

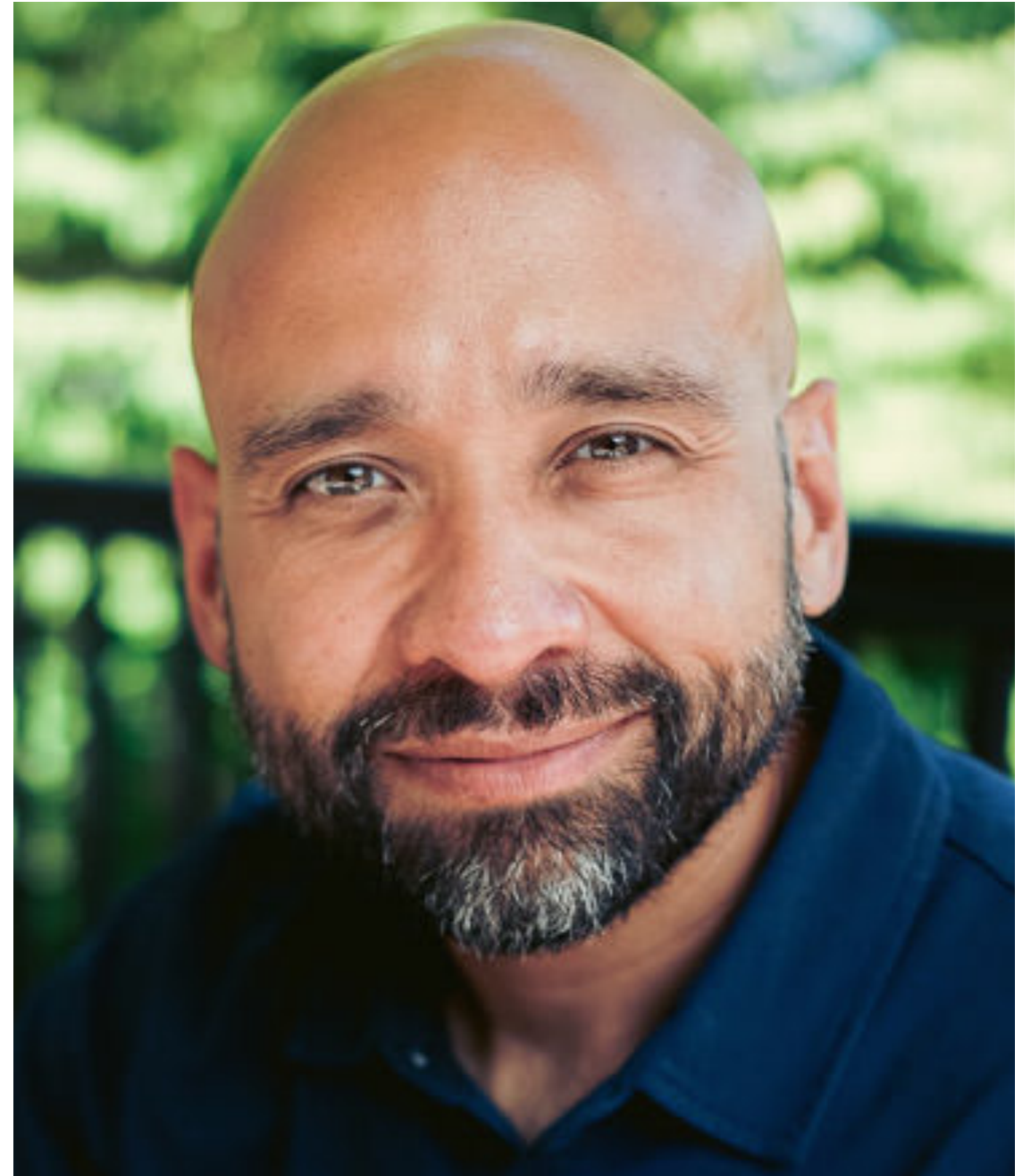
Improve your retention with this **one change**

David Cancel
SaaS Fest 2015



About David Cancel

- **5x Founder / 2x CEO**
- **CEO/Co-Founder, Driftt**
- **Chief Product Officer, HubSpot, IPO: HUBS**
- **CEO/Co-Founder, Performable**
acquired by Hubspot
- **Owner/Founder, Ghostery, acquired**
by Evidon
- **CTO/Co-Founder, Compete,**
acquired by WPP
- **Investor/Advisor/Director to Various**
Companies and VC Funds



**One change can
improve retention**



Really?



BIEBER
NEVER

REALLY?



Align Incentives



**‘The most important rule
in management “Get the
incentives right”’**

– Charlie Munger



Simple, not easy



But...



**Which
incentives?**



Two categories of incentives



1. External



**Align your pricing,
product, and promotions
with your customers**



2. Internal



**Align your teams and
departments to promote
customer retention.**



**Lots of talks
about #1**



**We're here to talk
about #2**



**Not what you're
thinking**





So...



**How do we
align...**



**the incentives of
our departments?**



**Best way to
change behavior**



**is to leverage a
cognitive bias**



**only one bias in
this case**



but ideally...



**you should study
all...**



25 cognitive biases



as described by



Charlie Munger



“The Psychology of Human Misjudgment”



The Psychology of Human Misjudgement - Charlie Munger Full Speech



| The Psychology of Human Misjudgement |
uploaded by BuffettMungerWisdom

<http://cancel.im/25-cognitive-biases>

**Today we are
discussing Bias #1**



Bias 1:
Reward and Punishment
Super-Response Tendency



**“If you would persuade,
appeal to interest and not
to reason”**

– Benjamin Franklin



Incentives and disincentives...



**rule everything
around me**



createthefuckingchaos

**CASH RULES EVERYTHING AROUND ME
C.R.E.A.M. GET THE MONEY
DOLLAR DOLLAR BILL Y'ALL**

**Few businesses
get this right**



**How do you align
your teams today?**



**You are what you
measure**



but remember



**There is a dark
side to metrics**





66 FPS

4 0:05 4

ROCKET LEAGUE

I View Controls

LSHIFT ▶ 100%

Player View Jason

4:31

5:25

90 ▶

**So are your
metrics aligned...**



**with your
customers?**



**Most team
metrics aren't**



Sales?



Marketing?



Product?



Solution



Customer



**Design every
teams metrics...**



**to incent customer
retention**



Examples



Establish baselines



NPS



eNPS





How likely are you to recommend
Spotify to a friend?



0	1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	---	----

not likely

very likely



1. Sales



Territories



Upgrades



2. Marketing



Leads + Customer NPS



SDRs



3. Engineering + Product



Customer Service



Internal Customers Too



No Product Roadmaps



Product Adoption



Usage Frequency



**Shipping to
Customers Daily**



Monthly Science Fairs



TAKE A DEEP BREATH





YOU CAN DO IT

**One change can
improve retention**



Thank You.



**Once a week I share
what I'm learning.**

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