The Definitive

Buyer's Guide for a

Customer Success

Platform

TOTANGO

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Customer Success Platform Key Components & Must Haves

EARLY WARNING SYSTEM

Data driven insights and alerts identify which customers need your attention and why.

Must Haves:
- ¬ Account health scoring
- ¬ Real-time customer alerts
- ¬ Business impact / ROI metrics
- ¬ Customer Success engagement metrics
- ¬ Account health history and trends

Should enable us to:
- { Get alerts when a customer's health has changed and know the reasons why
- { Identify which customers are falling behind in onboarding
- { Highlight users that need more product training
- { Know if an executive champion has tuned out
- { Get a warning when an account is at risk of going bad

WORK PROCESS MANAGEMENT

Intelligent workflow management ensures that the right actions are prioritized and assigned to the right people.

Must Haves:
- ¬ Portfolio management
- ¬ Dynamic account and user profiles
- ¬ Task assignment and prioritization
- ¬ Best-practice automated plays and tasks
- ¬ Reports and dashboards

Should enable us to:
- { View important customer account information in one interface
- { Help CSMs prioritize and manage tasks related to their accounts
- { Manually or automatically assign tasks to CSMs
- { Create and trigger a set of automated workflows and tasks based on predetermined business rules
- { Track team performance in one place

CUSTOMER CAMPAIGNS

Built in marketing tools use customer analytics and insights to drive automated campaigns and support CSM teams.

Must Haves:
- ¬ Customer segmentation and list building
- ¬ Multiple customer nurturing tracks
- ¬ Built-in email, in-app messaging, and push notification capabilities
- ¬ Email design and templates
- ¬ Goal setting and progress/ conversion tracking

Should enable us to:
- { Scale email interactions with customers
- { Trigger automated email campaigns
- { Run multiple nurture tracks different customer segments
- { Assign goals to campaigns and emails
- { Track cumulative progress on campaign goals in a dashboard

CUSTOMER ANALYTICS

Analytics functionality visualizes the state of your business and measures key trends to help your team focus their attention.

Must Haves:
- ¬ Account profiles and user leaderboards
- ¬ Revenue risk and renewal forecasts
- ¬ Account and user- level segmentation
- ¬ Customer benchmarking

Should enable us to:
- { Analyze product adoption rates among premium and standard customers
- { Identify the most engaged users
- { Identify accounts that are ready for an upgrade
- { Analyze any business questions that combine application and customer data
- { Create revenue risk and renewal forecasts based on customer health

CUSTOMER MONITORING

Real-time monitoring charts every step of the customer's journey with your product. This is the foundation that supports the effectiveness of the early warning system, customer success process management, customer campaigns, and customer analytics.

Must Haves:
- ¬ Out-of-the-box data collection
- ¬ Sensor-based event monitoring
- ¬ Dynamic object creation (automatically collects data on new accounts)
- ¬ Automatic data mapping

Should enable us to:
- { Collect user and account level data every day, all day
- { Grow alongside the product with a scalable, flexible infrastructure
- { Track events that are relevant and important to the business
- { Pull data from any data source with a simple integration

Getting Started

MAKING THE CASE:

If you offer an online service with recurring fees that are dependant on customer renewals, then most of your revenue comes after the initial sale. As the barrier to switching solutions becomes smaller, you need to invest in helping customers succeed with your product.

The days of learning about your customers only through surveys and support tickets are gone. Customer usage, utilization, and outcomes are the most accurate reflection of customer engagement and, conversely, disengagement.

The right Customer Success Platform (CSP) will provide unprecedented visibility into your customers, opening up new opportunities - and smarter ways - to understand them. With 70-95% of revenue coming from renewals and upsells, investing in the right CSP is as important as investing in marketing, sales, and customer support solutions.

Companies that invest in a centralized customer intelligence database and incorporate customer insights into customer facing actions achieve:

3.5X *higher retention rates*

+20% *customer lifetime value growth*

— Aberdeen Group

Getting Started

PRIORITIES AND PROBLEMS:

The typical charter of Customer Success organizations is to protect and grow recurring revenue by:

- **improving onboarding** and **product adoption**

- **improving customer advocacy**

- **reducing customer churn** rates

- **increasing upsell** and **cross-sells**

However, achieving these goals can be difficult since Customer Success teams are often faced with these key problems:

Firefighting – teams are operating in crisis/reactive mode

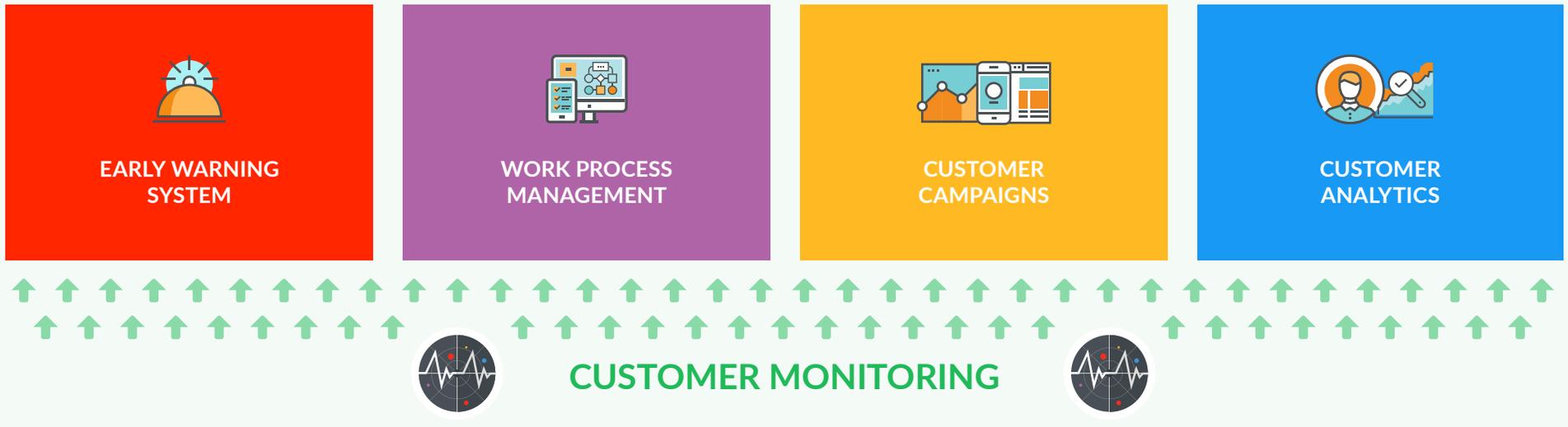*Difficulty in prioritizing* – limited insights into which customer needs attention, when, and why

How to scale – not enough CSMs or automated processes in place to cover all customers

Tackling Customer Success problems requires having a technology platform in place that can *proactively inform teams* about customers that are at risk of churn, *help teams prioritize* which accounts to work on, and *help them continue to operate efficiently* as the company grows.

Key Components of a Customer Success Platform

Customer Success Platform

| EARLY WARNING SYSTEM | WORK PROCESS MANAGEMENT | CUSTOMER CAMPAIGNS | CUSTOMER ANALYTICS |

CUSTOMER MONITORING

All CSPs claim to help teams tackle the problems listed in the previous section, but not all are created equally. A strong CSP needs to be able to collect and transform customer data into relevant alerts and insights for the team and help teams to manage and prioritize related tasks in an efficient way.

The CSP that you select needs to be made up of the following components:

- n EARLY WARNING SYSTEM
  Data driven insights and alerts identify which customers need your attention.

- n WORK PROCESS MANAGEMENT
  Intelligent workflow management ensures that the right actions are prioritized and assigned to the right people.

- n CUSTOMER CAMPAIGNS
  Built in marketing tools use customer analytics and insights to drive automated campaigns and support CSM teams.

- n CUSTOMER ANALYTICS
  Analytics functionality visualizes the state of your business and measures key trends to help your team focus their attention.

- n CUSTOMER MONITORING
  Real-time monitoring charts every step of the customer's journey with your product. This is the foundation that supports the effectiveness of the early warning system, customer success process management, customer campaigns, and customer analytics.

Early Warning System
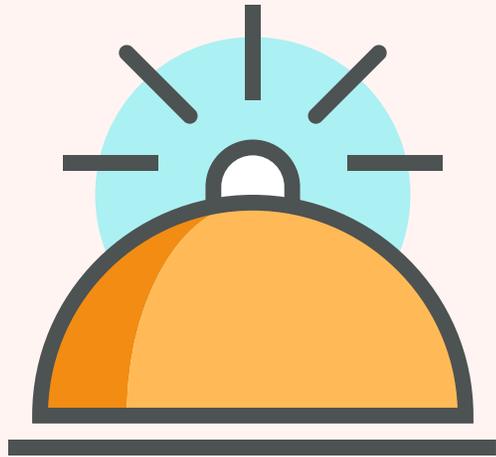
MUST HAVES:

¬ **Account health scoring**

¬ **Customer event monitoring and real-time alerts**

¬ **Business impact / ROI metrics**

¬ **Customer Success engagement metrics**

¬ **Account health history and trends**

The purpose of an Early Warning System (EWS) is to **proactively alert you when a customer requires your attention**. EWSs should be configured to send alerts when there is a drop in customer health, or when specific conditions, parameters, or events occur.

Based on these predictive alerts and insights, Customer Success Managers can **identify trends before they become problems** and engage with their accounts in a meaningful and contextual manner.

Examples include:

Get alerts when a customer's health has changed and know the reasons why

Identify which customers are falling behind in onboarding

Highlight users that need more product training

Know if an executive champion has tuned out

Get a warning when an account is at risk of going bad

Early Warning System

Early Warning System Must Haves:

- **Account health scoring** – Model account health scores based on a variety of factors such as business outcomes, product usage, license utilization, support tickets and other data, and customer satisfaction. Additionally, set up an adaptive health model for different customer segments based on journey stage, such as onboarding, adoption, etc. (See "What Impacts Account Health Scoring" subsection for more information.)

- **Customer event monitoring and real-time alerts** – Configure and get alerts on key events in the customer's journey with the product. Track activities and actions that could result in potential churn as well as identify opportunities that could create new value for customers. With predictive signals, Customer Success Managers can proactively intervene to improve onboarding, customer engagement and product adoption.

- **Business impact / ROI metrics** – Create and monitor ROI metrics in the CSP to determine if the customer has seen increased revenue, improved productivity, or improved results with your product. Incorporate these metrics into the adaptive health model to drive automated nurturing campaigns.

- **Customer Success engagement metrics** – Measure the level of engagement end-users have with the application and benchmark it against the entire customer base. Use this information to get a contextual understanding of customer activity by tracking license utilization, engagement scores, and other metrics related to your business.

- **Account health history and trends** – Get detailed account health history and trends in order to identify areas for improvement and to gain context on customer engagement. Use this history to prioritize accounts with persistent poor health.

THINK ABOUT...

Leading Indicators
Usage and engagement factors that can help predict changes in customer health. These factors include business outcomes, product engagement, and service utilization. A successful CSP platform pulls in these predictive indicators in order to provide an accurate health score.

Customer Journey Mapping
A framework that maps the stages of your customer's lifecycle with your product. Knowing your customer's journey will enable you to pinpoint which stages to nurture, help move customer's forward, and improve your customer's success with your product. To learn more about how to map your customer's journey, click here.

What Impacts Account Health Scoring?

An account health score should provide you with an overview of how your customers are doing with your product - **are they in good, average, or poor health** - and to warn you when a customer is at risk.

PRIMARY INDICATORS:

- Application based
- Leading
- Objective
- Full customer coverage

BUSINESS OUTCOMES
Do the product's end results meet the customer's initial purchase expectations?

PRODUCT ENGAGEMENT
Are users logging in and using the application in the way they are supposed to? What is the intensity and duration of their engagement? What does the usage or lack of usage indicate?

SERVICE UTILIZATION
Is the customer fully utilizing their subscription? How much of the purchased capacity is actually being used?

Key components of health:

An accurate health score should be built on the foundation of **primary indicators** which consist of application-based metrics such as product engagement, utilization, and ROI metrics that cover your entire customer base.

SECONDARY INDICATORS:

- CRM based
- Lagging
- Subjective
- Partial customer coverage

CUSTOMER SATISFACTION
What is the feedback from customers and CSMs?

SUPPORT & OPERATIONS
What are the outstanding support, SLA and/or invoicing issues?

Secondary indicators such as support and survey information should be layered on if/where available.

Work Process Management
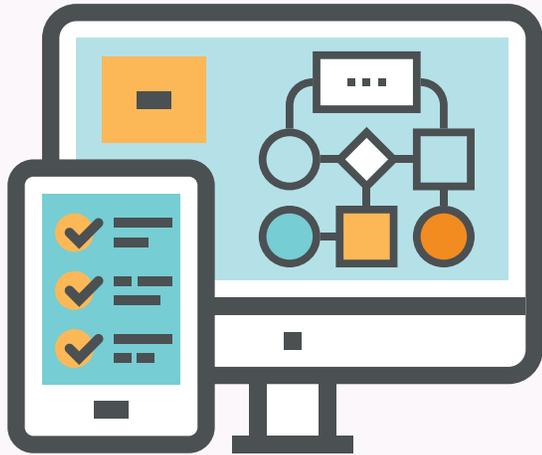
MUST HAVES:

¬ **Portfolio management**

¬ **Dynamic account and user profiles**

¬ **Task assignment and prioritization**

¬ **Best-practice automated plays and tasks**

¬ **Reports and dashboards**

The work process management component of a successful CSP helps busy Customer Success Managers (CSMs) and executives **prioritize and focus** on the accounts that require their immediate attention. A strong CSP enables customer success teams to **implement intelligent workflow management** so that CSMs can more effectively manage a large number of customers.

In addition, process management components must **enable team collaboration and create a system of record** for all customer facing actions. This enables the entire team to see what is being done, acknowledge where progress is being made, and understand what is effective.

Examples include:

See important customer account information in one interface

Help CSMs prioritize and manage tasks related to their accounts

Manually or automatically assign tasks to CSMs

Create and trigger a set of automated workflows and tasks based on predetermined business rules

Track team performance in one place

Work Process Management

Work Process Management Must Haves:

¬ **Portfolio managment** – Allow CSMs to track the performance of accounts in one central place. Get a snapshot of the health of those accounts, track portfolio value, and receive customer alerts.

¬ **Dynamic account & user profiles** – Provide the right context and history before the team reaches out to a customer. Strong profiles include account health history and activity timeline, usage benchmarks (against other similar customers) and user leaderboards, real-time metrics such as engagement scores and custom ROI metrics in one view.

¬ **Task assignment and prioritization** – Help teams assign, prioritize and manage tasks related to their portfolio in a simple manner. The CSM adds current accounts to a personal dashboard to manage all customer interactions and collaborate with other team members in one place.

¬ **Best-practice automated plays and tasks** – Help formalize customer success best practices in a scalable and consistent manner across growing teams. Customer Success organizations can automate team workflow and trigger personalized customer touchpoints throughout the customer lifecycle in order to deliver the appropriate attention to each customer in order to drive deeper product engagement, improve customer health, and ultimately maximize revenue through renewals and upsells.

¬ **Reports and dashboards** – Keep a pulse on the entire business with configurable reports. Easily configure and customize dashboards to track revenue at risk, review health across different customer segments, chart individual CSM productivity and more.

THINK ABOUT...

Scalability
A team's capability to maintain and increase performance while increasing customer accounts. This process begins by helping teams handle and prioritize increasing customer needs. A CSP is an invaluable tool in helping to automate these processes through best practice based automated plays and campaigns.
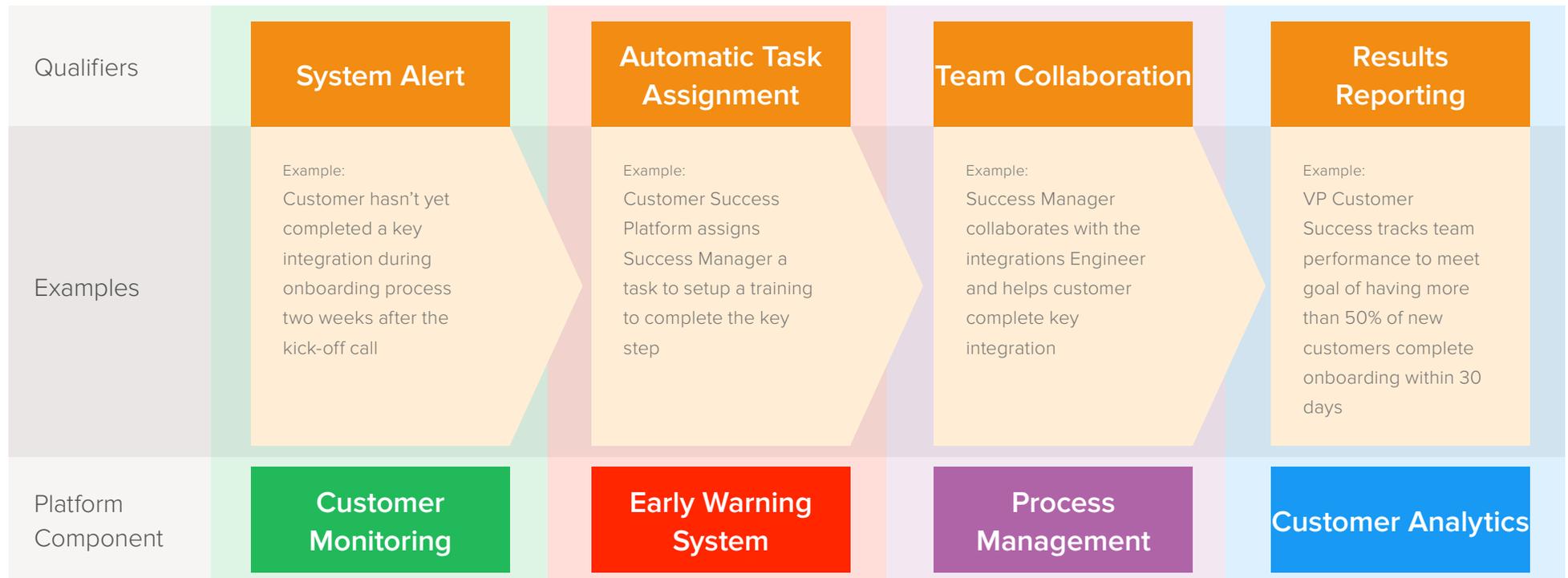
Mobile
In today's increasingly mobile world, strong CSPs have a mobile interface that enables your team to access key customer information while on the go and take action directly from their phones.

Work Process Management

Work Process Management example:

When a newly acquired account has not completed onboarding within 30-days, the CSM assigned to that account receives a notification along with an automated task to directly and appropriately address that problem.

The CSM can immediately begin tackling the issue and collaborate with other team members as needed. The team also receives an alert when the customer has completed onboarding.

Qualifiers	**System Alert**	**Automatic Task Assignment**	**Team Collaboration**	**Results Reporting**
Examples	Example: Customer hasn't yet completed a key integration during onboarding process two weeks after the kick-off call	Example: Customer Success Platform assigns Success Manager a task to setup a training to complete the key step	Example: Success Manager collaborates with the integrations Engineer and helps customer complete key integration	Example: VP Customer Success tracks team performance to meet goal of having more than 50% of new customers complete onboarding within 30 days
Platform Component	**Customer Monitoring**	**Early Warning System**	**Process Management**	**Customer Analytics**

Customer Campaigns

MUST HAVES:

¬ **Customer segmentation and list building**

¬ **Multiple customer nurturing tracks**

¬ **Built-in email, in-app messaging, and push notification capabilities**

¬ **Email design and templates**

¬ **Goal setting and progress/conversion tracking**

The Customer Campaigns component provides **built in tools to help your team drive adoption and advocacy** using automated marketing. Rather than rely on a separate marketing platform—which only gives limited insight into what customers are actually doing with the application—**a smart CSP will include customer nurturing tools**. Automated marketing features, such as email campaigns and in-app messaging, are an effective channel to improve adoption, add value, and drive success over time at scale.

Examples include:

Scale email interactions with customers, whether 1:1 or 1:many

Trigger automated campaigns based on defined criteria and monitors

Set up simultaneous nurture tracks for onboarding and established customers

Assign goals to campaigns and emails

Track cumulative progress on campaign goals in a dashboard

Customer Campaigns

Customer Campaigns Must Haves:

¬ **Customer segmentation and list building** – Create and define specific customer segments at the account and user level to target with nurturing campaigns. Leverage application data on engagement, business outcomes, and other important metrics to create smart lists of customers. Smart lists are automatically updated as new users or accounts meet the criteria defined in them.

¬ **Multiple customer nurturing tracks** – Define and assign tags and alerts to deliver targeted messages to specific customers cohorts based on their actions. Set multiple marketing nurture tracks in place to target customers throughout their journey from onboarding to adoption.

¬ **Built-in email, in-app messaging, and push notification capabilities** – Trigger personalized emails, messages and notifications directly from the CSP rather than a separate marketing automation platform or application. This tool makes it easier to associate outcomes with actions.

¬ **Email design and templates** – Maintain brand consistency with email templates and designs that match other corporate communications. The built in templates enable the team to focus on getting the right content out rather than designing new emails each time.

¬ **Goal setting and progress/conversion tracking** – Measure the effectiveness of a campaign within the CSP and evaluate its impact. Assign a target goal at the beginning of a campaign and track conversions such as user behavior changes. Compare different campaigns to see which ones have the highest conversion rates.

EXAMPLES OF CUSTOMER CAMPAIGNS

〔 **Automatically send** "welcome and get started" emails to any new user of the application and follow up within a week if the user hasn't engaged a specific feature

〔 **Run a drip campaign** to get new accounts to set up/configure their application interface within 30-days

〔 **Run a campaign targeted to power users** to give them extra tips and tricks

〔 **Send automatic "check in" emails** to individual users on behalf of CSMs if usage drops by 50% over two weeks

Customer Analytics

MUST HAVES:

¬ **Account profiles and user leaderboards**

¬ **Revenue risk and renewal forecasts**

¬ **Account and user-level segmentation**

¬ **Customer benchmarking**

The Customer Analytics component in a successful CSP creates a set of reports based on customer data in order to **help your organization understand customer behaviors and make data informed decisions**. Customer analytics foster the ability to visualize and report on a combination of product usage and business data.

Taking advantage of analytics functionality can **help the team create better outreach content and spot areas for improvement** in different processes. In addition, it can help other teams across the organization better understand how to improve the product and more.

Examples include:

Analyze adoption rates of a certain product-feature differs between premium and standard customers

Identify the most engaged users

Identify accounts that are ready for an upgrade

Analyze any business questions that combine application and customer data

Create revenue risk and renewal forecasts based on customer health

Customer Analytics

Customer Analytics Must Haves:

¬ **Account profiles and user leaderboards** – Identify power users and laggards across all customer accounts and dive into engagement and usage for each cohort to see where they differ. Use the power users list to find good candidates to beta test new features or for more targeted feedback.

¬ **Revenue risk and renewal forecasts** – Configure segments to present all renewals within the next few quarters and see a breakdown of the health profiles in order to determine revenue at risk for these customers. Review customer health trends to see if these same accounts were doing better earlier in the year and get a clear picture of what accounts can be saved or not.

¬ **Account and user-level segmentation** – Segment your customer base in order to determine how to best interact with customers in each segment and maximize customer lifetime value. Leverage this information to proactively help new customers successfully adopt the product. Understand the commonalities amongst onboarding customers in poor health to better target sales, establish better onboarding processes, and help the customer start off correctly.

¬ **Customer benchmarking** – Use customer data to create benchmarks for key engagement and business metrics and compare every customer account to the benchmarks. This will enable the team to take a data-driven approach to establishing the criteria for a healthy customer and drive customers towards the benchmarked goals.

CUSTOMER ANALYTICS IS RELEVANT FOR:

- **Customer Success teams:**
  Track and monitor customer health, forecast renewals and report on the state of the customer-base

- **Business teams:**
  Analyze and report on product trends, revenue and customer health

- **Product Management teams:**
  Analyze product adoption and usage trends during product releases or on an ongoing basis

- **Marketing teams:**
  Identify unique customer personas and measure effectiveness of marketing efforts and customer nurturing initiatives

Customer Monitoring

MUST HAVES:

¬ **Out-of-the-box data collection**

¬ **Sensor-based event monitoring**

¬ **Dynamic object creation (automatically collects data on new accounts)**

¬ **Automatic data mapping**

In order for the four components - Early Warning System, Process Management, Customer Campaigns, and Customer Analytics - to be effective, **they must be supported by real-time customer monitoring**. A strong CSP collects interaction data for every single user across every single account and **turns that data into meaningful insights**.

This component is often one of the most overlooked when selecting a CSP, but it deserves serious consideration as it is the data-engine that powers all of your team and marketing efforts.

Customer monitoring:

Collect user and account level data every day, all day

Grow alongside the product with a scalable, flexible infrastructure

Track events that are relevant and important to the business through sensor-based monitoring

Take data from any source with a simple integration

Customer Monitoring

Customer Monitoring Must Haves:

¬ **Out-of-the-box data collection** – Collects user and account level data with a simple integration process. This key factor enables the CSP to scale and grow with your application.

¬ **Sensor-based event monitoring** – Monitors and calculates changes in health scores and creates trend analyses on a daily basis. This is the foundation in helping teams keep track of their customers and get alerts at the right time.

¬ **Dynamic object creation** – Automatically reflects new accounts in the application. Getting data from other sources, such as CRM or via manual uploads can lead to errors and delays in the onboarding process.

¬ **Automatic data mapping** – Tracks and reflects every new account, user, activity, and event. Data mapping for new features is automatic.

EXAMPLES OF DATA TRACKED:

- Usage frequency
- Log-in frequency
- Time spent within application
- Actions taken at the user/account level
- Modules/features used at the user/account level
- Events/milestones

Integrations:

The CSP will become a key part of the suite of technology that supports your business, so it has to be able to connect with other platforms. By incorporating data from all sources -- your application, CRM, help desk, billing, servers-- you can easily collect more data points, giving you comprehensive insight into the health of every customer.

Types of integrations:

- Your application
- Helpdesk platforms (e.g., Zendesk, Desk.com, and more)
- CRM platforms (e.g., Salesforce, SugarCRM, and more)
- Marketing Platforms (e.g., Marketo, Eloqua, Hubspot, and more)
- Other platforms (e.g., Amazon, GoodData, Dropbox and more)

ABOUT TOTANGO

Totango is a customer success platform that helps recurring revenue businesses simplify the complexities of customer success by connecting the dots of customer data, actively monitoring customer health changes, and driving proactive engagements. Leading companies use Totango to reduce churn, grow predictable revenue, and maximize customer value over time.

You can find more customer success resources at: http://www.totango.com/resources

Additionally, our customer success team is always excited to talk through best practices and offer any guidance, feel free to reach out to us.

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