The 5 deadly sins
of
Customer Success

A CEO self-check list

By Yoram Baltinester

Customer Success?
What's the big deal?

For two decades, I had the opportunity to look at the ways that companies implement Customer Success. During the first 12 years I implemented it in our I.T. services company, Balti Group, and for the past 8 years I mentored leaders in the ways of Customer Success.

Most CEOs would acknowledge that Customer Success has become a requirement to anyone in the services business, most of all to cloud-based software providers, a.k.a. SaaS companies.

Think about the introduction of the air force into the military at the beginning of the twentieth century. It wasn't long before every country understood that without an air force they wouldn't stand a chance in a war, and every country created this new branch in their armed forces. Today, companies are introducing Customer Success to their organization because "it's needed, it is strategic and everyone else has it".

That said, I found out that many organizations are ineffective at implementing it. At times it is because they don't realize the breadth of the task and therefore under-scope the implementation and don't take it far enough. Many times they fail to realize how much this new organizational unit changes the rest of the organizational tree.

The 5 issues I outline here are by far the ones I witnessed most frequently. They are deadly; if not for you, the CEO, or the company's future, then at the least to your budget.

Deadly sin #1:
Under-appreciating the context
for Customer Success

The context of Customer Success runs deep. It isn't a clever marketing term. It is an actual response to a far-reaching trend that touches every corner of the world.

Consciousness. Humanity. Social responsibility. Values-driven enterprise.

Consciousness has been on the rise for a while. The events of 2020 were the culmination of the change: human values have taken the front seat like never before. Corporate shifted from being politically correct to *doing what is right*.

Companies today strive to become more conscious and value-driven. They acknowledge a slew of interconnected social issues and take steps to address them. And they do it ahead of the legislator; they do it voluntarily. Not to stay compliant -- to do what's right.

Companies are waking up to the need to place people over profits. Deep issues that are caused by fast-improving technologies are being brought to light, as in the case of the Social Dilemma documentary, promoting discussion and exposing the ill effects that profitability sometimes causes to people.

The entire collection of conscious shifts and social related changes comes down to a single focal point that companies now consider their top priority.

People.

If you ever wondered how "Human Resources" became "People Operations", that's your answer. We're not resources, we are people, and therefore companies are now working hard to treat their employees as you would treat a fellow human being in a relationship, rather than manage them as you would manage the stock of spare parts in your warehouse.

Similarly, our customers have transformed from a faceless collection of products or services buyers to people with whom you want *a relationship*. A personal, important relationship in which you not only care but also take action to make sure this friend, your customer, is both happy and successful in the partnership.

Whereas in the past the main concern was to make the sale and then make sure that the product or service sold functions properly, in 2021 the main concern is making the sale if - and only if the product or service would make the customer successful, and then do whatever necessary to bring that success about.

Deadly sin #2:
Weakly defining customer-centricity

Many executives that have been around for a couple of decades like me have a pre-conceived notion of customer-centricity. "We've always put the customer in the center" they protest. Here is the problem though:

"The customer is always right" phrase is attributed to the American retail entrepreneur Marshall Field, and while Mr. Field died in 1906, and this phrase is part of his legacy, it fails to capture the fact that the customer isn't a subject matter expert. It is incumbent upon the expert to find out what goal the customer has, and lead them in achieving it, whether they are right or wrong.

The difference in the boundary that we've kept forever. That boundary that says "we'll do our part and you, the customer, must do yours". In other words, since the customer bought the product, our warranty is to the extent that it works. It is 'their' responsibility to make sure that the product fits their purpose before purchase, and use it properly thereafter. It sounds so logical that I won't blame you if you still have this perspective. After all, the customer must be responsible for their part, no?

Not really. Wait, let me explain before you jump ... and in this explanation customer-centricity will be made clear.

The problem with the above line of thinking is in the fact that there is a boundary between "us" and "them" which, considering the new level of conscious commerce we are moving towards, is no longer appropriate.

Once you remove the boundary there is just "us" - a term that refers to the customer and the vendor being on the same team, moving towards the same goal: success for the customer. Consider this well-understood truth: Make your business customer-centric and it will make profits. Make your business all about profits and it might gain neither customers nor profits.

Customer centricity is about understanding that unless the customer succeeds in achieving their goal with our help, we failed too.

Your Customer Success team owns the job to oversee that process where everyone wins.

Deadly sin #3:
Making Customer Success
a conflicting priority for a leader

Consider this:

Your Sales organization sees its job as ended once the order is in. They aren't involved until it's time to renew. When you make Customer Success a responsibility of your CRO you have just created a conflicting priority for their whole organization.

Your Support and Professional Services organizations are built and indoctrinated to close their ticket or complete their project as fast and efficiently as possible. When a customer doesn't have a project or a problem they put their attention on the customers that do have them. If you made Customer Success their responsibility you created a conflict right there and then!

Customer Success is not about creating a relationship nor is it about fixing problems. Customer Success is about the ongoing, everyday nurturing of the relationship. It uses different skills and needs different personalities for its team.

Your head of Customer Success must be a direct report to the CEO, preferably equal to its peers, and often a CxO position. The entire organization has a strategic objective that is different from any other objective of any of your officers.

If you are starting just your Customer Success team, make sure to make it a separate executive branch, autonomous and separately budgeted. And if you already have a Customer Success team - make sure you are not burdening an officer with two conflicting priorities.

Deadly sin #4:

Thinking that Customer Success doesn't need a process

After all, it's just all about relationships, schmoozing, and being nice, no?

Wrong! Customer Success is about listening and facilitating but it has a clear and well-defined process. And, being the new kid in the organizational chart, many haven't quite figured it out.

Customer Success is a lot about listening, advocating, and facilitating.

During a planning phase and before the purchase your Customer Success reps will be able to distill and clarify your customers' goals.

Once the customer's order is in, your Customer Success team builds relationships with the customer's adoption team. They facilitate the onboarding process, encourage the customer's team to engage more, and smoothen the process. This will contribute towards building more trust and rapport between people and hence between the companies.

Once onboarding is done your Customer Success team keeps track with your customers to identify opportunities to increase the level of feature adoption but most importantly, locate and point out where the customer can do a better job of using your technology and potentially teaching them how to do that.

In short, your team makes it their business to understand what the client wants, how they aim to get it, what's challenging them and how the process makes them feel. Then it is the team's job to advocate for the customer with other parts of the organization and facilitate the engagement with them, so that the customer's utilization improves and they get closer to their goals, faster.

All this takes a carefully designed process, which brings me to the last sin...

Deadly sin #5:
Reinventing the wheel

What if I told you that the Customer Success process is already known to your organization? In fact, it is well known and well-practiced.

People Operations have practiced it for years. (surprise !)

Think about this for a moment. In your mind, consider that all your employees are the customers of your CPO's team. Now, let's compare:

Understand the customer goals: check. Your people team works with employees to understand their career development goals and help them be... successful.

Onboarding: check. People operations bring new employees in, showing them the environment and connecting them to relevant parties. For your employees it may be various benefit vendors; for your customers, it would be their support and professional services contacts.

Track their progress: check. Your people operations team conducts performance reviews with your employee; your Customer Success team holds Quarterly Business Reviews with the customer.

Liaison with internal resource and advocate for the customer needed: check.

Facilitate learning to improve the experience and success: check. People operation wants to facilitate personal growth in-house. Customer success uses education to increase personal and professional capacities, helping the customer's team achieve more.

Locate ways to improve utilization of the customer's investment: check. Your employees invest their time and expertise, while your customers invest their time and money. The respective success teams help them maximize their ROI.

Celebrate the customer success and look out for what's next: check.

Seven for seven, not bad. I rest my case.

So don't try to reinvent the process, just ask your people team for advice. That said, if you feel the urge to drop Customer Success in the lap of your CPO - don't. Their focus is internal. Re-read the part about sin #3.

What's next?
Customer-centricity all around!

Here are the takeaways. These could be slightly different whether you are starting a Customer Success team or recovering from past implementation mistakes. Either way, here is where you need to be at the end of the maneuver:

You must have a TRUE Customer Success team. A sin-free team.

Your team needs to be an executive branch, i.e. reporting to the CEO, and preferably headed by an officer.

Your Customer Success organization must have defined objectives, processes, and KPIs, which will be much faster to develop with friendly help from People's Operations.

This is where it starts but it won't end there. Once you have a functioning Customer Success team, you need to work on instilling customer-centricity as a core value of the company.

When done right, your values create your culture which is in turn experienced by the customer, creating your CX and your market reputation and ultimately your success (see this article about how market expansion starts with your values).

Customer-centricity gives you the best assurance that you won't fail due to customer failure, a critical measure in making sure that your company is successful.

More help?
About Yoram Baltinester

I had as much fun writing this article as I have when I help companies set up and improve the processes of their Customer Success teams. I'm always available to make new friends and discuss your particular situation. Connect with me and let's chat!

"I stand for Loyalty and Self-Expression.
I am only successful when you are successful."
~ Yoram Baltinester

I believe that all areas of life are intertwined and cannot be separated.

Specifically, business success is not separate from life success. Just like a personal relationship cannot thrive unless both people feel successful in it, so it is in business.

I believe that the only life worth living is a value-based life.

Over the decades that I've been teaching and coaching, I carefully studied my experiences, successes and failures, and the many transitions that life has taken me through. My insights transformed into a proven protocol called the Decisive Action Protocol. This protocol is a method to become decisive by making quality decisions quickly, even when the matter at hand is life changing or affects the future of your business.

The Decisive Action Protocol is values-based.

I believe that a <u>person</u>'s outmost obligation as well as their path to happiness is to express who they are as a person and stand for their values.

I believe that a <u>company</u>'s outmost obligation as well as their path to success is to express who they are as a business and a team and stand for their team values.

I believe that a company which does not have Customer Success as a core value will not fare well in this century.

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