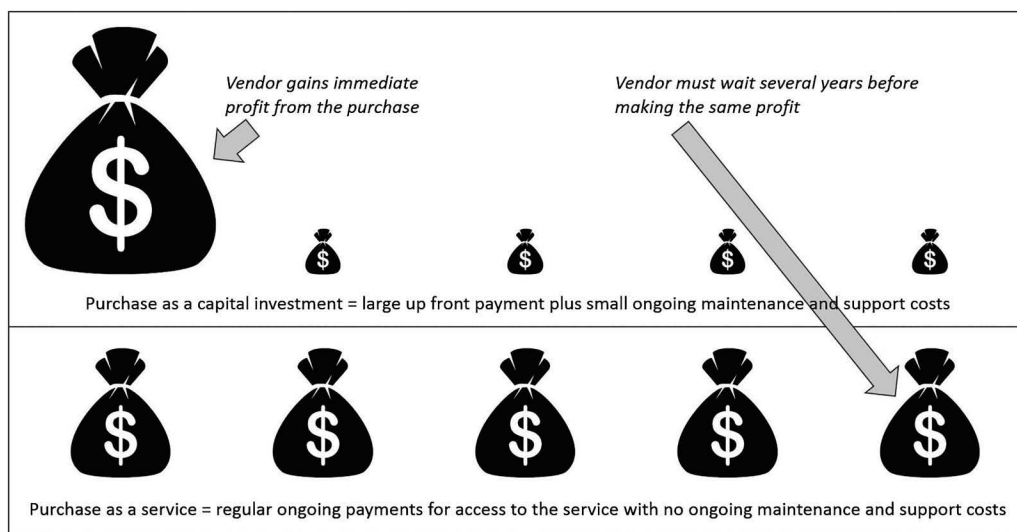


Figure 1.3 Delayed vendor profitability from X-as-a-Service.

In the new world of X-as-a-Service, it may take, for example, up to 5 years or more for a vendor to generate the same revenues from an as-a-service sale that they used to make straight away from a capital outlay sale. This means that whereas previously the vendor made pretty much all of the profit from a new sale straight away, now the vendor has to wait several years before they get the same level of value from the deal. This is the reason why for companies who wish to sell their products as a service, it is essential not just to help the customer to make the initial purchase in the first place (which of course is the domain of the sales executive) but also to generate real and measurable value from *using* those products so that the customer continues to renew their contract (which is the domain of the customer success manager).

There are other aspects to the CSM's role, but in a nutshell this transfer of risk from being entirely or at least almost entirely the customer's risk to having the risk split more equally between the customer and the increase in selling as-a-service style contracts is why customer success management is increasing in importance for many companies.

1.5 How Does Customer Success Management Help to Realize Business Value?

1.5.1 How Does Customer Success Management Work?

Now that we have defined what customer success is and why it is important, let's turn our attention to how it works. When a customer purchases a product, service or solution (a solution being multiple products and services that have been combined and packaged together as one purchase to solve a problem or overcome a business challenge), it is likely that they will know a lot less about the product, service or solution than the vendor does. The vendor has researched, developed and created the product itself and then ultimately it has been marketed and sold to its customers and perhaps installed and configured it for those customers and maybe provided management services but almost certainly supported those customers afterwards.



Figure 1.4 Customer and vendor knowledge.

It makes sense therefore that after all these efforts the vendor has become an expert in its own products. Similarly, a particular customer organization is an expert in its own business. It knows its vision and strategy, its systems and processes, its resources and capabilities, its knowledge and experience, its customers and competitors, and its *own* products and services. Each of the two parties knows one part of the picture very well, but has a less profound understanding of the other part (Figure 1.4).

When a customer purchases a product, service or solution from us, a good question for them to ask themselves would be “How are we going to integrate this new product into our company so that it enhances what we do and generates measurable value for us?” Given that at this stage the customer has little or no experience of using the product, it might make sense for the customer to turn either to the vendor or a third-party company with similar knowledge and experience (such as a reseller or systems integrator) to help them.

If they are purchasing this product outright as a one-off capital investment, there may be less pressure or necessity experienced by the vendor to provide this sort of post-sales assistance without charging for it as a separately billable professional service. However, if the customer is purchasing this product as a service on a renewable contract or indeed if this customer may be making additional purchases of the same or other products in the medium- to near-term future based upon their experiences with this initial purchase, it may be worthwhile for the vendor to provide this assistance at no additional charge to the customer. This, of course, is because it is in the vendor’s interests to make sure that the customer realizes a good return on their investment in order to maximize the likelihood of them renewing their contract for this product and/or purchasing additional products.

1.5.2 What Does Customer Success Management Do?

Customer success activities tend to commence after the purchase has been agreed, and the CSM would typically start to get involved after whatever was purchased has been customized, installed, configured, integrated, secured and had any other work completed that is necessary to make it ready to be used. The core purpose of customer success is to generate customer value (both as much as possible and as soon as possible) in order to maximize the likelihood of that customer renewing their existing contract and/or making additional purchases. To do this, the CSM will need to focus their efforts on the core activities shown in Table 1.2.

These are the core activities that CSMs tend to get involved in, which directly contribute to the generation and realization of value for customers, and of course as we have already seen, by creating value for the customer the CSM creates value for their own company. However, the CSM may also commonly be involved in realizing additional value for their own company in three other ways, as shown in Table 1.3.

Table 1.2 Core Customer Success Activities

Activity	Description
Onboarding	Making sure that relevant customer stakeholders understand what they have bought, why they have bought it, how it works and what (if anything) needs to be done to get it up and running
Adoption	Helping the customer to plan for whatever is necessary to get the product or service into use, and then helping the customer to implement that plan. The plan might include aspects of research and analysis on the impact of using the new product/service and then the creation of communication, training, support and (where relevant) incentives for end users, as well as documentation of new processes and tasks
Ongoing value creation	Providing ongoing assistance to customers to ensure they continue to access the product/service and continue to use it to generate value. The CSM might be tasked with helping the customer to identify barriers that are preventing that value from being created and plan how to overcome those barriers
Measurements and reporting	Ensuring that once the customer is up and running with the new product/service, measurements are regularly taken to prove the level of value that is being generated. The CSM might also be involved in preparing reports based upon those measurements and communicating the information within them in meetings
Adapting and fine-tuning	Helping the customer to refine the way that the product/service is used to maximize its value, and to adjust that usage in the light of change occurring either at the customer end (for example, due to a new corporate strategy) or at the vendor end (for example, a “dot x” upgrade that provides new features and functions)

1.6 Where Do CSMs Fit within the Wider Organizational Structure?

1.6.1 Customer Success Management in Different Companies

Not every business is the same in the way in which they organize their workforces and neither should they be. Each company is unique in terms of what it does, why it does those things and how it goes about getting them done. With this in mind, it would be unreasonable to expect CSMs to fit in exactly the same way within every company.

The biggest difference is whether or not the company has created a separate department or team that is dedicated to customer success management and that employs workers whose time is committed only to customer success-related activities. If that is not the case, then this may be either because the company does not see a need for a full time, dedicated customer success team or because while they do see the need for it, they do not (or do not as yet) have the available management time, financial resources, personnel, systems and processes and/or experience around customer success management best practice to get a full time, dedicated customer success team up and running.

Table 1.3 Additional Value from Customer Success

<i>Value</i>	<i>Description</i>
Advocacy	Because the CSM works with the customer stakeholders to generate value, the CSM may be well positioned to know when to ask for advocacy (such as referrals, testimonies, appearing in a case study, etc.) and who to approach within the customer organization to gain the necessary permission and assistance
Sales	Because the CSM experiences how the customer really uses the product/service they may be well placed to identify additional opportunities for increased use of this product/service (upselling) or for using additional products or services that their company also sells (cross-selling). These opportunities would typically be passed to the Sales team for them to follow up as appropriate
Product improvement	Because the CSM experiences how the customer really uses the product/service they may be well positioned to understand which features and functions work well, which are just OK and which ones are not so great—perhaps because they are too complicated, or time intensive to use, or reduce the quality or for many other reasons. Passing this information on to the R&D team is an important aspect of the CSM role that contributes to the ongoing efforts to continually refine and improve the company's products

Not every company needs or can afford a dedicated customer success team. Where a business is not selling anything that is complicated to deploy, adopt and use, and/or where they are not selling their products on renewable as-a-service style contracts there may be less of a requirement for a dedicated customer success team. In these types of situations, it may not be financially viable or worthwhile to invest in an entire customer success department, but it might still be useful for an existing team such as sales, product support or service management to take on some of the responsibilities and duties of a CSM. This to my mind may be a very sensible and pragmatic approach that helps the company to gain some of the benefits of a customer success-driven approach to their customers without the concomitant costs associated with a dedicated customer success team. This decision is of course one that needs to be made at the executive or “C” level, and should be reviewed from time to time as the business changes and grows.

1.6.2 Customer Success Management as One Aspect of Customer Experience

For organizations that do sell products, service and/or solutions that are complicated to deploy, adopt and use, and especially if they are sold either wholly or partly on renewable as-a-service style contracts there may well be a much stronger business case for creating and running a dedicated customer success department. Assuming this to be the case, there can still be large differences between such organizations in how they go about managing that team and its responsibilities alongside other parts of the business, particularly other departments that interact directly with the customer. Let's very briefly examine the role and function of each of these departments alongside customer success management so we can see more clearly how they differ and where they overlap (Table 1.4).

Table 1.4 Customer-Facing Departments

Department	Responsibilities
Marketing	Making prospective customers aware of the company and its products, services and solutions and helping them to understand the features, advantages and benefits of them. Helping customers to relate the potential value they might receive from purchasing these products to their own business challenges and opportunities.
Sales	Engaging with new and existing customers to understand their needs. Identifying new sales opportunities within both new and existing customers. Developing sales proposals that support a customer’s needs and communicating those proposals to relevant customer stakeholders. Negotiating and agreeing sales contracts. Winning new sales. Managing and recording sales.
Product support	Helping the customer to use the products they have purchased by providing support services (typically either by telephone, email or online). The support service will typically help the customer to resolve technical problems they encounter and/or provide end-user advice on how to perform a specific task or use a specific feature or function of the product or service.
Service management	The primary role of service management is to ensure that the services they are responsible for are available and working so that customers who have paid for those services can log in and use them. Service management is typically responsible both for service availability and for service quality, and may be involved in routine reporting to prove and justify the availability and quality that was experienced over the preceding period.
Professional services	These are additional, chargeable services that the customer may decide to purchase alongside the core product/service and which enhances the value for the customer in some way. These may include consultancy to help the customer with requirements analysis and/or with business case development. It may also include more practical services related to customization, configuration, project management and integration. It may additionally include services relating to user training, adoption and change management.
Customer success management	This is generally a non-billable service that provides post-implementation assistance to the customer to help them generate value from the products/services they have purchased. It typically provides advice, assistance and resources relating to adopting and using the products/services and to measuring and reporting on the value attained from their use. (Although most companies do not charge for customer success management, some companies do charge for it. Arguably in that situation customer success management becomes another professional service.)

1.6.3 Customer Success Management Is Still Growing

It is important to recognize that customer success management is currently still growing and has not yet matured as a profession. For example, Totango is a software vendor that specializes in customer success management tools and they undertake an annual global survey of the industry. Their 2018 survey report showed 83% of customer success management teams were growing in size (www.totango.com/content/totango-customer-success-salary-and-state-of-the-profession-report-2018). This means that there are many new or relatively new customer success management teams out there who are currently going through the process of growing in size, experience and their own maturity.

1.6.4 Customer Success Management Is Still Maturing

Like many activities in business, it would be great if we could work out exactly what to do and how to do it first before getting on and doing it, but life rarely gives us that luxury. The reality therefore is that many companies are implementing customer success within their businesses without a fully formed strategy and without having created all of the resources and got all of the systems and processes up and running that they would ideally make available for their CSMs to use. I see this as being a reasonable and pragmatic way forwards, although I also recognize that this can potentially make the life of the individual CSM who works for that company that much harder. I certainly do not think I have all the answers, but if you find yourself in this situation then hopefully this book will provide you with some of the structure you need, fill some of the knowledge gaps you may have and give you access to some downloadable resources that will help you become more effective and productive in your role.

1.7 The 14 Tenets of Customer Success Management

There are 14 tenets (or principles) by which a CSM should live. Some of these may be obvious, but it is worthwhile reviewing all of them carefully as these explain both the role of the CSM and how that role can be successfully performed. Absorbing and understanding these tenets and then applying them in your work will go a long way toward helping you become an effective and productive CSM (Table 1.5).

Table 1.5 The 14 Tenets of Customer Success Management

	<i>Tenet</i>	<i>Explanation</i>
1	The CSM exists to create value for their own company	The reason why your company has decided to invest in customer success management (either as a fully fledged, separate department or as tasks to be performed by people in other existing roles such as customer services) is because it expects to see a financial return from that investment. Usually, this financial return comes from increased product/service sales and contract renewals from customers, but it may also include additional customer advocacy levels and/or a deeper understanding of customer needs to help with product development

(Continued)

Table 1.5 (Continued) The 14 Tenets of Customer Success Management

	<i>Tenet</i>	<i>Explanation</i>
2	The CSM's primary task is to help customers attain measurable value from using their company's products and services	Customers expect to see a return from their investment in our products/services. The primary task of the CSM is to help customers to attain the maximum returns possible and to make sure they are measuring and reporting on these returns so that it becomes known and understood by the relevant decision makers within the customer organization
3	The CSM is a subject matter expert in how to adopt, use and realize value from their company's products and services	The customer is already a subject matter expert in how to run their own business, but the reason why a CSM can add value for a customer is that they have subject matter expertise in the products and services that this customer has purchased. Specifically, that expertise lies in the adoption and value generation processes that customers need to undergo in order to attain the maximum return on their investment
4	The CSM understands the customer's business	While the CSM may never know as much about a customer's business as the customer themselves, they need to make sure they know enough about that business to be able to understand how their own company's products and services can add value for that business and to provide contextualized help and assistance to the customer in planning for and undergoing product/service adoption and in measuring the value gained from doing so
5	The CSM is a researcher and an analyst	In order to plan for and take effective action, the CSM must first understand the situation, which means the CSM needs to be able to uncover the right information and to make sense of it. The information that needs to be researched and analyzed includes that which relates to the customer's business strategies and outcome requirements as well as its current situation. It also includes that which relates to the CSM's own products and services and how they might be adopted
6	The CSM is a consultant and an adviser	For each customer engagement, the CSM's role is to act as consultant and adviser, rather than as the decision maker. It is the customer's money that is being spent to pursue the customer's own strategic outcomes by engaging the customer's workforce to use the customer's new products and services (that they have bought from us). Our responsibility is to provide timely and useful information and guidance and to lend a practical hand where necessary to help them get our products and services adopted

(Continued)

Table 1.5 (Continued) The 14 Tenets of Customer Success Management

	<i>Tenet</i>	<i>Explanation</i>
7	The CSM is an educator	Key stakeholders within the customer organization may not always know everything that they need to know about the products and services they have purchased from us, or about the activities that need to be performed to get them fully adopted. While the CSM should make sure not to take on a formal training role, it is definitely part of their role to provide informal training and related activities to help these stakeholders understand the situation more completely in order that they can make well-informed decisions
8	The CSM is a communicator	Communication is at the heart of customer success management. This includes verbal communication in meetings, workshops and presentations as well as written communication in reports and on management systems (such as a CRM tool). Needless to say it also includes active listening. The CSM needs to have excellent communication skills and must be versatile enough to communicate with a wide range of stakeholders from a variety of cultural and job role-related backgrounds from within their own and the customer's companies and sometimes from third-party companies as well
9	The CSM is an influencer and an enabler	While the CSM is not generally the formal leader within an engagement, they most definitely need to have strong leadership qualities, especially the abilities to influence people and to enable activities to occur. Strong interpersonal skills including rapport building and forming trust relationships are also important, perhaps especially because the CSM may not be seen as the "person in charge" but yet still needs to influence others in order to get the job done
10	The CSM is a planner and a project manager	Not all activity is equal. Before taking action it is imperative that time is taken to formulate a well-thoughtout plan that adequately manages risk while maximizing efficiency and effectiveness in getting things done. Once the plan is in place, it needs to be followed and outputs measured and where necessary adjustments made to ensure that the project remains on track to deliver the desired results. The CSM may not be a formally qualified project manager, but should definitely be comfortable with planning and managing activity

(Continued)

Table 1.5 (Continued) The 14 Tenets of Customer Success Management

	<i>Tenet</i>	<i>Explanation</i>
11	The CSM is a problem solver	There are many potential barriers to customer success that CSMs may come across. These may relate to very practical problems such as a lack of information or insufficient resources, they may relate more to conflicts of interest and/or opinion between stakeholders or they may come from outside the project itself such as a change in corporate strategy or a new piece of legislation. Whatever the situation, CSMs need to be good at viewing problems logically and rationally and determining the right course of action to overcome those problems
12	The CSM is a pragmatist	It is perfectly reasonable for customers to desire to see a return from their investment in our products/services. But sometimes the customer (or specific stakeholders within the customer organization) may have unrealistic expectations. Perhaps sometimes even our own colleagues may also have ideas that are impractical or unworkable for one reason or another. The CSM needs to remain realistic about what can be achieved within the timeframe, budget and whatever other resources and situational limitations exist
13	The CSM proactively seeks further sales opportunities	While I am not an advocate of turning CSMs into sales people per se, I do very much believe that it is the duty of every CSM to use their knowledge and understanding of both their own company's products and services and the customer's business and technical needs to identify further opportunities for which the CSM's company's products and services might be used by the customer to gain additional value. These opportunities should be passed to the Sales team to follow up with the customer as necessary
14	The CSM should do as little as possible—ideally nothing at all	This final tenet is partially humorous but also partially a truism since in an ideal world there should be little or nothing that the CSM needs to do. In this ideal world, much of the work that a CSM is normally involved with will already have been completed during the pre-sales process, and much of the remaining work will be completed by a well informed and sufficiently skilled and resourced customer adoption/change management team. It may not come as a surprise to learn however that we do not live in an ideal world, so in reality there will generally be plenty of work for the CSM to do. The secret of a good CSM lies in spotting where the knowledge and skill gaps lie and what hasn't been done that needs to be done, and in doing the work to plug the gaps and get the necessary tasks completed