

# CUSTOMER SUCCESS REPORT 2018

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# CUSTOMER SUCCESS REPORT 2018

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## INTRODUCTION

Over the past few months, we managed to interview 450 Customer Success Professionals to find out more about this relatively new profession.

Although companies have been working with Customer Success programs since 2006/7, for many SaaS companies, the strategy has only been formalized and institutionalized in recent years.

Because Customer Success is a recent development in the SaaS industry, there is still some uncertainty surrounding its exact function and effect. To address this, we compiled this report to shed light on the current status quo and check the pulse of Customer Success professionals at work.

The first slides present demographic data of the Customer Success Professionals who took part in the survey. The report then moves on to present facts and figures about resources, issues, expectations, and tools....

Feel free to share our report with friends and colleagues, and if you want to read more about Customer Success, a good starting point is our [Customer Success 101 Guide](#). Don't forget to check it out!



INTRODUCTION

**SURVEY STATISTICS**

CS MANAGEMENT

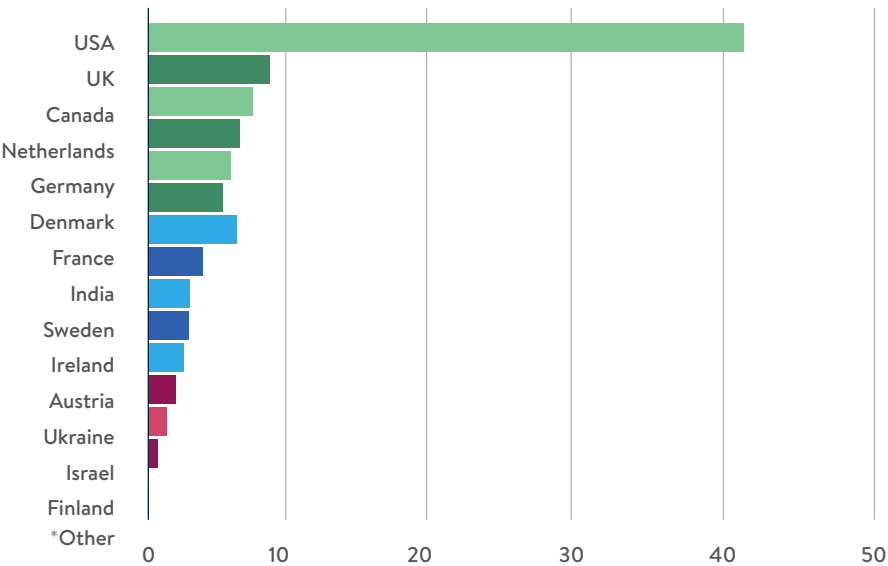
CHALLENGES

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# OVERVIEW OF PARTICIPATING CSMs: COUNTRY OF WORK

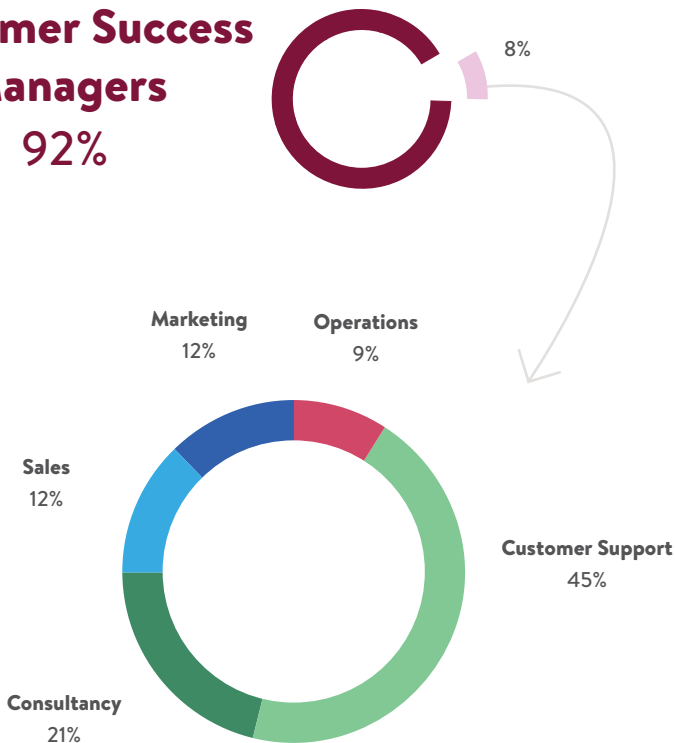


\* Portugal, Spain, Brazil, UAE, Poland, Belgium, Norway.

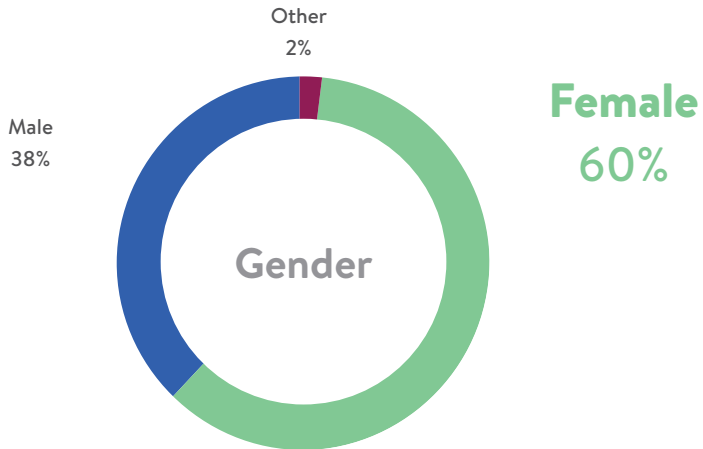
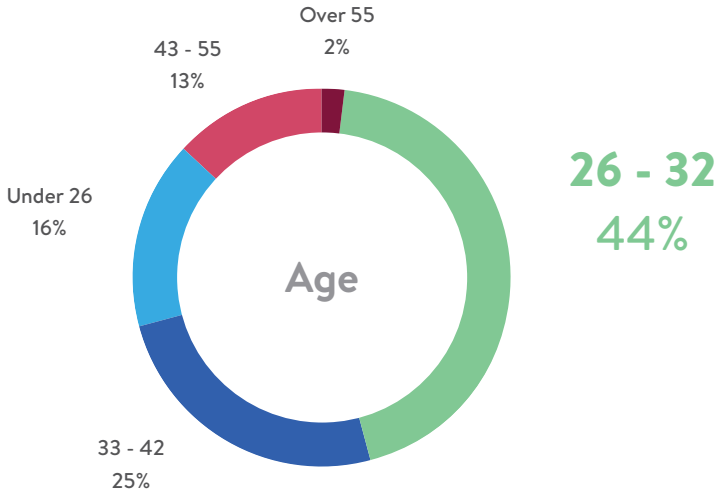
## PARTICIPANTS: JOB TITLE

92% of the participants work as customer success managers. Of the remaining 8%, the majority works in Customer Support, followed by Consultancy positions (technical and business).

**Customer Success  
Managers  
92%**



## OVERVIEW OF PARTICIPATING CSMs



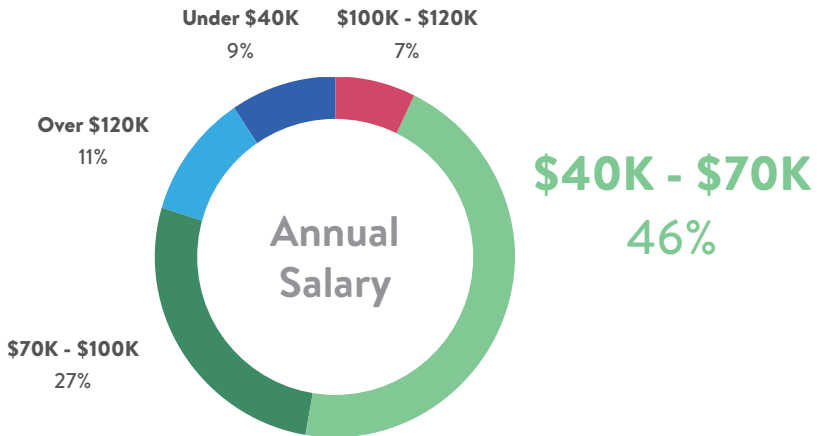
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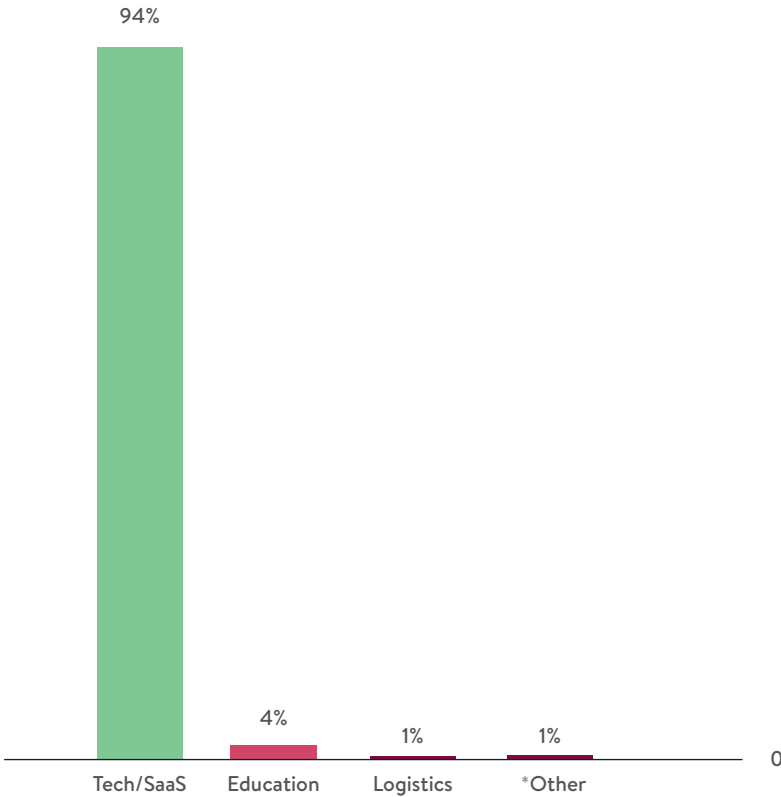
## AVERAGE SALARY

Most CSMs make between \$40,000 and \$70,000 annually. Salaries are typically based on the level of work experience.



# TOP INDUSTRIES THAT FOCUS ON CS

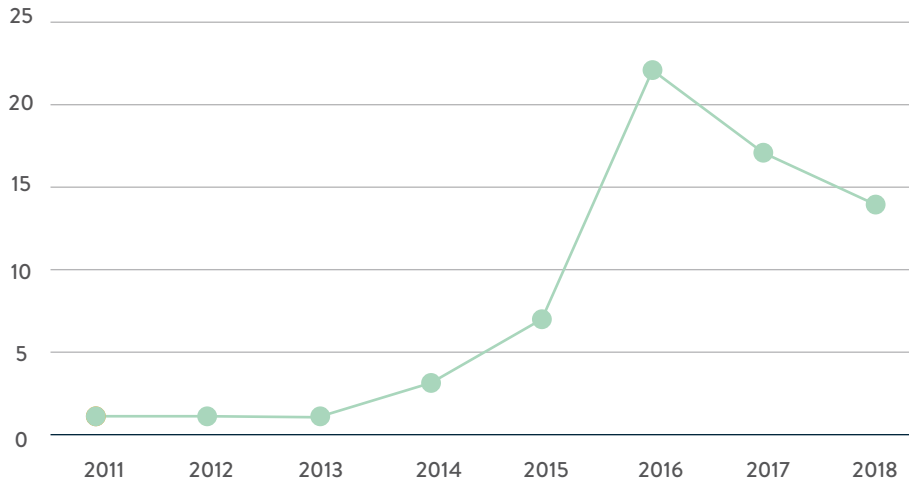
Tech is the leading industry when it comes to using Customer Success Management. Here, tech includes SaaS, IT, and E-learning.



\* IaaS/PaaS, Manufacturing, Construction, Recruiting, Healthcare.

# TRENDS IN THE FORMAL IMPLEMENTATION OF NEW CS PROGRAMS (%)

Customer Success programs are becoming increasingly important, with more and more companies formally introducing them. As the line graph indicates, CS programs slowly became an industry standard after the interest peak in 2016.

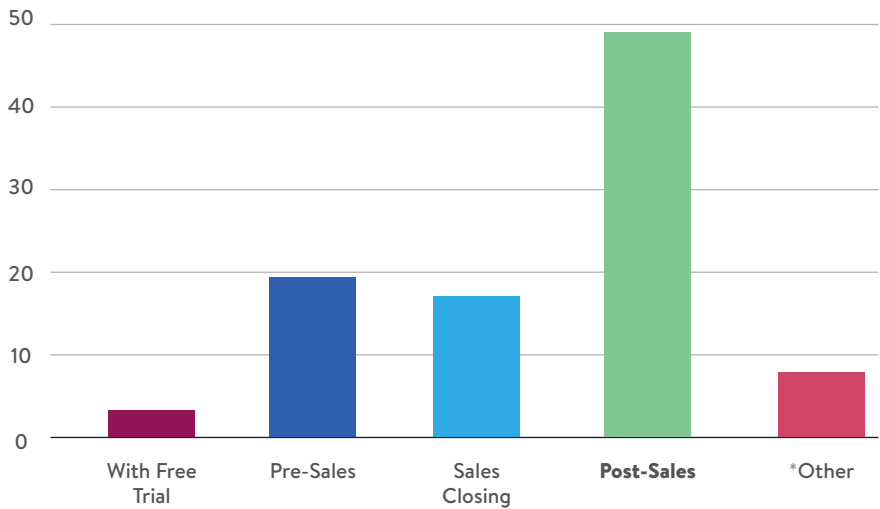


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# WHERE IN THE PIPELINE DOES CUSTOMER SUCCESS START? (%)

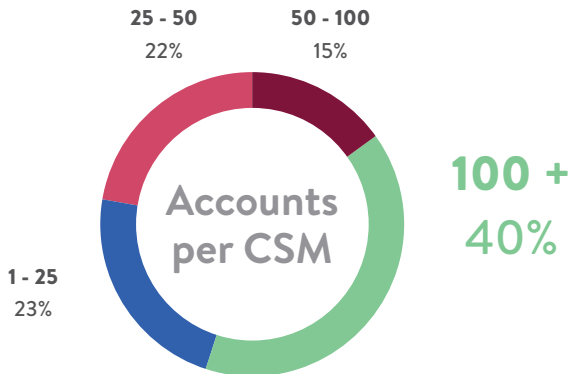
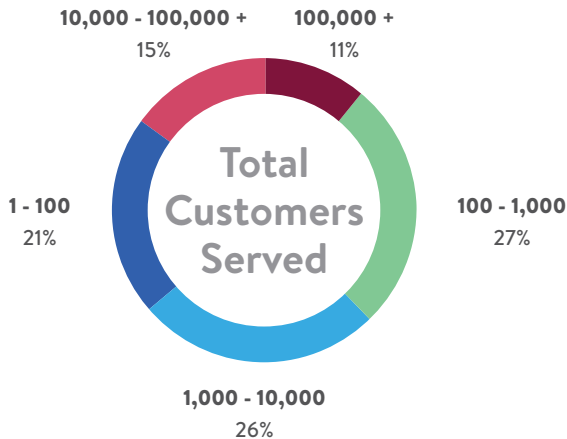
Most Customer Success activities occur **after a sale has been closed.**



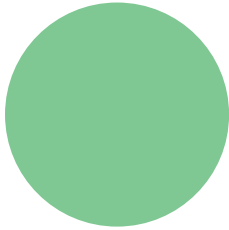
\* During the free trial, During a paid trial, Negotiation stage, After onboarding.

## HOW MANY ACCOUNTS ON AVERAGE DOES A CSM HANDLE?

The total number of customers, from a variety of companies, served by participating CSMs illustrates that the majority of participating CSMs handle **more than 100 accounts** (on average).



## MAIN CS CHALLENGES WITH CUSTOMERS



1. Retention
2. Communication and Requirements
3. Onboarding



4. Unrealistic Expectations
5. Product Adoption
6. Feature Adoption



7. Stagnation
8. Communicating the Value



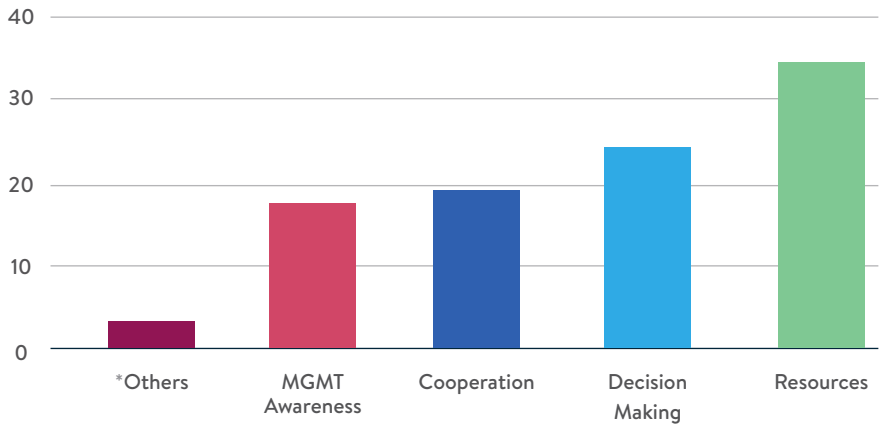
9. Technical Illiteracy
10. Management-Buy-In



11. Upsell and Budget



# MAIN CS CHALLENGES WITHIN OWN ORGANIZATION (%)



\* Lack of structure, Workflow/processes, Employee turnover, Legal constrains, Lack of alignment, Siloed structures.



## METRICS THAT CSMS USE TO GAUGE THEIR PERFORMANCE

- Monthly Active Usage
- NPS (Net Promoter Score)
- Churn (logo churn, conversion churn, renewal churn, net churn, churn ratio, MRR churn)
- Activity on “At Risk” Accounts
- Onboarding Tasks Completed
- Number of Seats per Account
- NRR (Net Revenue Retention)
- Product Engagement
- Success Plan Completion
- First Response Time (support)
- Product Penetration Index
- Number of Unprocessed Alerts
- Call/Email Volume
- Customer Base Growth
- Length of Implementation
- Reference Ability
- Response Time to Alert (Churn Prevention)
- Monthly Average Product Usage
- Business Decision Maker Engagement
- Time to Value
- Login Frequency
- Number of Seats
- CSat (Customer Satisfaction)
- EBR (Executive Business Reviews) Results
- CPA (Cost per Acquisition)
- CLTV (Customer Lifetime Value)
- SLA Compliance (Support)
- SLM Compliance (Customer Service)
- ITIL Evaluation Model
- NSat (Net Satisfaction)
- Activity Score
- Expansion
- Adoption
- Maturity
- Renewals
- CES (Customer Effort Score)
- FCR (First Contact Resolution) Rate
- Referrals
- Last Login
- Orders Value
- Health Score
- Retention Rate
- Customer Tier
- MAU (Monthly Active Users)
- EAU (Estimated Annual Usage)

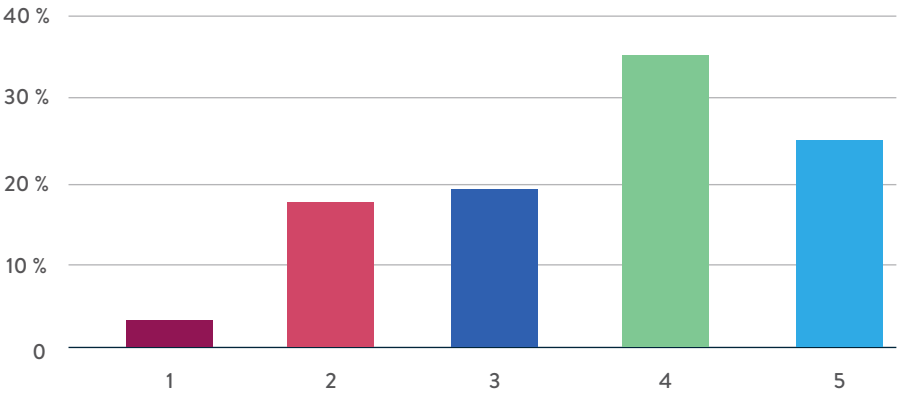


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# HOW CLEAR IS STAKEHOLDERS' UNDERSTANDING OF YOUR ROLE AS CSM?

Results range from 1 to 5, with 1 being 'Not at All' to 5 being 'Very'.



## CUSTOMER SUCCESS VS CUSTOMER SUPPORT

68 %

of Customer Success Managers  
are involved in **Customer Support**

43 %

think this **shouldn't** be the case

**Main reasons why Customer Success Managers think Customer Support **NEEDS TO** be a part of their responsibilities:**

Support is a part of the overall success for customers, we are the ones who are in touch with the customers, support helps build trust, we have no choice: support and success in our small companies are the same unit, integrating success and support provides a better overview of the customer journey.

**Main reasons why Customer Success Managers think Customer Support **SHOULDN'T** be a part of their responsibilities:**

Lack of technical know-how, we only work proactively to support customers, we need to focus on renewals and upsells, we work with the customer not for the customer, we should only be responsible for directing customers to the right support partner for escalation, we're long-term strategy partners not daily support.



## CUSTOMER SUCCESS VS SALES

93 %

of Customer Success Managers are involved in **upsell and renewal**

26%

think this **shouldn't** be the case

**Main reasons why Customer Success Managers think upselling **NEEDS TO** be a part of their responsibilities:**

Expansion is a direct sign of a successful account, we have the overview of the current stage in the customer cycle, because upselling is often connected to an improved service following our recommendations, additional products truly help customers and drive success, we know what the customers want, retention is hard without growth, because we are the face and voice of the company with the customers, growth is connected to commercial activities, upselling also means presenting new opportunities for the customer, upselling can support adoption and deeper integration hence retention.

**Main reasons why Customer Success Managers think upselling **SHOULDN'T** be a part of their responsibilities:**

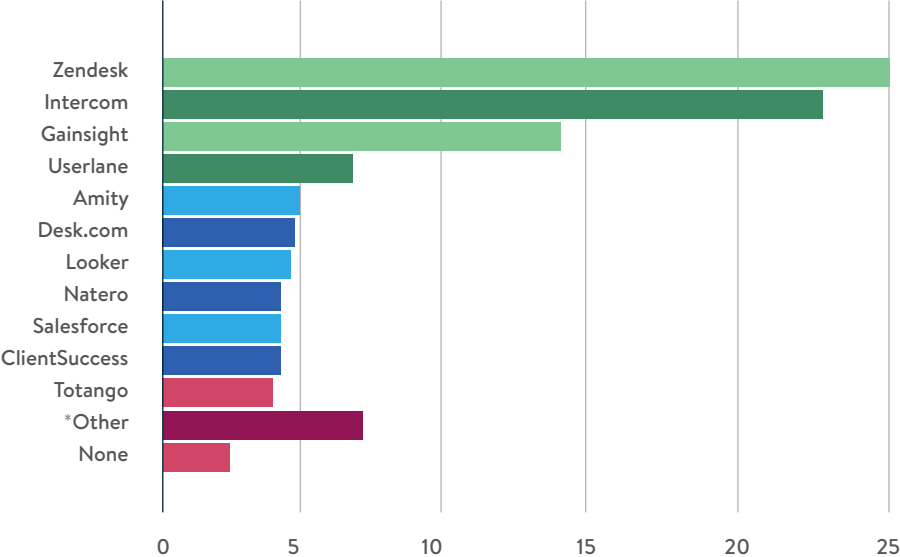
We need to focus on renewals not upselling, we aren't sales representatives we support customers, we need to remain neutral but the moment we become sales people the customer loses trust in us, we already have way too many goals and targets, upselling only makes sense if it's a beneficial component within a two/ three year success strategy plan, upselling puts a lot of pressure on CSMs and distracts them from properly supporting customers.



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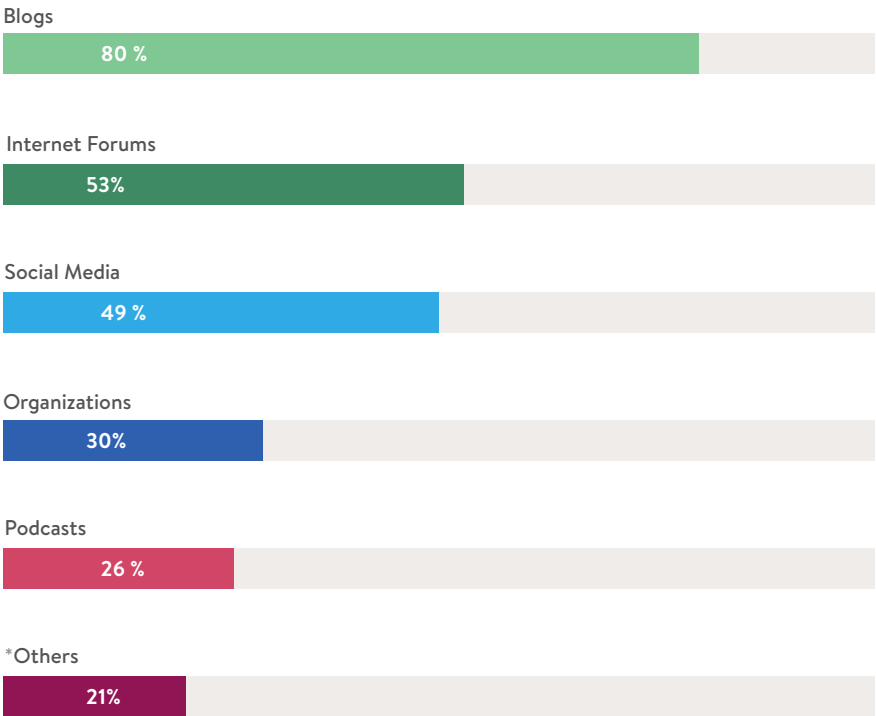
# CUSTOMER SUCCESS SOLUTIONS AND ADOPTION (%)



\* Falcon.io, Kissmetrics, Woopra, Tableau, Mixpanel, AskNicely, Harvest, Looker, Insightly, Wootric.

# TOP INFORMATION SOURCES FOR CSMS

Most CSMS prefer online resources with the most popular source being blogs.



\* Webinars, Meetups, Conferences, Books, Colleagues, Industry Experts.



# TOP ONLINE SOURCES OF CS INFORMATION



# IT'S ABOUT PEOPLE

Special thanks to 450 Customer  
Success Experts for participating  
and to our team:



## THE TEXT BOOK DEFENITION SAYS:

"CUSTOMER SUCCESS IS ENSURING THAT  
YOUR CUSTOMERS ACHIEVE \*THEIR DESIRED  
OUTCOME\* THROUGH THEIR INTERACTIONS  
WITH YOUR COMPANY, YADA YADA YADA..."

## WE THINK:

# IT'S ABOUT PEOPLE

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