

BLOG

Make Better Investment Decisions in Enterprise Customer Success

How do you decide how much to invest in making your SaaS customers successful?

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We'd all love to put everything we have into each account however there's unfortunately only so many hours in the day. So how can you decide what actions to take to ensure you're being efficient as you retain, grow, and create brand ambassadors across your customers?

After many iterations, we've found the right approach for us is using a bottom-up account based approach to budgeting for investments.

In short, we relied on our Customer Success Coaches (CSCs) to tailor the approach to suit their accounts. (A CSC at Sensei Labs might also be called Customer Success Manager in other companies, however we prefer the term Coaches as it highlights the role of our CSCs in developing their customer's expertise in our solutions and recommended process changes.)

We asked our CSCs to provide a comprehensive recommendation that spoke directly to how they would like the organization to invest into their accounts. We did this for key accounts and only focused

on the upcoming quarter so that we could build on what we learned and iterate on the process for future quarters.

The CSCs then presented their recommendations to their Director, our SVP of Customer Experience, and our CEO. Involving all these individuals together meant we could provide the CSC with feedback and approve the budget requests. We wanted an agile approach that would lead to a decision quickly, avoiding a many-stage approval process so we could deliver the proposed value to our customers as soon as possible. The ultimate goal of these sessions is to align on the activities, investments, and empower the team to execute against their plans.

Overall investment structure

The purpose of our Customer Success team is to ensure that our customers are getting a high return on investment (ROI) in our product and they love their experiences with our organization. Our investment decisions help us to address opportunities where a customer's ROI can be improved and where we can grow our revenue with a customer by delivering new value. Being effective in these decisions allow us to reinvest back into product development, thus creating a virtuous cycle.

The structure of the each CSCs proposal included the following sections:

- 1 . **Retention & up-sell:** activities to drive renewal and revenue growth within the existing account
- 2 . **Cross-sell expansion:** activities to drive revenue growth with new accounts within the same logo
- 3 . **Advocacy:** activities to drive our brand, create references, and help with building trust with new opportunities

At the end of the session, we had aligned on the investment amounts for each of the sections above and we could then put this into our financial system for tracking purposes. For context, through our own instance of our platform, SenseiOS®, our customer-facing teams are able to track their time to a given account, which gives us a sense of where we're spending our efforts, alongside tracking our out-of-pocket expenses, like travel. This gives us a full picture of the total investment. While this tracking is helpful, I don't think it's required for this exercise to be valuable.

Structure for each investment

For each of the sections, the CSC would propose:

- **Activities:** the items they would like the organization to invest in
- **Outcomes:** the benefit that will be achieved by the customer and/or our organization once the activity is complete
- **Dollar amounts:** how much money the CSC plans to invest into this activity and outcome. For time investments, we use our standard hourly rate.

The purpose of the structure is to allow everyone to digest whether the activity and outcome are aligned and whether the investment into that outcome makes sense. This is also a great opportunity for us to discuss whether the customer would be asked to co-fund part of the activity.

Samples and evaluation criteria for investments

Sample retention & up-sell investment

- **Activity:** spend two days onsite with the customer to solution and then implement a new use case
- **Outcome:** increase the value the customer is realizing from our product by adopting a sticky use case and thus increasing our confidence in next year's renewal
- **Dollar amount:** \$XX for onsite time, implementation of the use case, and project management funded by our organization. \$XX of travel expenses funded by the customer.

Evaluating retention & up-sell investments

When evaluating retention & up-sell investments, we look at it through the lens of what the investment is meant to achieve. It falls into the following categories:

- 1 . **Increasing our confidence in the renewal:** these investments may make sense for many reasons (e.g. the customer is not achieving the value they hired your product to serve, protecting against competition, demonstrating continuous value)
- 2 . **Protecting against revenue contraction:** mitigating against the risk of losing a key use case that could result in loss of user or value based revenue
- 3 . **Growing revenue from the existing account:** delivering more value to your existing account which results in increased revenue (e.g. more users, higher tier subscription)

Sample cross-sell expansion investment

These investments are like a sales funnel where we're investing in shaping new opportunities or moving them along the sales journey.

- **Activity:** gain a warm introduction from person X to person Y for a discovery call to discuss whether we'd be a potential fit to help solve their challenges
- **Outcome:** qualified lead to then invest further into developing the new opportunity
- **Dollar amount:** \$XX of time for the CSC, Account Manager, and Sales Engineer

Evaluating cross-sell investments

Similar to evaluating costs for acquiring a completely new customer, for cross-selling within an existing customer we'd look at whether the cost to acquire the new account makes sense based on the

expected lifetime value of the new account. However, cross-sell opportunities often need less investment than new logo sales.

Sample advocacy investment

- **Activity:** Testimonial video from X and Y person for use on our website and account based marketing campaigns
- **Outcome:** Demonstrate value to new customers and highlight the success and accomplishments of our customer to their colleagues, managers, and organization
- **Dollar amount:** \$XX of time for the CSC, Video Production team, and Marketing Manager

Evaluating advocacy investments

Like evaluating marketing investments, we'd look at whether the cost to build that advocacy has a positive return on our brand and our ability to generate new leads.

Final thoughts

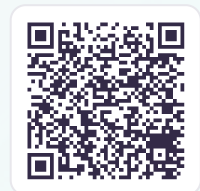
I hope our approach inspires your Customer Success team to adopt a similar framework to focus on the right investments for your customers.

We're always excited to improve our frameworks so [please share any feedback!](#)

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Read this article on our website

getconductor.com/resources/make-better-investment-decisions-in-enterprise-customer-success



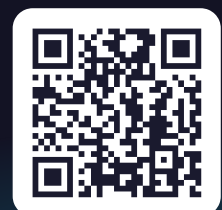
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