

OPENVIEW

BEGINNERS' GUIDE TO CUSTOMER SUCCESS

Starting customer success the right way

CUSTOMER SUCCESS

A man with short hair, wearing a patterned button-down shirt, is seated at a table. He is looking off to the side with a thoughtful expression. The background is blurred, suggesting an indoor setting like a cafe or office. The overall lighting is soft and slightly dim, with a greenish tint.

Think of a brand you love, a brand you recommend to friends, a brand that will keep your business even if they screw up once in a while because you value the relationship beyond the service they provide.

What did this brand do right to make you such a die-hard loyalist and willing evangelist?

They invested in your success.

Again and again, brands are discovering that customers choose, refer, and stand by a company based not on flashy marketing or innovative product features, but on the experience of engaging with the brand and the value that brand delivers.

Delivering this kind of loyalty-inspiring value and experience doesn't happen by accident. It's the result of intentionally – and passionately – adopting customer success as a core philosophy. The top brands have rabid fans because they infuse each and every aspect of their organization with this philosophy, ensuring that each customer experience is predictable, measurable, and consistently aligned with the customer's perception of value.

Particularly relevant to the subscription-based business model and strategically suited to a competitive market, customer success is the only way for SaaS companies to build and maintain a sustainable hyper-growth business.



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WHAT IS CUSTOMER SUCCESS?

Customer success is the process of integrating customer goals, context and outcomes into your company's culture, vision, strategy and operations, so that your organization can increase visibility into customer needs. This insight enables you to develop a keen understanding of what your customers are striving to do, and then you can use this information to help them consistently realize the full value of your product

over the course of their customer lifetime. The goal is for you and your customers to work in concert so that the relationship can develop to its full potential. The alternative – you and your customers working on separate tracks – weakens and jeopardizes the relationship.

Customer success transforms your relationship with your customer from being purely transactional to being deeply cooperative and collaborative. Customer success is about becoming

a partner in your customer's journey and helping them meet their business goals by enabling their success and proactively removing impediments along the way.

The end goal is for the customer to associate value in the relationship beyond your products and services, so the relationship endures the normal ups and downs of doing business.

Customer success is not the same as customer service.

Customer service is a reactive, tactic that focuses on fixing problems in order to keep customers satisfied. Customer success, on the other hand, is a proactive strategy for understanding and supporting your customers' desired business outcomes.

 CUSTOMER SUCCESS	 CUSTOMER SERVICE
Proactive	Reactive
Customer Goal Achievement	Issue/Contact Resolution
Driving Customer Value from Product	Driving Customer Satisfaction
Long-term Perspective	Short-term Perspective
Revenue Generating	Cost Center
Cross-team Effort Between Sales, Support, Service and Product	Owned by a Single Function

PROACTIVE VS. REACTIVE Customer success organizations preemptively and proactively identify and address problems that prevent customers from realizing their goals. They create real-time visibility into core issues and coordinate resources to help customers overcome challenges. Customer service representatives, on the other hand, are reactive, putting out fires as they arise.

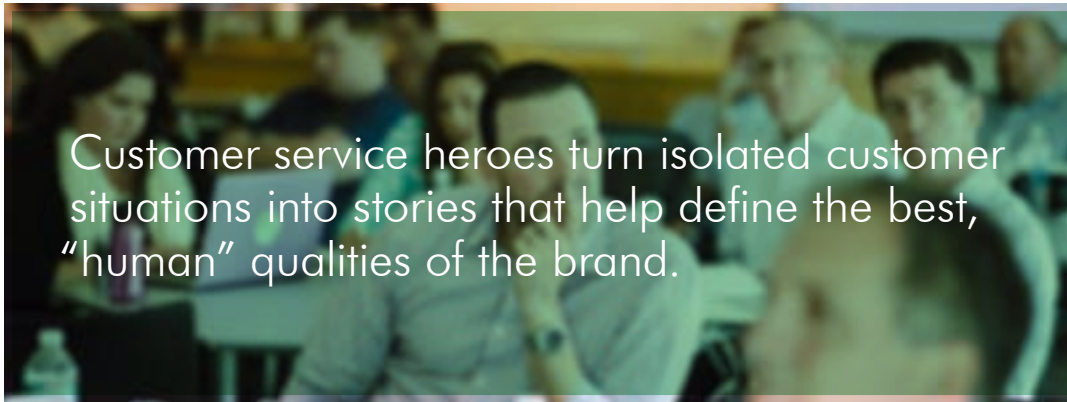
GOAL ACHIEVEMENT VS. ISSUE RESOLUTION While customer service teams work to resolve unique, customer-specific issues as quickly as possible, customer success teams work to eliminate systemic process bottlenecks that jeopardize overall customer goal achievement.

CUSTOMER VALUE VS. SATISFACTION Customer success organizations aim to maximize value by helping customers to achieve their goals via the SaaS product. Satisfaction, the goal of customer service teams, is only the baseline for customer success teams. A customer success team's performance is ultimately measured against customer outcomes.

LONG-TERM VS. SHORT-TERM PERSPECTIVE Customer success organizations look at the entire customer process and lifecycle in order to resolve universal adoption issues and other common bottlenecks that prevent customers from achieving their goals. Service organizations, on the other hand, confine their view to immediate technical or usage issues in order to resolve contacts quickly and prevent follow-up contacts.

REVENUE GENERATING VS. COST CENTER Customer success organizations focus on growth, not just retaining the customers they have. In addition to preventing churn, they also drive expansion via up-selling, cross-selling, and new business via referrals. Customer service organizations focus strictly on driving customer satisfaction to prevent churn.

COMPANY-WIDE INITIATIVE VS. FUNCTIONAL INITIATIVE True customer success requires fully integrated, cross-team collaboration that looks at customer needs holistically. In contrast, while traditional customer service can provide insights on how to reduce an organization's supports costs, it rarely, if ever, involves collaboration with other parts of the organization.



Customer Service vs. Customer Success – Examples

Customer service heroes turn isolated customer situations into stories that help define the best, "human" qualities of the brand. Though these gestures may not solve an existing problem or help the customer achieve his or her primary goal, they provide customers with a sense that they are respected, valued, and cared for.

Effective customer success, on the other hand, requires company-wide changes in how you listen to, understand, and serve your customers. Customer feedback needs to be captured and disseminated in an inclusive way, and people throughout the organization need to be empowered to deliver a differentiated and customized experience that ensures the customer's success no matter what.

While a customer success strategy must be implemented universally and at a very high level, tactical application of the strategy often takes place on a much smaller scale. But, as these examples prove, the impact is not lessened.



Customer service heroes turn isolated customer situations into stories that help define the best, "human" qualities of the brand.

CUSTOMER SERVICE



Making the best of a difficult situation with empathy and special treatment.

A woman purchased six pairs of shoes, hoping to find a pair suitable for her elderly mother who had sensitive feet due to a medical treatment. When none of the shoes worked out, Zappos not only accepted the return with no fuss, they also sent the woman's mother a bouquet of lilies and then granted the entire family VIP status.

The woman said of the experience, "Two days later, my mom, sister, and I were contacted and told we are now 'Zappos VIP Members,' which entitles us to free expedited shipping on all our orders. My sister vows to buy every pair of shoes, from now on, from Zappos."

The easy return and thoughtful flowers were nice gestures, and providing free shipping might ultimately make it easier for the customer to successfully obtain the right pair of shoes for her mother.

CUSTOMER SUCCESS



Earning customer loyalty with unexpected refunds.

This fast-growing SaaS company is beloved by its customers for many reasons, but one in particular is their automated adaptive pricing.

Many SaaS companies offer a pricing guarantee, however, the terms require a customer to file a claim.

Slack, on the other hand, automatically tracks usage and adjusts fees accordingly, without the customer having to do anything. In this way, Slack is proactively looking out for the customer's best interest and providing direct support to help them attain success. This may be why Slack is one of the fastest-growing B2B companies in history, and why their Twitter account receives fifteen to twenty tweets each day worthy of the brand's "Wall of Love."

CUSTOMER SERVICE

THE RITZ-CARLTON

Delivering personalized and service for a premium experience.

A businessman staying at the Ritz for a conference asked if it was possible to get his favorite soda with dinner, even though the drink was not available at the hotel. The server found the soda at a neighboring establishment and delivered it to the guest in minutes. When this individual came back a year later for another conference, the same dinner server greeted him with his favorite drink already in-hand.

This story demonstrates how Ritz-Carlton has become known as the premium hotel brand. By putting customers first and fulfilling their brand promise of delivering a premier customer experience at each visit – focusing on the small things and making each guest touch point exceptional and memorable – the brand is easily able to justify its higher room rates.

CUSTOMER SUCCESS

TRADER JOE'S

Going beyond the call of duty to solve a worried daughter's dilemma.

A concerned daughter was trying to get groceries to her elderly dad who was snowed in Pennsylvania. After several failed attempts to reach various stores, she finally connected with someone at Trader Joe's. Though the store did not officially offer delivery service, the employee not only agreed to drive the groceries to the father's home, but also recommended some low-sodium items suitable for the man's dietary needs. The store then made the entire order – groceries and delivery – complimentary.

This story is a great example of how you can win a customer for life by going above and beyond to help him or her achieve even more than they had hoped. Their success is your gain as much as theirs.

CUSTOMER SERVICE



Easing customer pain with thoughtful gestures.

A long-time Unbounce customer was forced to downgrade its subscription during a rough month. The account manager knew the customer contact who had to make this decision was an aspiring surfer, so he sent him a surfing book with a personal note saying, "I know it's been a tight month, but just remember life is a lot like surfing. You can't stop the waves, but you can learn to surf. – your friends at Unbounce."

While this thoughtful gesture did not solve the customer's financial problems, it certainly won the customer over on an emotional level during a tough situation. It let the customer know that Unbounce was there for him – during the high times and low times, and helped improve a difficult moment in the customer's overall experience.

CUSTOMER SUCCESS



Empowering customers with integrated educational resources.

MailChimp fosters customer success by embedding user education in its software. This helpful content drives adoption and increases the likelihood that users will successfully accomplish their email goals. Using an entertaining and informative cartoon, MailChimp educates customers about the features they are not currently using and helps them see how those features can make their lives easier.

This automated form of customer success – based on past activity and built into the tool – is very effective at ensuring that customers get the most value out of the MailChimp software.

CUSTOMER SERVICE




Making tough decisions to maintain quality of service and customer satisfaction.

Wistia is a small company with a long-time reputation for responsive and in-depth phone support. As the company grew, however, it became more difficult for them to keep up with the volume of incoming calls. As a result of their being either unavailable or having to subject customers to long wait times, their overall support quality was dropping.

To ensure they were delivering the highest customer service experience possible, Wistia made the hard decision to remove the call option from their support offerings, opting instead to use personalized emails.

Because the email approach was more scalable, the small team was better able to quickly and thoroughly address each inquiry and keep their customers happy.

Each of these examples helps make the point that customer success is about making a real difference for your customers. It's about building your reputation, influence, and position in your industry, one phenomenal customer experience at a time.



“Customer success is commonly misunderstood as a re-branding of customer service or as a new function charged with helping customers succeed with their product. It is much bigger than this. In reality, it’s a cross-functional operating philosophy. The idea is that you can only be as successful as your customers, so your goal must be to enable and promote positive customer outcomes.”

– Brandon Hickie
Market Insights Manager
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