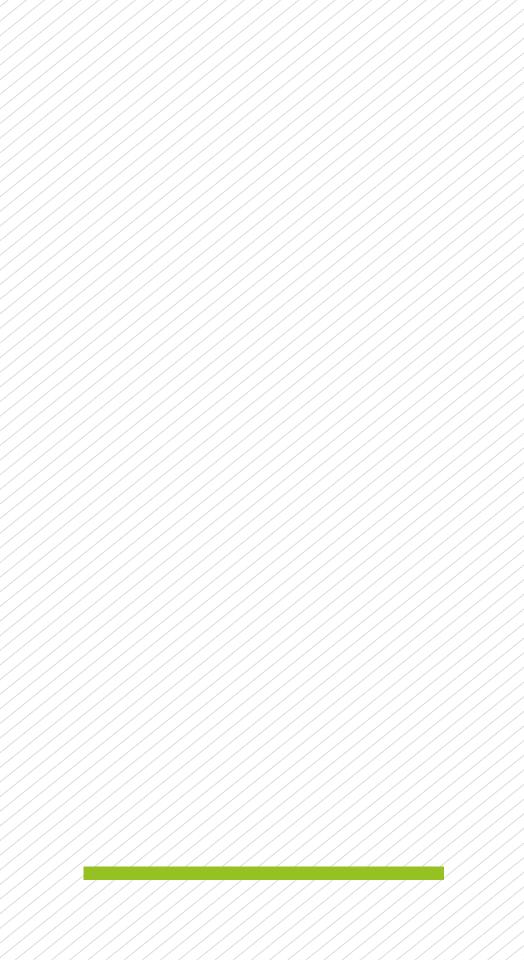# The 2020 Customer Success Report:

Hiring, equipping and retaining elite customer success talent

THE REPORT

- About the Report

- Report Insights:

  - How to **Find/Attract** Customer Success Talent

  - How to **Choose** a Customer Success Expert

  - How to **Equip** Your Customer Success Team

  - Customer Success Industry **Insights**

- Meet the Experts

About the Report

The rise of B2B SaaS as a business model has provided many companies with increased selling power to take market share from their competitors as customers are no longer tied to traditional on-premise solutions.

But, the ease and flexibility of this evolution also comes with its inherent risks. If customers are not seeing value with one vendor, they can easily cancel and go to another provider. To add to this equation, SaaS companies have realized that retaining customers equals compounding revenue growth. Because of this, companies have had to put even more effort into developing strong relationships with their customers.

Thus, the practice of Customer Success (CS) came to be and continues to gain more recognition as the demand in the market increases.

Building Customer Success Teams has become more difficult because, although the field has evolved immensely in recent years, there is still much ambiguity and confusion around how to set this team up for long term success. Not to mention additional challenges that CS Teams usually face internally, including lack of resources, unclear definition of the role and tension with the Sales Team due to mismanaged client expectations.

Recruiting for CS roles can also be a frustrating exercise as it seems that every CS Team is set up differently, with an infinite amount of nuances to the role itself based on the solution the company offers and the customer personas they deal with. A company's customer journey can be vastly different from others, meaning a CS candidate from one organization isn't always so easily transferable to another CS position, even in the same industry.

As CS has become such an integral part of many organizations we work with, we at Sales Talent Agency are making a concerted effort to become subject matter experts in this area to ensure that we are continuing to be a trusted recruitment partner for all revenue-generating positions.

As part of that effort, we have connected with an esteemed group of CS Leaders to answer some of the burning questions that we have come across with other organizations looking to build out their CS Teams, and wanted to share that insight with all of you.

Our objective is to spark more conversations about best practices in the field of Customer Success and highlight the importance of continued investment in the growth of CS as a practice.

For the love of CS!

HOW TO FIND/ATTRACT CS TALENT

QUESTION 1:

Which background/ industries are best suited to recruit from for CSM candidates?

Karen

Head of Customer Success @ Strive Engagement

"For me, it's more about the skills the person brings rather than industry specific experience. If your solution is a horizontal solution, then specific industry experience doesn't really matter. But if it's an industry specific solution, hiring someone from that industry, not necessarily from a CS role, could be advantageous. They will bring domain knowledge, and understand first hand the perspective and challenges the customer faces.

If possible, hiring a CSM with experience is ideal. They generally ramp quickly since they already understand the key processes and metrics of Customer Success. If that's not available, I think hiring someone who was/is an SDR (Sales Development Representative) is a great place to recruit from. Some SDRs will realize they don't have the interest or skills to progress into an Account Executive position, but they have the same core skills that are needed for a CSM. They have energy, the ability to easily build relationships and curiosity – they ask good questions."

With CS candidates being in such high demand, how do you differentiate yourself and attract the best to your organization?

Julie

Managing Director, Customer Success @ Winning by Design

"First and foremost, you want to know how the leadership team thinks about Customer Success. Do they think of it as a cost center vs a revenue center? If it's seen as a cost center, you know you will constantly be asked to cut costs. But if it's seen as a revenue center, then you know that it is more likely that the team will be supported by additional resources like training and technology specific to CS, which will increase the probability of your success.

An organization is more attractive to CS candidates if leadership fully embraces and invests in Customer Success, if they have a product that delivers expected impact, and if their internal teams understand their roles, responsibility and how to work collaboratively with one another to get things done efficiently."

2

Tyler

Director of Client Success @ Wealthsimple

"There are some hard technical skills, but they are less important than the soft skills, which comes down to culture. They need to embody the culture of the company and the kind of experience they want to give customers – this far outweighs technical ability. You need to look for someone who gets a lot of self fulfillment out of committing themselves to the process and achieving client satisfaction.

Our hiring process is always evolving, but currently is looks as follows:

1. Phone screen – do they have alignment on values and basic skill set?
2. Walk through the resume, assess commitment to excellence and constant development.
3. Culture – what will this do for your career?
4. Role play cenario:
   - Put them on hold with a customer; let them access internal team to gather the answers they need and go back to customer.
     - Are they curious?
     - Are they confident?
     - Are they effective problem solvers?
     - Do they have empathy?"

QUESTION 3:

What hard and soft skills are essential for a great hire, and what is your hiring process?

HOW TO CHOOSE A CS EXPERT

QUESTION 4:

What is your favourite interview question for CS candidates? If a candidate you are interviewing isn't in CS at the moment, does your interview process/questions change?

Paul

Previous VP of Customer Success & Product @ Atomic Reach

"If the candidate is experienced in CS, I like to ask,"Why do you want to continue down the path of CS?" And, "Why do you want to wake up every morning wanting to do CS?" I want to understand what it is about this career path that they really like, and what keeps them motivated and intrigued.

I also like to ask, "Tell me about a really challenging situation with clients that you dealt with and how you overcame it." And, "Provide me details on what your previous CS role entailed and what were you accountable for?" I am looking to see how complex the general CS deliverables were and most importantly, how complex the customer journey was. By knowing exactly what they owned in the whole customer journey, I can really get a sense of whether the candidate's expertise and potential aligns with the role we are hiring for.

For someone coming with no CS experience, I look for curiosity. In that light, it is not necessarily the questions I ask; I pay more attention to the questions the candidate asks. The kind of questions they raise will show preparedness and enthusiasm."

How do you test to make sure the candidate can handle the pressures of the CS role?

Jocelyn

SVP Customers and Revenue @ Allocadia

"Throughout the interview process, I like to ask situational based questions – what was the conflict, what happened, what was the learning and what was the relationship from the client's perspective? The best relationships are forged under fire. If they can come out the other side of it, they will have an advocate and champion with a strong bond.

I also give them an assignment or exercise – ask them to present a proposal for an expansion and do a role play, and typically have someone in the room to be a challenger. This will allow you to assess whether they can think on their feet, can they gracefully not answer a question because they don't know the answer, and how they listen and treat a customer."

5

HOW TO EQUIP YOUR CS TEAM

Jonathan

VP, Global Customer Success @ Intellitix

"Resolution starts with the leaders that are in charge – they need to lead by example. Sales and CS both need each other – it's a marriage, not me versus you. Sales is the left hand and CS is the right hand – they are connected more than they know, and need to be in order to be successful. The greatest resource that a company could have is one that knows the product as well as a Customer Success Manager and can sell as well as a sales person. Now you can visualize the power of these groups coming together.

You need to create empathy and understanding between the teams. It is Important for sales to share how they are selling the product/solution with the CS Team, and have CS share real life customer stories, both positive and negative with the Sales Team. This frequent and openness in communication is the catalyst in getting both teams to truly understand the challenges associated within each team. Furthermore, these two teams begin to depend on each other for knowledge and experiences resulting in more quality sales deals and more expansion opportunities identified by the CS Team. It's a machine with dependent components."

QUESTION 6:

It is common for tension to exist between CS and Sales teams. What is the best way to have both teams work more seamlessly together to mitigate client dissatisfaction and dissension amongst the teams?

QUESTION 7:

What is the best way for early stage, high growth companies to go about establishing the customer journey?

Phil

VP, Professional Services & Customer Success @ Prophix Software

"Most companies end up trying to build a customer journey according to the people and tools they have instead of the kind of experience you actually want the customer to have.

As an organization, you want to experience the product or service as if you are the customer, and live through what that experience would feel like, as well as learn what they might be thinking through each of those steps. We sell software and we believe it's important for us to use our software in-house as much as possible to better understand what our customers would experience.

One of the things that is extremely helpful is for the executive and leadership team in all key departments to go through a customer experience mapping workshop. Through this process, they each define every step of the customer life cycle from the time the customer has a mere thought of how they are going to solve a business problem, then what they would do to research and learn about the technology that we have to offer, to then interacting with our Sales Team and working on contracting , and then once that is all signed off on, what is the experience with the Services Team. This is important because internally, we all understand what we want the software to do and the value it should bring, but we often fail to look at it through the lens of the customer experience and what they are thinking about as they go through those steps."

How do you accurately measure customer health?
What is the top metric you use for your team?

Bradley

Regional Manager, Customer Success @ Lever

"The first step is that you need to think of the solution itself, determine which line of business you are serving, and depending on the line of business, what are their criteria for determining success. Then you correlate the desired outcome of the customer to the main component of the software and measure adoption. From there you can determine the health score.

I really think we need to keep NPS and CSAT as a separate measure from customer health – but still keep them as part of the CS OKR. Ultimately, the health score should help you forecast future revenue – if the customer is achieving their business outcomes, they will most likely stick with it."

8

Karen

SVP, Customer Success @ Vision Critical

"Our #1 metric is retention. Our formal renewal process starts 6 months out from the renewal date. We have a combination team of a CSM and Renewals Specialist. If the renewal is straightforward, the CSM generally handles it on their own, but if it's complex and involves negotiation, we will involve the renewals specialist as we don't want to compromise the relationship between the client and the CSM.

Another way we mitigate risk is by holding risk meetings twice a week, where CSMs can opt to sign themselves up to discuss any customer they are struggling with, and we have all the senior CS Leaders and other extended team members there to help problem solve.

We also have one of our most senior CSM's double as a Risk Specialist. She helps the CSMs that have trickier accounts develop remediation plans for different categories of risk in addition to providing thought leadership and enablement to the team on how to effectively deal with risk."

QUESTION 9:

How does your team deal with customer churn?

QUESTION 10:

What is the best internal communication process to share customer feedback, and troubleshoot issues with other internal teams?

Ellie

Head of Customer Success @ Dooly

"Customer Success is the champion and advocate for the voice of the customer and understanding usage and adoption metrics. Feedback and usage data needs to fluidly circulate to different parts of the organization, because everyone touches the customer in some way and needs to have empathy for the highs and lows of their experience.

We have a very customer-first, cross-functional process for reviewing feedback. Here are a few examples:

- Daily bug triage based on tickets submitted through Slack and Jira.
- Weekly "full story" meeting, where the whole organization comes together over lunch to watch new users go through the sign up flow – it is a great way for everyone to provide their input.
- Weekly fireside company wide session that includes reviewing key learnings from the week about users.
- Bi-weekly product feedback review session between CS, UX and Engineering to go through the review backlog in Jira and prioritize work for upcoming sprints.
- Bi-weekly product round table sessions, for different departments to share – CS highlights feedback related to next sprint and documents what's new communication for users, product reviews sprint goals, and other teams bring additional context based on their interaction with customers."

Philosophically, CS should be a company wide effort – how do you effectively embed this mindset into the culture of the organization?

Perry

Head of Customer Success - Search & Staffing @ LinkedIn

"The easy answer is that it always starts at the top – if you have a CEO or President that understands why this is important, then that is ideal.

In addition, you need leadership to understand what Customer Success really is. We know that it is not about only "delighting" the customer. The key to true success is being able to better understand what your customer is really looking to accomplish and what defines a good return on their investment. You then need to make sure you build a plan to help them achieve those goals, and there is mutual buy-in to that plan. You do not have a business in the future unless the customer sees value and return on their investment – it is not solely about delighting them.

The next thing you want to do is to create allies in different parts of the organization beyond getting a seat at the C-suite table. For example, you want someone in Marketing that is generating campaigns around retention. Nurture campaigns are just as important as revenue generating campaigns for the long-term health of your business. Then you go over to Engineering, and get them to have a 'customer success engineer' to have them walk through the product with the perspective of the customer in mind before anything gets released. Once you start developing these partnerships, then the teams, and organization as a whole, start to become much more customer centric."

11

Lynette

Director of Customer Success @ Top Hat

"One of the big challenges a lot of companies have with motivating their CS Team is how they are incentivizing the team and aligning that with the behaviours they are trying to build, which is typically a more strategic, long-term approach to their customers. So one of the first questions I would ask a CS Leader who is struggling with turnover or burnout is, 'Are you coaching to, and rewarding the behaviours that you want to build, or are you coaching and rewarding more of the 'micro behaviours' (dials, email, open rates)?" Because if they are saying that they want strategic CSMs, but are managing them according to their daily dials, then there will be a serious disconnect and increased frustration amongst the team.

If you look at the research, it shows that salary alone is not a primary motivator in terms of what drives employees, it is having ownership and a sense of responsibility. Taking away some of controls like micromanaging, and letting them set goals and own the strategy of how they're going to get from point A to B is very empowering. At the end of the day, you can't only focus on volume based activities but more importantly, you need to reward the behaviours that externally lend themselves to the type of relationship you want CS to have with the customer, and internally encourages them to stretch themselves."

QUESTION 12:

It is a common sentiment that CSMs are overworked and underappreciated for how multifaceted and expansive their role is – what suggestions do you have to prevent burnout or turnover amongst team members?

QUESTION 13:

Should the CS team own renewals and upsell opportunities? And if so, should they be tied to revenue targets and should they be rewarded with commissions?

Tim

Director, Customer Success @ Vena Solutions

"We have developed a variable comp plan that rewards individual CSMs for meeting gross renewal rate and expansion targets and a team based NPS target. For the gross renewal target, every quarter you have to retain a certain % of the business based on a pool of revenue available to renew, and if successful, you attain a bonus. As for expansions, there is a flat commission rate and CSMs get paid a % on every dollar, and then there are accelerators that we build in for both

I have also worked in environments where there is a variable component tied to net revenue retention, where retention and expansion are pooled together. But this could incentivize the wrong behaviours where not enough focus is put on retention. It is better to keep the two separate.

Upon hiring, we make it clear that there is a quota and a target, but we also make it clear that we don't want pure sales people – the best CSM will come with a blend of skill sets including ways to grow the business. The CSM should always position themselves as a trusted advisor, build credibility through product and domain knowledge, and really be empathetic to customer situations and not come across as if you're just trying to sell something. And if you do all of those things really well, then those growth opportunities should naturally present themselves."

What is the biggest challenge when scaling the CS team, and how do you overcome this?

Adam

VP of Customer Success @ Klue

"The biggest challenge related to scaling the team is enablement. Startups move incredibly fast and the job we hire a person to do today is not the same job we, or our customers, need them to be doing tomorrow. Finding people who are super ambitious, curious and resilient lets us move quickly and adapt when needed.
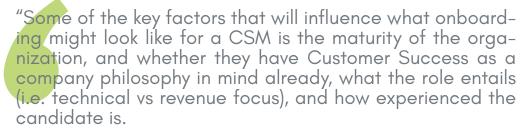
This is why I am always looking for complementary skills, and every new person we bring onto the team has to make the team better in some way through their unique diversity of experiences and current skills. Even when we get to the role specialization stage, I have always kept this mindset of finding complementary skills and have found that this, more than anything, is what contributes to the secret sauce of team success."

14

Wendy

Manager, Customer Success @ Siteimprove

"Some of the key factors that will influence what onboarding might look like for a CSM is the maturity of the organization, and whether they have Customer Success as a company philosophy in mind already, what the role entails (i.e. technical vs revenue focus), and how experienced the candidate is.

We have a 6-8 week onboarding plan, which includes starting to interact with customers. Each week includes specific things the CSM is supposed to learn about.

There are essentially four themes to our onboarding process:

1. Teaching them about Customer Success – here is what and how we do CS at "our" company.
2. Domain training – increase acumen in the company's specific industry.
3. Platform training – learning more about what the product actually does. Outside of the Tech Support Team, CSMs really need to know the product and how it works.
4. Culture – learning how to work at the company, navigate how to work best with internal teams."

QUESTION 15:

What is the best way to onboard a new CSM to ramp up quickly and effectively manage accounts?

QUESTION 16:

What is the career path for someone in CS? What advice would you give someone who aspires to become a CS Leader?

Steve

Director of Customer Experience @ ApplyBoard

"People entering the Customer Success organization often come from varied professional backgrounds, but ultimately I believe it is important to ideally have some previous customer-facing experience (Sales, Project Management, Support, Solutions Consultant/Engineer are the typical roles showing interest in CS). I firmly believe that the key characteristic indicative of success in the CS realm, is whether or not someone is invested in maintaining long-term relationships (including the good and bad times) for the entirety of a customer's commitment, and does that person genuinely get excited about the success the client is having to continuously derive irreplaceable value over and over again?

The one piece of advice I would give to anyone pursuing leadership in CS is to make sure they are strong in cross-functional collaboration, and to encourage them to approach their work with an open mind to learning; stressing the importance of experimenting with new ideas from both inside and outside of their current organization and industry. In recognizing the importance of this interconnectedness, you will be far more successful working hand in hand with each department to ultimately create a seamless customer experience throughout every interaction in the journey the client has with your company and brand."

INDUSTRY INSIGHTS

What is the distinct difference between Customer Success and Customer Support?

Jordan

Senior Customer Success Manager @ Roadmunk

"Customer Support is reactive and transactional whereas Customer Success is proactive and strategic.

Fundamentally, Customer Support involves very transactional interactions with the clients – as much as they would like to go more in depth, they just don't have the bandwidth and aren't measured that way. Customer Success is really about building more strategic relationships, and being a trusted advisor; someone who really understands the client's business function, knows what they are using the tool for, what they are trying to achieve, and what their goals and desired outcomes are."

17

Richard

VP, Customer Success @ Sensei Labs

"There is a camp that is confident that CS leads post-sales financials on accounts, then there is another camp that believes that it still lives with sales. I think the former camp has really grown over the years, and therefore a lot of the thought leadership and tools are moving towards CS financial ownership of accounts. This comes with an evolution of a new set of responsibilities and skills, specifically; the way the CS Team members engage with the customer, the types and level of conversations they have, and how you develop the team.

I also see this in the Customer Success tools that have come to market over the past few years that have confidently put revenue at the center of their solution rather than feature adoption.

I've also seen diverse prior experience become a competitive advantage of our Sensei Labs CS Team. For example, our Team includes backgrounds from sales, consulting, law, and engineering as we build out a well-rounded team that's equipped to thrive in the evolving landscape of B2B SaaS."

QUESTION 18:

How has CS evolved over recent years?

QUESTION 19:

How do you feel CS has

evolved over the past

decade?

Anusha

Vice President, Client Success @ Benevity

"Customer Success has grown in parallel with the proliferation of SaaS and companies adopting the subscription business model driving a critical business imperative to invest in the customer relationship. As such, retention became a leading indicator metric of a subscription company's future success, along with the growing appreciation that the cost of retaining existing customers is lower than the cost of acquiring new ones. The focus on who owned retention and growth then became the burning question within these organizations - this is really where Customer Success started to come into its own.

As with any new discipline growing out of established ones, the conversations centered around the debate of "Is this support? Is this services? Is this account management..?" An identity crisis, of sorts. As companies wrestling with these questions experimented with solutions, we saw a distinct discipline called Customer Success with a mandate to retain and grow the client base take shape and space within the overarching post-sale umbrella, alongside the long established Support and Professional Services. Each are customer-facing disciplines with their own discrete set of KPIs, roles and responsibilities, career paths and compensation models, but in combination with each other, orchestrate a complementary CX experience for the customer.

Evolving from being an execution player to a strategist in shaping the company's success, is a monumental shift by any definition."

How has CS had to adapt to changes in the market due to Covid 19 - what new activities have you introduced or what have you stopped doing?

Amy

Merchant Success Lead @ Shopify

"There are not a lot of net new activities because I feel strongly that Customer Success as a function is set up really well for this type of situation - we are the lens into the organization, we are the front line and already have a lot of customer empathy. So if anything, it is really just doubling down on the things that we were already doing.

What we are seeing is that the time to build that sweet spot of trust in customer relationships has actually become much shorter.

We're more focused on customer experience and customer loyalty than ever before, showcasing who we are through this, and giving back to the community. We are doing a lot more story telling and sharing of best practices with customers, as well as facilitating more strategic conversations around helping them pivot their business during this time. We are also talking to customers about their strategy post pandemic, and not speaking about it in terms of the new normal, but the "next normal" and the fact that it is always going to change and evolve."

20

Vanessa

**Chief Customer Officer/Chief Revenue Officer
@ Achievers**

"A customer-centric mindset really needs to start at the top with the leaders of the company. When they embrace this philosophy and the value of CS, it will help permeate the rest of the organization. The Chief Customer Officer role ensures the voice of the customer is always top of mind and central to the executive team's discussions and strategies.

In the absence of a customer centric environment, leveraging data is key to getting buy-in from leadership. There is excellent third party data on the value of customer loyalty, and how Customer Success influences adoption, usage, and retention and growth. It is also important for an organization to clearly define who your customer is, including the various personas who use your solutions. As an exercise, it is helpful to have physical reminders that the customers are real people, and even have their names and pictures on the walls as cues.

Additionally, organizations should consider involving the CS Team in a variety of cross functional projects, including having a CS designate sit in on product team meetings or contribute to release committees to bring the customer's experience to life. This is another effective way to ensure the voice of the customer is always heard."

QUESTION 21:

If it does not already exist, how do you create buy-in from leadership as to the true value of CS?

MEET THE EXPERTS

KAREN HOGG

Head of Customer Success
Strive Engagement

JOCELYN BROWN

SVP Customers and Revenue
Allocadia

KAREN EISEN

SVP Customer Success
Vision Critical

JULIE WEILL PERSOFSKY

Managing Director, Customer Success
Winning by Design

JONATHAN ZIFKIN

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Intellitix

ELLIE HUTTON

Head of Customer Success
Dooly

TYLER MEEMA

Director of Client Success
Wealthsimple

PHIL GRAVEL

VP, Professional Services & Customer Success
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PERRY MONACO

Head of Customer Success – Search & Staffing
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PAUL BLAMIRE

Previous VP of Customer Success & Product
Atomic Reach

BRADLEY LIOU

Regional Manager, Customer Success
Lever

LYNETTE PRETORIUS

Director of Customer Success
Top Hat

TIM SZEGO

Director, Customer Success
Vena Solutions

STEVEN MCCALLA

Director of Customer Experience
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ANUSHA SRIJEYANATHAN

Vice President, Client Success
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ADAM HOUGHTON

VP of Customer Success
Klue

JORDAN LEE

Senior Customer Success Manager
Roadmunk

AMY FRANKLIN

Merchant Success Lead
Shopify

WENDY SCHOFIELD

Manager, Customer Success
Siteimprove

RICHARD PRASHAD

VP, Customer Success
Sensei Labs

VANESSA BRANGWYN

Chief Customer Officer/Chief Revenue Officer
Achievers