



**PRACTICAL CSM**  
MAKING CUSTOMER SUCCESS SIMPLE

Rick Adams

# The Practical CSM Framework

## Manager's Overview

Practical CSM Publications



# Welcome

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Hello and welcome, whoever you are!

This eBook sets out to provide Business Managers and CS Leaders not just with an understanding of the core components of the Practical CSM Framework but also with an explanation for why frameworks are such powerful tools for professionals, and with an appreciation of the specific context in which frameworks can be used by Customer Success teams.

We hope you enjoy and benefit from the information you find inside these pages. For a detailed breakdown of the complete Framework, please purchase my book *Practical Customer Success Management* or complete the training to become a *Certified CSM Professional*. Please visit my website at [practicalcsm.com](https://practicalcsm.com) for more details on both of these options!

Kind regards,



**Rick Adams**

*CEO and Founder, Practical CSM*



# Contents

## Defining Customer Success Management

- What does it do?
- Why does it do it?
- How does it do it?

## The Practical CSM Framework

- What are Frameworks?
- The Practical CSM Framework
- Practical CSM Framework Stages
- Practical CSM Framework Phases

## How Customer Success Management Fits within the Company

- Old World Vs New World Value Chains
- Customer Success Vs Customer Experience
- Old World Vs New World Value Chains with CX

# Foreword by Peter Armaly



In an article published in *McKinsey Quarterly* in April 2020 titled, [\*Purpose: Shifting from why to how\*](#), a point was made about the struggle that companies experience over environmental, social, and governance (ESG) priorities. Here's a brief excerpt that gets to the heart of the matter.

*"... there is a frustratingly simple reason why business leaders have struggled to square all these circles with coherent statements and credible actions: it's difficult to solve, simultaneously, for the interests of employees, communities, suppliers, the environment, customers, and shareholders. Tensions and trade-offs abound as we strive to align our business and societal goals; to integrate that identity into the heart of our organizations; and to deliver on our purpose, including its measurement, management, and communication."*

If you replace the ESG focus with Customer Success, perhaps most of us will more easily identify with the point made by the article's authors. We've been at this Customer Success thing for close to 20 years now and what companies are grappling with in terms of multitude of stakeholders and the need to essentially transform the way a company operates continues to expand. In fact arguably this important issue has only recently started to receive the level of attention in the C-Suite that it warrants. It's about time, because the C-Suite is where these conversations need to happen in order for companies to advance towards realizing the tremendous potential of Customer Success.

Complexity is part of life and businesses that accept this, and approach the task of addressing its challenges with eyes wide open are the ones that will evolve and succeed. What helps is when it is understood that many business challenges arise because there was insufficient planning to begin with before the building of a service was allowed to take place.



## Foreword by Peter Armaly

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Customer Success is no different. Without a framework, how can business leaders know how to form the foundation for a practice? How will they know they are designing for efficiency, effectiveness, and expandability? How will they know they are going to be able to deliver what customers need and to be able to do it in measurable ways? How will they be able to achieve the promise of Customer Success for improved business outcomes for customers and also for iterative improvements to the product? How will they scale it economically whilst retaining control over quality and efficiency?

Rick Adams wrote a book about Customer Success frameworks that informs the reader on all these points and more. I believe it is a book that every CS professional should read. In it he helps everyone overcome a flaw that is all too common in today's business world – not enough time and honest effort invested and directed towards building the foundation, a Framework. This mini book for decision makers serves as an excellent introduction to the concepts and the rationale of Frameworks, and works alongside the original book, since to fully understand the essence and the power, that original publication is indispensable.

There are two truths I will close with. Firstly, complexity is only going to increase in the work we do to guide our customers, and secondly, there are no shortcuts to developing excellence in its delivery.

Happy reading.

**Peter Armaly**

September 2021



# Peter Armaly

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Peter is a senior-level Marketing and Customer Success professional with extensive experience working with wide-ranging enterprise clients of both SaaS and On-Premise customer engagement models. He is the current Head of Enablement and is a strategic advisor for Oracle North America Customer Success. Peter possesses an impressive background in building Customer Success strategies and teams for a number of companies and is a recognized industry thought leader and researcher for client engagement best practices.

Peter has a passion for thinking about the future of business and how people and technology can combine in more productive ways to produce better outcomes for all stakeholders. His work as a Customer Success advisor to a number of companies, including Practical CSM, CSM Practice, and Proof Analytics, underpins his ability to stay on the edge of the discussion about the present and the future of the practice.

Peter is also a monthly contributor to the popular Oracle Marketing Cloud and the Oracle Customer Success blogs, and has been recognized a number of times as being one of the Top 100 and Top 25 Customer Success Influencers globally.



**PRACTICAL CSM**  
MAKING CUSTOMER SUCCESS SIMPLE

## Defining Customer Success Management

What does it do?

Why does it do it?

How does it do it?

The first section of this eBook will introduce the concepts behind Customer Success Management before we start to discuss the details of the Practical CSM Framework itself.

Within "Defining Customer Success Management" we will examine what Customer Success Management does, why it does it, and how it goes about the processes and methodologies associated with Customer Success best practice.

If you are already fully conversant with what Customer Success Management is and how it works then please feel free to skip this section entirely and move directly to Section Two.

# Defining Customer Success Management



What Does it Do?





## *Customer Success* is...

A positive end result to an engagement, that occurs when the customer attains its outcomes

Our definition for Customer Success is as follows:

**A positive end result to an engagement that occurs when the customer attains its outcomes.**

In other words Customer Success is all about value, and in particular it is all about the value attained by the customer through the utilization of whatever products and/or services we have sold them. Customers do not buy products or services simply in order to own them. They invest in a product or service in order to use it to generate a result. It is the attainment of this result that we are describing here as "Customer Success".



The Purchaser... ..got what it wanted

*Customer Success* is...

A positive end result to an engagement, that occurs when the customer attains its outcomes

ITEM	FUNCTION	OUTPUT	OUTCOME CONTRIBUTION
Car	Transportation	Get to/from work...	12% reduction in fuel costs
Toaster	Toast	Eat breakfast	Maintained healthy lifestyle into middle age
Zoom	Online Meetings	Collaborate with team	20% increase in productivity

The product that we sell our customer contributes towards the attainment of our customer's desired outcomes.



Customer Success Management is the best practice process of guiding and helping the customer towards the attainment of success. Customer Success Managers (CSMs) are experts in this process of customer success management. This means they have specific knowledge, skills and experience around the application of customer success tools, processes and methodologies in order to help the customer achieve maximum success within the minimum time frame.

*Customer Success Management is...*

The best practice process of guiding and helping the customer towards the attainment of success

Just like when you join a gym you do not need a personal trainer in order to use the gym to gain some benefits. However, unless you happen to be a fitness professional yourself, to ensure maximum value from gym membership and gain greatest health and fitness benefits, you *will* need to hire a personal trainer. This is the same for technology customers. Having made a substantial investment in the product or service, it now makes sense to also invest in ensuring that this product or service gets adopted as quickly and efficiently as possible and as fully as possible, and continues to be used to its maximum on an ongoing basis, in order to generate the maximum ROI.

Some technology vendors will indeed charge for customer success management services. However, many technology companies do not charge for customer success management, and instead will provide a CSM alongside the product or service as part of their standard package. Whether chargeable or not, the CSM is a valuable addition to the technology team for the customer, since it provides somebody with specific experience in generating value for previous customers with similar challenges and/or outcome requirements.



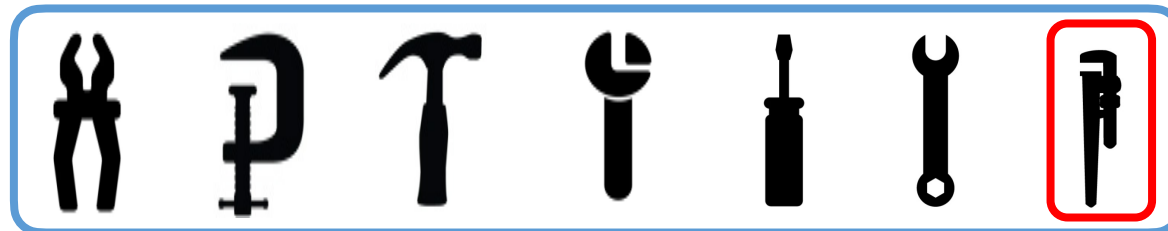
How does a technology company know whether it needs a customer success function or not? Every tool is designed to perform a specific task. Customer success management is designed to provide best practice help for customers, guiding and helping each customer towards the attainment of success.

Technology companies that have moved from old world product selling to New World outcome selling, and particularly those that have developed cloud-based Solutions that are sold as a service on a renewable contract basis, *must* embrace the concept and do whatever they can to help make their customers successful.

### Every tool is designed to perform a specific task.

- Is this something you need to perform?
- Is this something you need help with?
- What difference will having this tool make to you?

Why so? Because customers that make their purchasing decisions based not upon products but outcomes will not be satisfied just with the delivery of a working product, or even with the product plus provision of product support. True Mastery of a product or service comes slowly over time and this time can be rapidly shortened and productivity increased with the intervention of a specialist in generating business outcomes, ie the CSM.





The customer success manager is an experienced customer-facing professional who can apply customer success management best practices to a specific customer engagement, in order to maximize the value for the customer. CSMs therefore sit alongside other customer-facing professionals such as project managers, product managers, customer service managers, and change managers, all of which may have a part to play.

## *A Customer Success Manager is...*

A trained, qualified, experienced professional who can apply Customer Success Management best practices to a specific customer engagement

What sets the customer success manager aside is that understanding of customer success management best practices, their experience of managing post sales customer engagements, and their ability to drive value for the customer over both the short and long-term. The ideal customer success manager is a fully qualified, highly experienced, certified professional.



### **Customer Success Manager:**

- Understands CS management best practices
- Has experience managing post sales customer engagements of a similar type and complexity
- Has up to date qualifications (eg CCSMP)

### **Project Manager:**

- Understands project management best practices
- Has experience managing projects of a similar type and complexity
- Has up to date qualifications (eg PMBOK or Prince2)

### **Product Manager:**

- Understands HR best practices
- Has experience managing products of a similar type and complexity
- Has up to date qualifications (eg SCRUM or AGILE)

### **Customer Service Manager:**

- Understands customer service best practices
- Has experience managing customers of a similar type and complexity
- Has up to date qualifications (eg ITIL)

### **Change Manager:**

- Understands change management best practices
- Has experience managing people through change of a similar type and complexity
- Has up to date qualifications (eg CMF or Prosci)



*A Customer Success*

*Engagement Lifecycle is...*

The journey that the customer experiences from product purchase through to attainment of outcomes

Finally, the customer success engagement life cycle is the journey that the customer experiences, is from after they have purchased the product or service all the way through to the ultimate attainment of their outcomes. This journey is likely to be far longer than the pre-sales journey that marketing and sales functions traditionally were involved in helping them with. The post sales customer success engagement life cycle includes onboarding, adoption, and value realization phases.

We will discuss these in much more detail in Section Two.



## *A Customer Success Engagement Lifecycle is...*

The journey that the customer experiences  
from product purchase through to  
attainment of outcomes

Which of course in reality is  
cyclical as much as or more  
than it is linear

One additional point to make is that the customer success engagement lifecycle might sound linear but in fact tends to be more cyclical in nature. What I mean by this is that as we journey with our customers towards the attainment of their outcomes, so they will create new outcomes to strive towards. For example our customer may originally set a target to be achieved within 12 months. At the end of this period they may well set a new target to be achieved within the next 12 months, and so on.





# Summary

**Customer Success** is a positive end result to an engagement, that occurs when the customer attains its outcomes

**Customer Success Management** is the best practice process of guiding and helping the customer towards the attainment of success

**Customer Success Manager** is the trained, qualified, experienced professional who can apply Customer Success Management best practices to a specific customer engagement

**Customer Success Engagement Lifecycle** is the journey that the customer experiences from product purchase through to attainment of outcomes

# Defining Customer Success Management



Why Does It Do It?



# The Argument for Customer Success Management...

So why go to all this bother? Why create an entirely new business function and fund it with staff, IT equipment, and everything else it needs in order to Performance tasks?

What's wrong with continuing to do what we have always done? What has changed, to make us need this new function to be added within our business model?

The fundamental change is in the expectation of the customer. Whereas previously the customer's expectation was to be provided with a fully functional, working product or service the new expectation is not to do with the product or service but to do with the utilization of that product or service to gain business value. This is why the provision of customer success management is so essential, especially for those businesses that rely heavily on customer renewals (SaaS companies for example).

What it all comes down to is an understanding of what customers actually want the most...



**What do YOUR customers actually WANT the most?**



# 1. Customer encounters a challenge

## **Problem (negative) or opportunity (positive)**

Let's go step-by-step through the customer's decision-making process.

The start point is when the customer encounters a new challenge. This could be a problem (ie negative in nature), or an opportunity (ie positive in nature). Either way the customer must recognize the need or desire to overcome the challenge.

Here are some examples of challenges that our customer might encounter:

- New legislation
- Economic downturn or upturn
- Changing customer requirements
- New technology
- Internal shake-up
- New competitor

The net result is that the customer recognizes that they have to take action. And it is this recognition that moves them forwards into the second step.



## 2. Customer determines the required results

### **Sets the objectives (goals, outcomes)**

In the Second Step the customer decides what results or goals or outcomes they need to attain from any action they take to overcome the challenge. In other words they follow Stephen R Covey's advice and "Begin with the end in mind", firstly determining what the end result needs to be, before deciding how that end result can be attained. Logically speaking this really is the only way to do things since you cannot work out how to do something if you have not first fully understood what that thing is. The more clearly the target is described, the easier it will be to work out what needs to be done in order for that target to be attained.

Again, here are some examples, this time of the types of outcomes (or goals, objectives, or targets) that a customer might set itself when encountering a challenge and deciding to take action to overcome it.

*20% reduction in energy consumption by end of 2022*

*10% increase in production quality at our Malaysia facility*

*Additional \$30m in revenues from launch of new product*



### 3. Customer launches an initiative

## **Creates/implements a plan for change**

Having decided upon the desired end result (the target), the third step in the process is then to work out how to attain that result (the initiative). The initiative is the plan of activities, personnel and other resources that will be deployed to achieve the result. An initiative will have someone placed in charge of it, who typically will manage and measure its progress and will be responsible for reporting back on a regular basis to the business decision makers (BDMs).

Once again, here are some examples, this time of the typical types of initiative that might be implemented within a customer organization.

## **Examples of an Initiative**

Customer Service Improvement | Inter-Team Collaboration | Cost Reduction



## 4. Customer purchases required resources

### Selects the required tools and equipment

What is interesting here is that for some initiatives, all the necessary expertise and resources are already available from within the company, and simply need to be diverted from their current usage and deployed within the initiative. However for very many initiatives this is not the case and the company will lack some of the personnel or the equipment necessary to complete that initiative successfully.

In Step 4 the company will assess its requirements and if necessary it will need to utilize a budget to purchase more expertise through hiring additional contract or permanent staff and/or purchase the necessary tools to complete the job. Very commonly the “tools” required are software applications, and also very commonly these days, these software tools will be purchased on a renewable contract basis rather than purchased outright, giving the company more flexibility for purchasing more or less of that particular tool when it comes to renewal time at the end of the contract term, and avoiding potential cash flow problems from having to make larger advance payments for outright purchases.

**And this of course is exactly where your company comes in as the fulfiller of this need for the right software tool for the new initiatives that the company (your customer now) is implementing.**



1. Customer encounters a challenge

**Problem (negative) or opportunity (positive)**

2. Customer determines the required results

**Sets the objectives (goals, outcomes)**

3. Customer launches an initiative

**Creates/implements a plan for change**

**Your Company  
gets Involved!**



4. Customer purchases required resources

**Selects the required tools and equipment**





# What is the CSM's purpose (ie why do CSMs exist)?

The CSM sits in the middle between the CSM's own company's solutions (which the CSM is already very familiar with and understands how to deploy quickly and effectively to ensure maximum results within a minimum timeframe) and the customer's desired outcomes (which may be unique, but in reality are likely to be the same as or at least similar to the outcome requirements expressed by previous customers who have purchased this particular software to perform the same or similar job in previous customer engagements).

This knowledge of the product and experience with attaining value from it is of course precisely what makes the CSM such a valuable resource to the customer. The CSM can act as their guide and assistant, helping them to make the right decisions and take the right measurements as they deploy and utilize this software application to help create their desired outcomes.

In effect the CSM helps to ensure the best possible results are attained from the use of the product in the shortest possible timeframe, thus keeping the customer happy, thus increasing the chances of them deciding to renew their contract and perhaps even to increase the amount of usage. The customer therefore is happy because it is seeing rapid progress towards its outcomes, and the technology vendor is happy because it has a customer that wants to continue to renew its contract and maybe even purchase more product.





# What is the CSM's purpose (ie why do CSMs exist)?

In addition to this core activity, the CSM can also help identify other challenges and/or other initiatives that the customer might have and which the CSM's company's products and services may be able to help with. The CSM might either be able to brief a salesperson or account manager about these opportunities or even (if required by their remit) bring up and discuss these opportunities with the customer's stakeholders themselves.





# What is the CSM's purpose (ie why do CSMs exist)?

And in addition to this, the CSM might also be instrumental in developing the long term relationship between customer and technology supplier and in so doing be able to secure those stakeholders' agreements to act as advocates in case studies, or provide references or testimonials for use in marketing activities. Additionally, the CSM can also act as a conduit between the desires and needs of the customer and the Product team. This helps the Product team to know what customers really want and need and therefore assists with designing new product versions that fit those needs even better than before.





# Summary

## Purpose: Why the CSM Exists...

- To help customers realize the maximum possible value from the solutions they have purchased
- To ensure customers' stakeholders are aware of the value being realized and associate that value with the solution
- To maximize renewal opportunities (both to prevent churn and to expand revenues)
- To upsell and cross-sell other solutions to the same customer
- To maximize advocacy opportunities for marketing to other customers
- To learn about customers' needs and desires in order to refine and improve the solutions
- Ultimately – to assist the company to maintain and increase revenues and profits



# Summary

## Role: What the CSM Does (from the customer's perspective)...

- Act as friend, adviser, counsellor, coach, consultant and subject matter expert as appropriate to the customer's stakeholders
- Help customer stakeholders to understand what it is they have bought and why they have purchased it.
- Develop high-quality onboarding and adoption plans and help to implement and manage those plans to a successful conclusion.
- Act as a conduit for all sorts of resources from subject matter expertise through to existing generic training content from both the CSM's own company and third-party organizations as appropriate.
- Determine KPIs and take measurements, analyze and report on results and where necessary advise on corrective actions
- In a nutshell, the CSM is there to help the customer to realize the maximum possible value from the purchase of the CSM's company's solution—whatever that takes.



# Summary

To summarize then, the need for customer success management arises from converging transitions that have occurred in the world over the last decade or so. This includes the rise in cloud-based computing that makes software application development and distribution so much easier than ever before, and so much more affordable, especially for smaller organizations. It also includes the demand from customers not just for functioning products but for end results – for outcomes. Finally, it includes the move to renewable contract based “as a service” selling that provides so much more flexibility for customer than the old “up front purchase” model.

## Old World

- Focus on the Product
- Sell Features & Benefits
- Provide Product Support
- **Result = A Functioning Product**

## New World

- Focus on the Business
- Sell Outcomes
- Provide Outcome Support
- **Result = Outcomes Attained**

In the old world what was needed was a range of business functions that included Marketing, Selling and Product Support. Whilst these three functions are still required, in the New World a further function called Customer Success Management is also required, extending the service delivered by the technology provider to not just include a functioning product but guidance and help towards business outcome attainment.

# Defining Customer Success Management

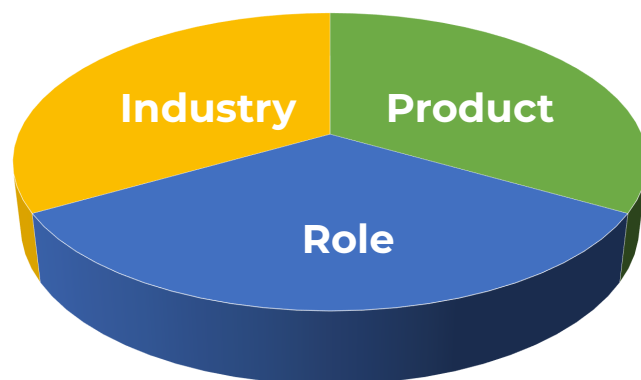


How Does It Do It?



# The Three Expertize Domains of the CSM

Now let's turn to a discussion on how the CSM performs their role. In order to function as a Customer Success Manager, there are three "Domains of Expertize" that the CSM will need to master. Let's review these three domains of expertise together.



## **EXPERTIZE =**

- Knowledge
- Skill
- Experience

Before we do so, we should point out that when we use the word "expertise" we are referring to the combination of knowledge, skills and experience that is necessary to make someone useful in whatever field is being discussed (in this case customer success management). Different aspects of the CSM role might require different combinations (for example some tasks require more knowledge, others require more skills or more experience and so forth) but the overall requirement is always a combination of these three, which we refer to as "expertise" ie "those things that make you an expert in your chosen field".

For CSMs we can divide the expertise into three very broad categories, namely Industry, Product, and Role. Let's examine these one by one.





## Industry

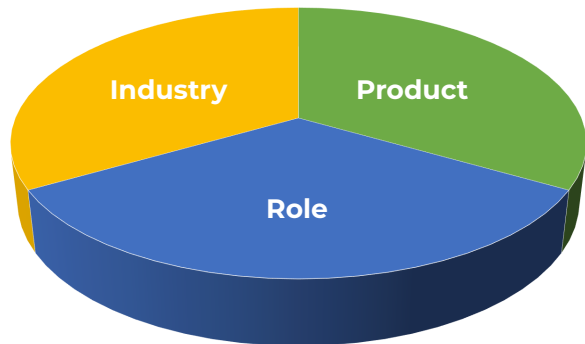
The industry (or sector, or profession) that the company's customers are in (either the customer organization or the department)

## Product

The type/s of solutions (products, services, etc) that the company sells, and also its channel to market

## Role

The framework, the processes and the specific duties that will need to be fulfilled by the Customer Success Manager



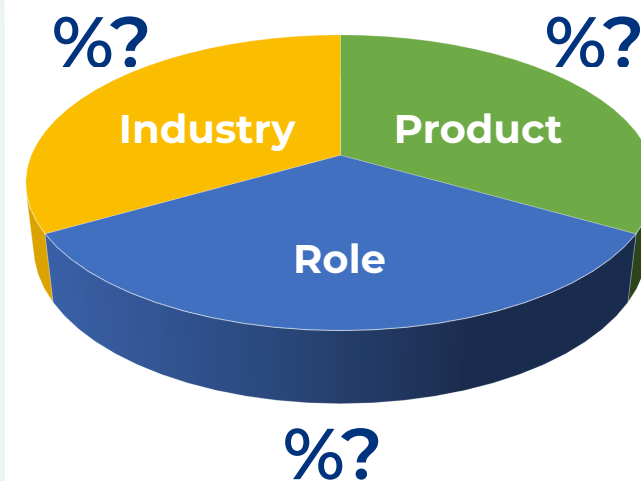


# The Three Expertize Domains of the CSM

The combination of Industry, Product and Role domain expertize will vary in both proportion and exact requirements between each Customer Success Management position. Of course when reviewing advertised positions, potential candidates are advised to try to find a good fit between the required domain expertize for the advertised position and their own existing domain expertize. Existing domain expertize need not always be an exact match with the requirements specified by the advertisement, and candidates are recommended to use their judgement to decide whether the match is close enough to be worth applying for.

Hiring Managers are advised not to overly narrow down their potential number of applicants by being too precise in the wording of their advertisements. Try to leave your “Must Have” requirements just to those items that you really do have to see as a requirement from the candidate (ie without that thing you simply will not consider the candidate at all). For other things, couch the requirement using less strong language - for example by stating “Should IDEALLY have” rather than just “Must have” for everything.

So for example if the description for the position states “Should ideally have three years plus experience in senior stakeholder management” and a candidate meets all the other requirements for the role perfectly, but only has two years’ experience specifically in senior customer stakeholder management, but feels very confident that they can demonstrate that they have really mastered that activity within this time, then maybe it’s worth them applying.





# Summary

## Role: What the CSM Does (from the supplier's perspective)...

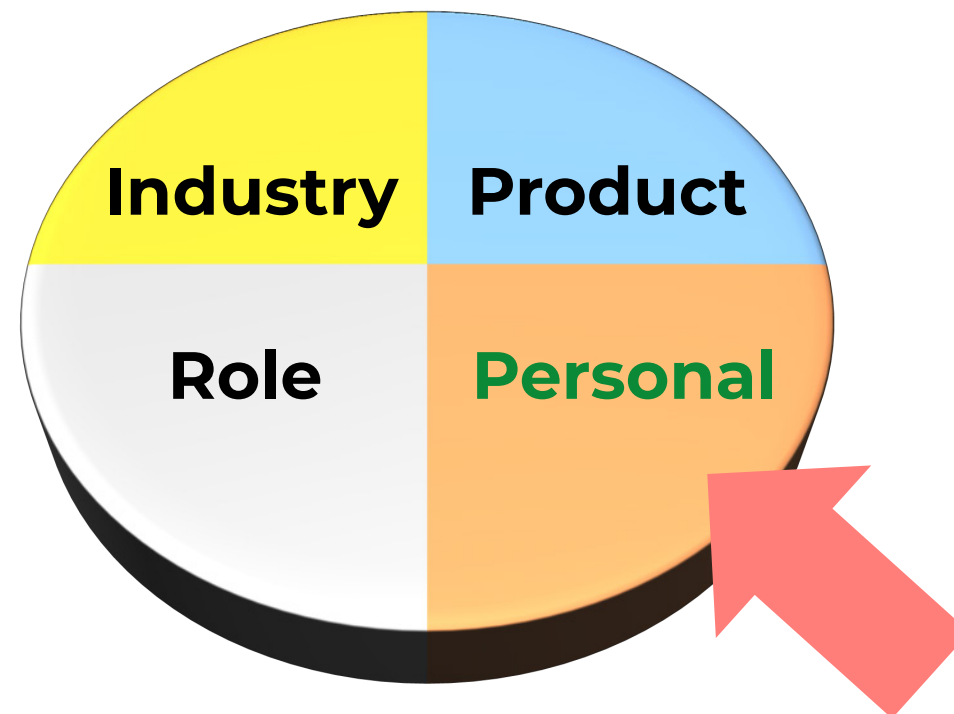
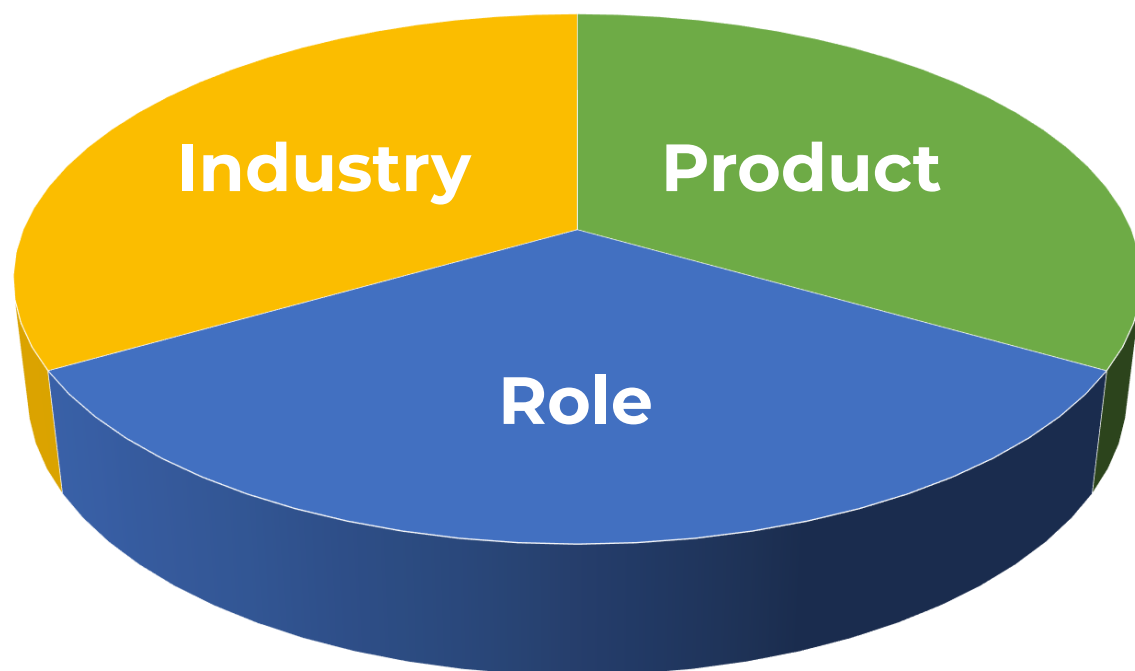
- Develop, maintain and improve trust relationships with senior decision makers within the customer's organization
- Increase awareness of supplier's products, services and solutions and its capabilities and value to those senior decision makers
- Maximize retention levels (to minimize churn) and maximize renewal revenues (to increase CLV)
- Increase customer satisfaction and customer loyalty through improving post-sales customer experience
- Monitor customer relationships across all allocated customers and take corrective action as necessary to ensure they remain healthy at all times
- Spot and (potentially) deal with upsell and cross-sell opportunities
- Organize and manage advocacy opportunities
- Enable open communication between customers and product development



# The Fourth Domain – Personal Qualities

## What else, aside from the “specific stuff”?

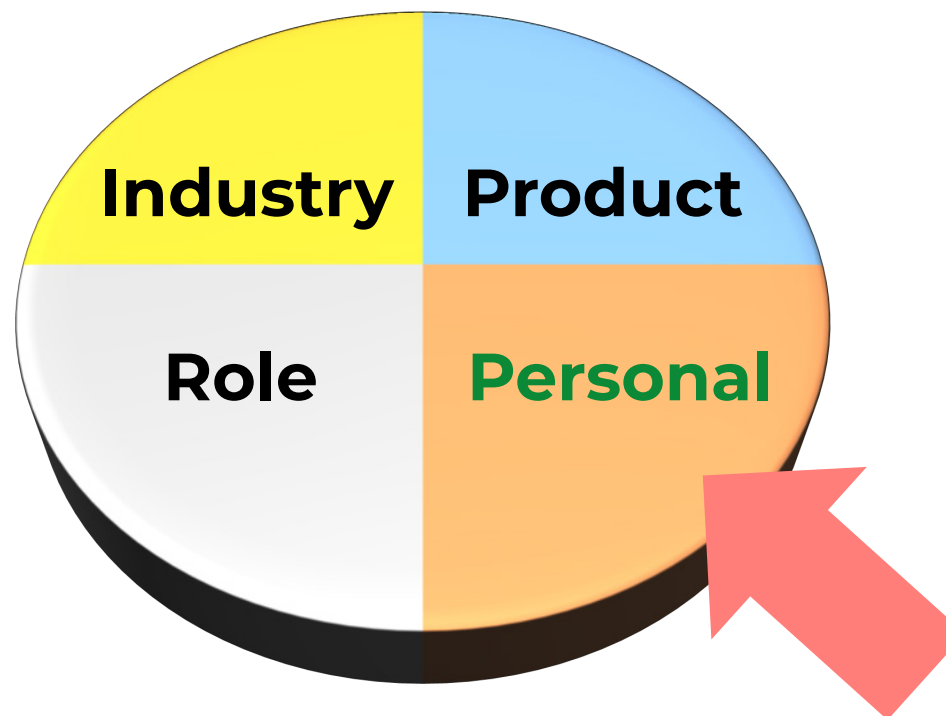
So far we have discussed three domains of expertise required for any CSM, but in fact there is a fourth aspect to the role, which is more about inherent behavior than acquired expertise, which we categorize as “Personal Qualities”.





## What **Personal** Qualities does a good CSM require?

Because these personal qualities are often inherent from birth or at least childhood as much or more than they are acquired during adulthood, these personal qualities can be more difficult to train someone in. Therefore we recommend it is essential to carefully consider a candidate's strengths and weaknesses in this important area very carefully when hiring new team members.





# Personal Qualities for the CSM Role

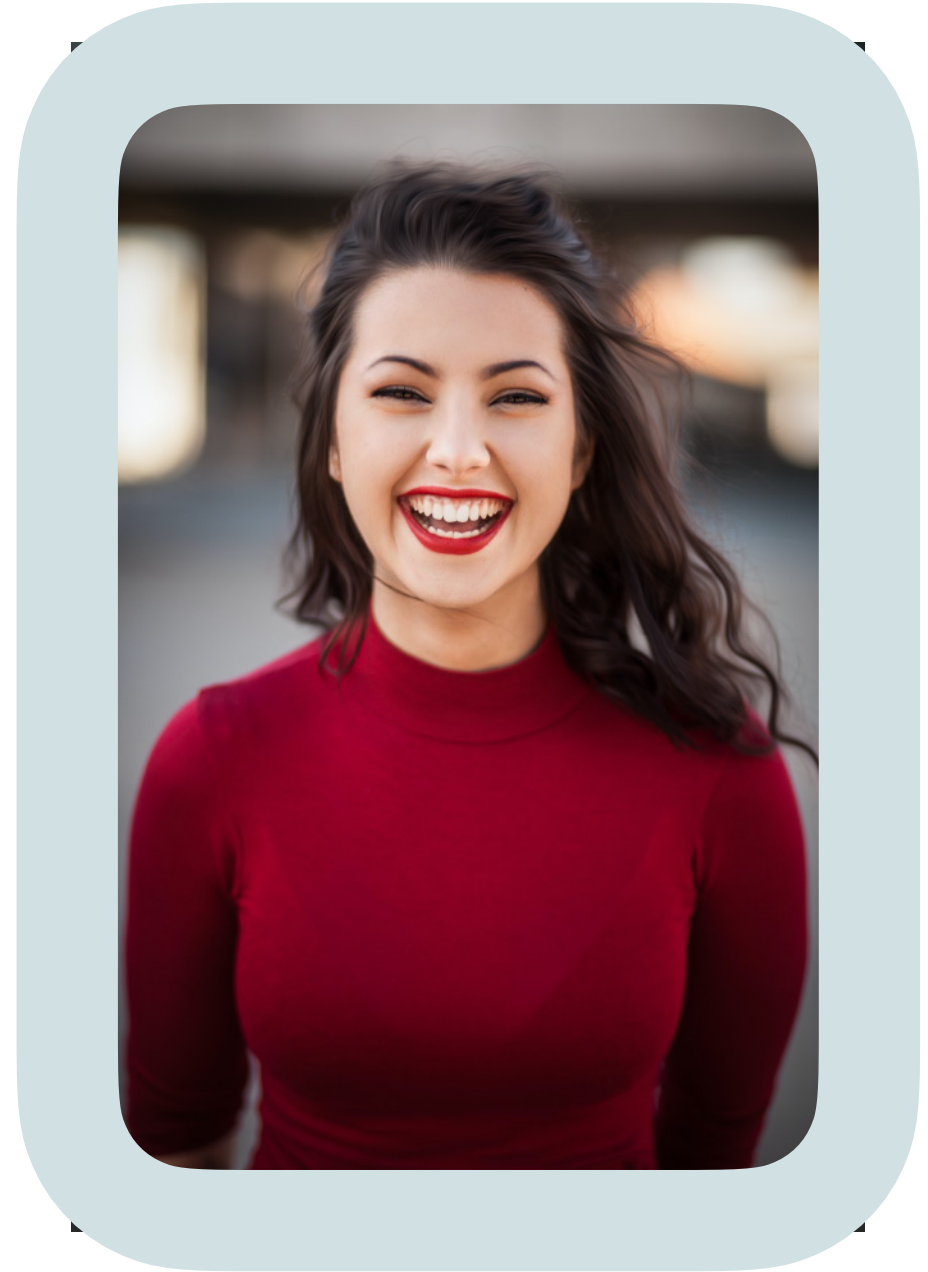
So what are the “right” or “necessary” personal qualities for being a successful CSM? As you can see the potential list of desirable qualities is many and varied. We have selected a few of the ones we consider most important to the CSM role to highlight to you.

- Open mindedness
- Patience
- Empathy
- Resourcefulness
- Willing to challenge conventional wisdom
- Grit and resilience
- Customer centric
- Solutions focused
- **Good listener**
- Trustable & dependable
- Good project manager
- Passionate
- Dedicated
- Vigilant
- Honest & genuine
- Agile / versatile
- Loyal
- Have curiosity
- **Ask the right questions**
- Strategic thinker
- Altruistic
- Approachable & friendly
- Easy to get on with
- Likes people
- Team player
- Self confident
- Flexible
- Independent
- Open minded
- **Analytical**
- Resourceful
- **Leadership**
- Persuasion
- Negotiation
- **Influencing**
- Story telling
- Easy going personality
- **Creative problem solver**
- High level of EQ
- Well organized
- Good timekeeper
- Realistic
- Positive outlook
- Innovative
- **Energy and enthusiasm**
- Strength of character
- **Determination to succeed**



## ONE: Enthusiastic and Energetic

- Our start point – what motivates us to work hard, to overcome challenges and problems and to succeed “no matter what”
- Carries others along with us and enables them to reach further and do more through the influence of our passion and energy
- Makes the work enjoyable and fun, which means that even when we work hard we can continue to enjoy what we do





## TWO: Listening and Questioning

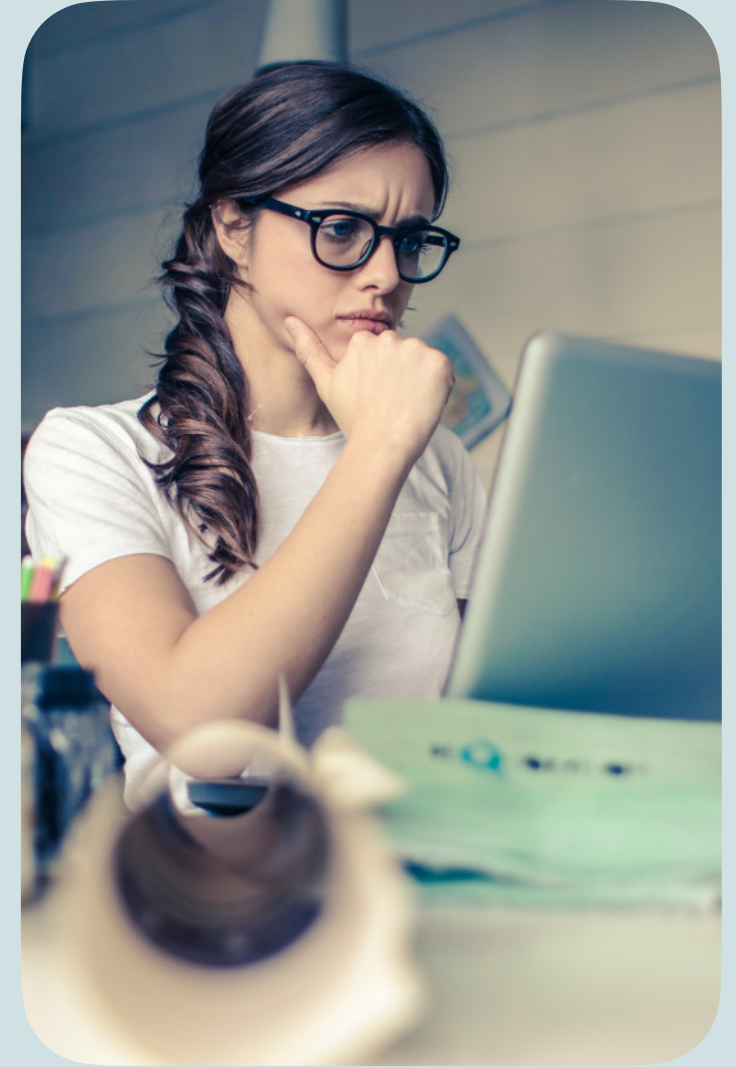
- As a CSM we must first seek to understand before we can be of help
- We are the guide or the helper, not the hero of the story. We must understand all we can about the hero (the customer) in order to provide our best practice advice
- Stakeholders often don't know how to explain things well, or sometimes don't know what exactly they want, or even don't know what they do know





## THREE: Research and Analysis

- The difference between a true professional and others is that the professional has a proven methodology that they follow
- Having gathered the information in we now have to make sense of it. To do that requires contextual understanding and analytical skills
- True meaning can sometimes be layered and is often hidden or even disguised. The analyst needs to get deeper than the surface layers in order to truly understand





## FOUR: Creative Problem Solving

- Having analyzed the data and determined the requirements, the next part of the CSM's role is to work out what to do
- Some challenges are easy to solve, but many are not. The ability to call upon all three aspects of one's knowledge, previous experience and blue sky creative thinking enables the best possible way forwards to be determined





## FIVE: Leadership & Influencing

- It's all very well for the CSM to know what needs to be done, but quite another to get others behind the plan
- Very little will happen without group collaboration, but with that collaboration everything can happen. The CSM has very little authority or ability to perform tasks and instead must rely upon others to “get the work done”
- Winning (and keeping) hearts and minds is an essential aspect of the CSM role





## SIX: Determination to Succeed

- Having got this far, it is the “stickability” factor that will enable the CSM to win through to achieve meaningful results
- Some successes come straight away, but most do not. Some may take many false starts and failures before the “right way forwards” is finally arrived at
- Being willing and able to “keep on trying” beats the occasional inspiration almost every time



**PRACTICAL CSM**  
MAKING CUSTOMER SUCCESS SIMPLE

## The Practical CSM Framework

What are Frameworks?

The Practical CSM Framework

Practical CSM Framework Stages

Practical CSM Framework Phases

In Section Two we turn to The Practical CSM Framework itself.

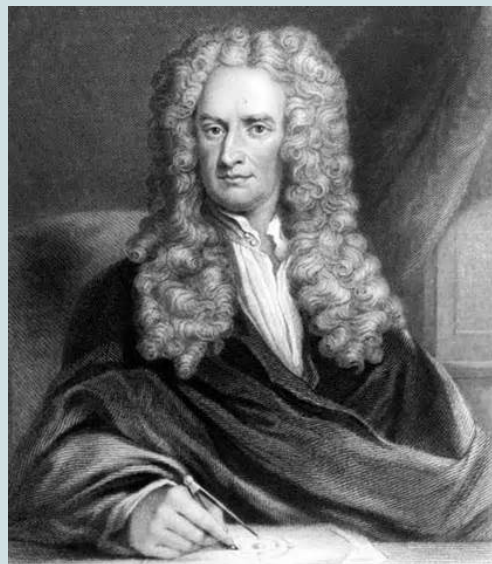
We will start by overviewing the need for and purpose of frameworks in general, then we will overview the Practical CSM Framework itself.

Finally we will break the Practical CSM Framework down into its constituent parts – Stages and Phases – and examine each one separately in detail.

# Defining Customer Success Management



What are Frameworks?



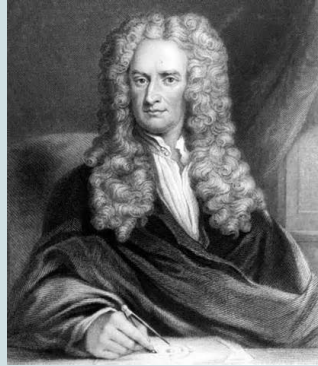
*“If I have seen further  
than others, it is by  
standing on the  
shoulders of giants.”*

Sir Isaac Newton 1642 - 1727

The renowned 17<sup>th</sup> to 18<sup>th</sup> Century scientist and mathematician Sir Isaac Newton is famously quoted as saying “If I have seen further than others, it is by standing on the shoulders of giants.” The giants he was referring to here were of course all the great scientists and mathematicians who had gone before him. It was only by understanding the results of their previous work that enabled Newton himself to go further than they had gone to perform his own work, and in this quotation he is confirming just how well he understood this.

If there had been no science or mathematics before Newton then instead of discovering gravity, determining the laws of conservation of energy and making significant advances in the fields of geometry and calculus, Newton would have had to have spent his time on working out the fundamental principles and qualities of numbers and physical matter, etc. It was only by having this wonderful foundation of existing knowledge available to him in the form of books and lectures during his university studies that enabled him to go and do what he was able to do.

This is the same for CSMs. It is fruitless for every CSM within an organization to start from first principles and work out what tasks or activities CSMs ought to do, when or in what order they should do them and (of course) how they should perform those tasks or activities. If every CSM did this then three major problems would arise.



*“If I have seen further than others, it is by standing on the shoulders of giants.”*

Sir Isaac Newton 1642 - 1727



Firstly, every CSM would be highly unproductive. The actual “doing” of Customer Success activities with customers would have to wait whilst the CSMs were working out what to do and how to do it each time. Secondly, each CSM would be highly likely to come up with their own unique version of what should be done and how it should be accomplished. This would mean that there would be no standards for quality and much difficulty in team collaboration, since each team member went about things in a different way. Thirdly it would be very difficult for team leaders to manage, coach, train, provision, resource or measure their team’s performance, since everyone would be doing different things at different stages and for different reasons. In all this would be an expensive muddle of a way to operate a CS team (or any other team).

Yet for some reason there still persists the thinking within some CS Professionals that “Customer Success is unique” and “cannot be taught”. This of course is complete nonsense. I select my dentist, my accounts, my car mechanic and my laptop repair engineer based upon their qualifications and I am reassured by the fact that I know they have been trained and certified to a certain level within each of their professions, and they therefore know how to apply that wonderful thing called “best practice”. My dentist is not going to spend her time working out what to do or how to do it, she is going to get on and actually perform the tasks that need to be done, and she is going to perform them in the most efficient and effective manner because she knows how to follow best practice as laid down in her framework (the structure for her work).





# What is a Framework?

So OK what actually “is” a Framework? The following bullets describe what it is and how it works:

- A pre-created set of responses to the most common challenges faced by the CS professional
- Each response is carefully documented with step-by-step guidance on when and how to perform the necessary tasks within it
- Alongside the tasks and step-by-step guidance, assets and resources needed for completing the response are also documented
- The framework is published so that everyone can access it
- The necessary assets/resources are created and the CS team are trained “ahead of time” in readiness for utilization



Let's compare two methodologies for performing a task to get a desired result – Method A (without a framework) and Method B (with a framework) and see which one might yield the best results in the shortest timeframe.

## Method A (no framework)

- Determine what the challenge is
- Research all the possible ways of solving the challenge
- Decide which way will yield the best results
- Determine how to do things that way
- Create or obtain any necessary assets or resources
- Practice at it in order to get good at it
- Work out how to measure its performance level
- Do it
- Measure it
- Adjust and repeat as necessary

## Method B (with a framework)

- Determine what the challenge is
- Refer to the existing Framework to determine how best to solve the challenge
- Assemble your pre-created assets and resources
- Do it
- Measure it
- Adjust and repeat as necessary



# The Pareto Principle

The Pareto principle states that for many outcomes, roughly 80% of consequences come from 20% of causes. Other names for this principle are the 80/20 rule, the law of the vital few, or the principle of factor sparsity. Where this can be applied with frameworks is that a generic framework such as the Practical CSM Framework is unlikely to be absolutely and exactly perfect in terms of describing what needs to be done and/or how those things should be done within a specific organization. This is because each organization is somewhat unique, with unique products and services, unique capabilities, unique customers, and so on. However at the same time their needs will be largely the same because of course their intentions are identical or at least very similar – to provide a high quality customer success service for their customers in order to retain those customers for longer and grow the revenue from them. Hence the 80/20 rule, where each company can adopt the generic Practical CSM Framework and leave 80% of it as it is, whilst making 20% tweaks, changes, omissions and additions in order to customize it to exactly fit their needs.

It can also be said that even after the company has customized the Practical CSM Framework to best fit their organization's needs, there will still be further uniqueness within each individual customer engagement. This time though, rather than further refining the framework, it will generally be left for the CSM to “fill in the gaps” themselves in order to ensure a “perfect fit” service for that individual customer.





# The Pareto Principle

- Most job roles combine a degree of repetition with a degree of uniqueness
- The CSM's job might be said to be 80% the same or similar for each customer engagement, and maybe 20% different for each customer engagement
- The **“What”** (what things need to be done) tends to remain very similar
- The **“Why”** (why those things need to be done) tends to remain very similar
- The **“How”** (how best to go about getting those things done) tends to remain very similar
- What changes is the detail (who to involve with which tasks, how much emotional or practical support to give, how long each task takes to perform, etc)
- The CSM's knowledge, experience and innate capabilities will be used for the 20%
- The Framework can be applied for the 80%





# Advantages of a High Quality Framework

Let's summarize the advantages in deploying a high quality best practice professional framework such as the Practical CSM Framework:

- Provides a consistent approach over time and across the whole team
- Maximizes quality by ensuring only tried and tested, best practice actions are utilized
- Enhances productivity because it employs a “learn once, do multiple times” approach
- Enables greater intra and inter team collaboration
- Assets and resources can be assembled ahead of time and are ready when needed
- Activities can be pre-approved for certain situations
- KPIs are known beforehand and systems can be put in place to take measurements
- Training can be based upon the framework to yield maximum results
- New team members can be inducted more swiftly and effectively
- Changes to best practice can be made and stored in one place and disseminated to everyone
- Provides visibility of process for meeting external ratification (eg ISO)



# Disadvantages of a High Quality Framework

We'd love to tell you why you shouldn't deploy a best practice professional framework for your CS team, but in all honesty we cannot think of a single reason why this might be the case. If you can think of any reason why not feel free to write in and tell us!



**I am sorry but I genuinely cannot think of any**

# Defining Customer Success Management



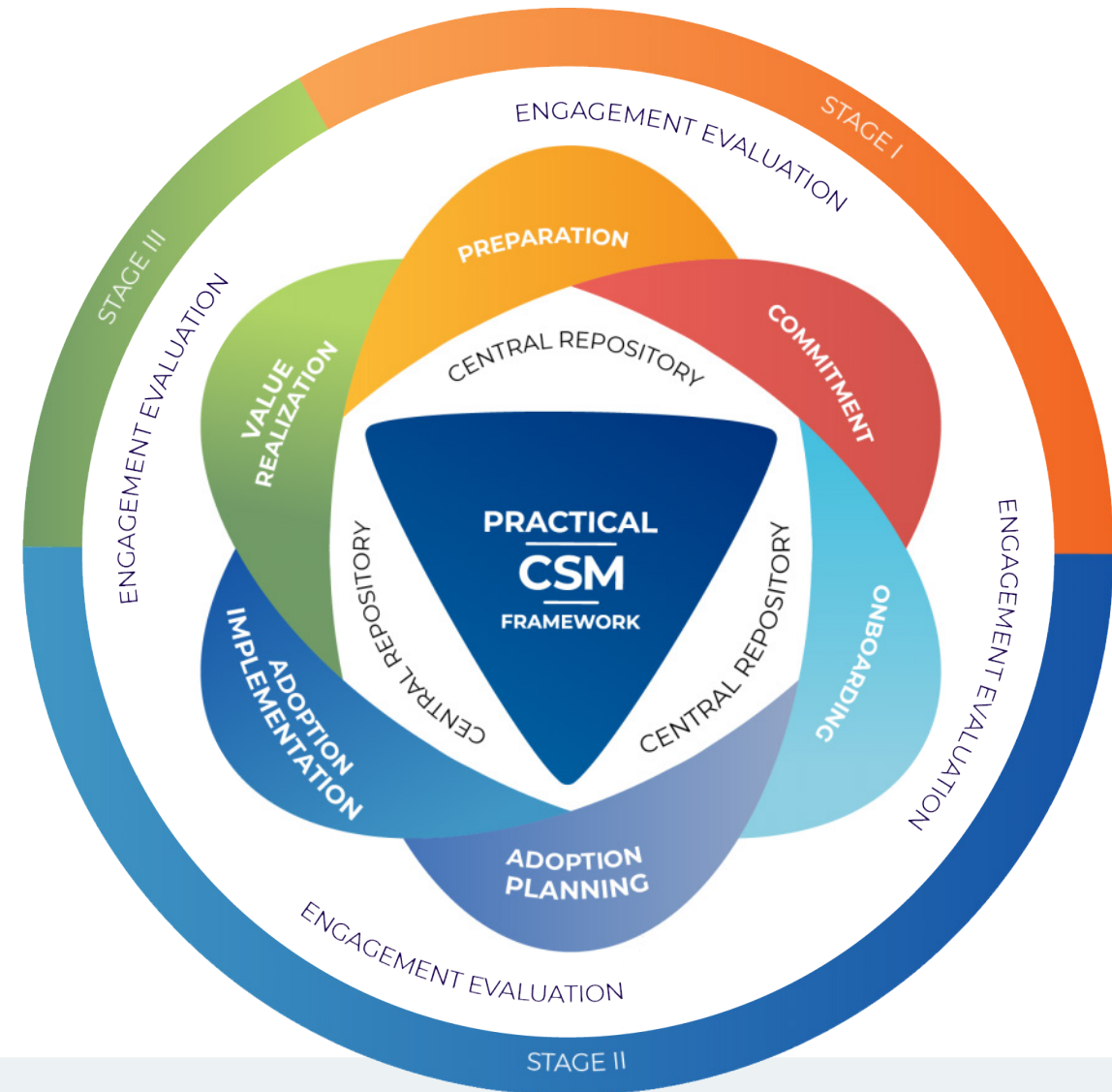
## The Practical CSM Framework

# What is the Practical CSM Framework?

The *Practical CSM Framework* is a simple but highly effective framework for customer success management. It divides the typical customer success “journey” into seven key phases, and then outlines the major tasks (or activities) that the CSM will most commonly need to perform within each phase.

The *Practical CSM Framework* is deliberately kept as generic as possible so that it can be adapted/customized to meet the needs of as many different CS teams as possible.

At the same time it provides sufficient detail to ensure that the “heavy lifting” has already been done, and only detailed specifics relating to the CS team’s industry and products need to be added.



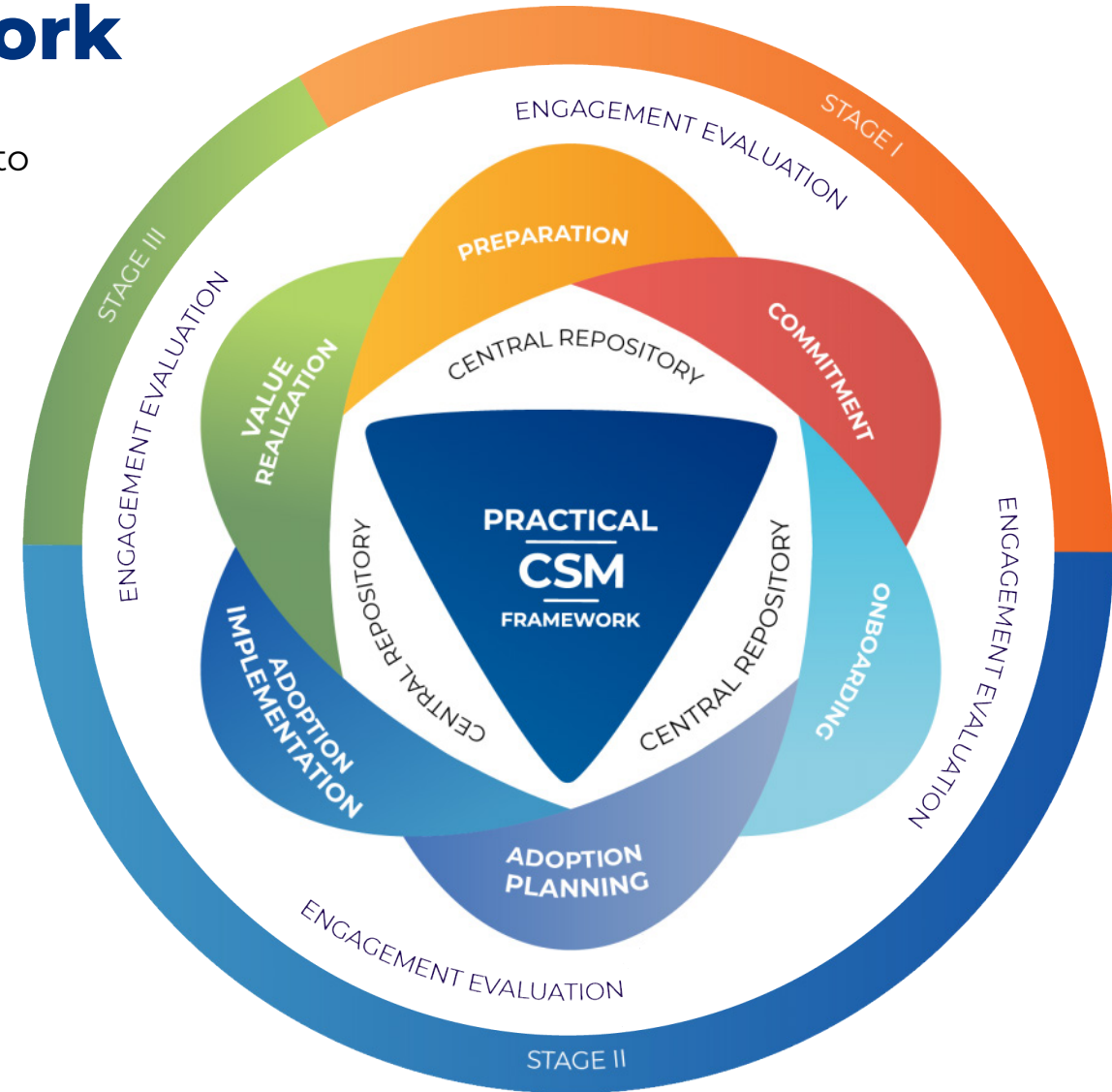


# The Practical CSM Framework

The Practical CSM Framework breaks the role of the CSM into seven Phases that a typical customer engagement will go through. Each Phase is then addressed in terms of what needs to happen during that phase and how best to do it.

## Why?

- Ensures maximum efficiency by re-applying already known best practices to common situations
- Enables maximum quality by providing a single “authorized” way of acting that all can follow
- Ensures minimum standards of productivity, quality and effectiveness are adhered to by everyone
- Enables the team to grow and take on new people more quickly and easily
- Proves our capabilities internally and to customers

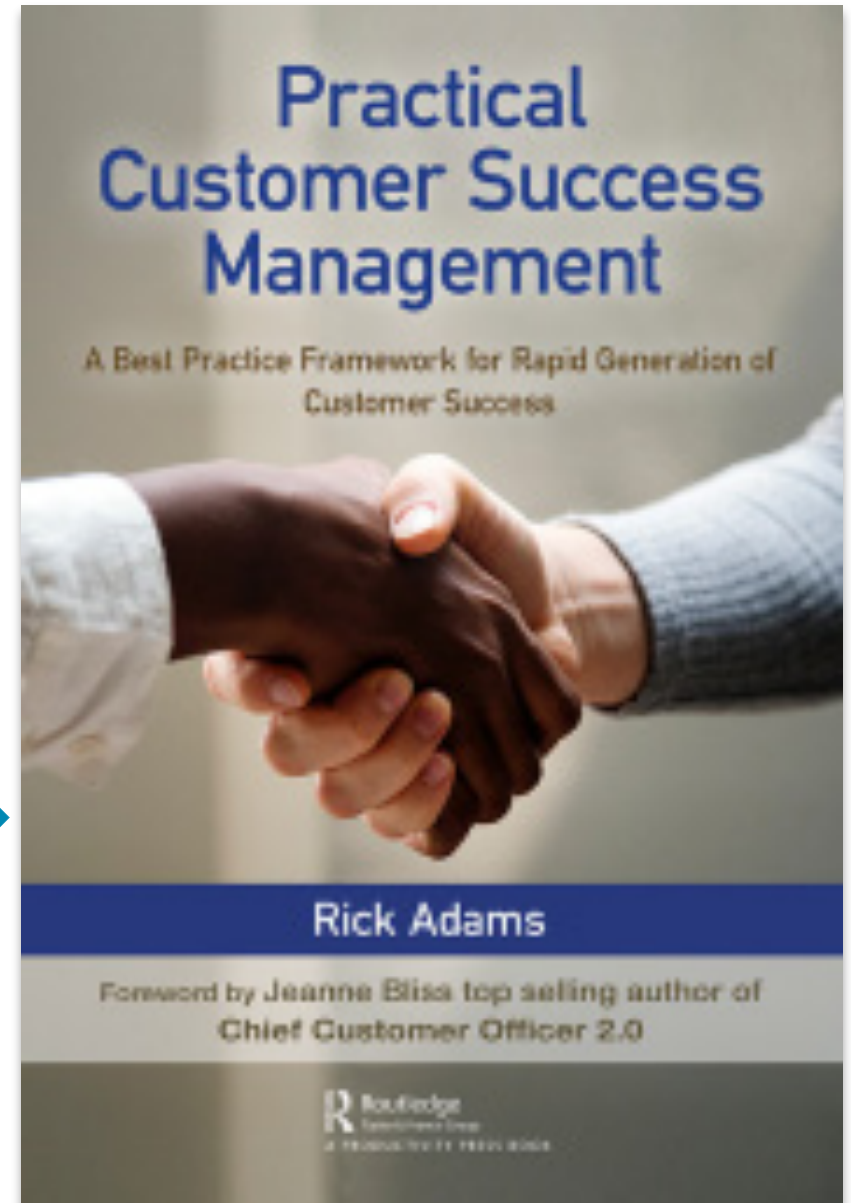
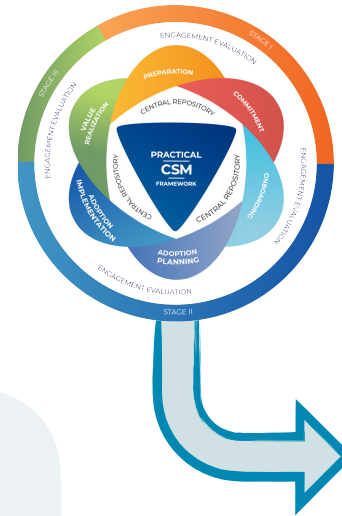


# Where is the Practical CSM Framework Published?

The role and purpose of the Practical CSM Framework is fully explained within the book you are currently reading. In addition, we provide a description for each of its seven Phases and an overview of tasks that are likely to be required within each phase.

You can access complete details together with more in-depth explanations about each Phase and the tasks within them inside the book *Practical Customer Success Management – a best practice framework for rapid generation of customer success* which is published by Taylor & Francis and is available from Amazon, Barnes & Noble and other book retailers.

Because the framework is published to the public it is freely available for all to use and requires no fees or commissions (although of course the contents of the book itself remains the copyright of Taylor & Francis).



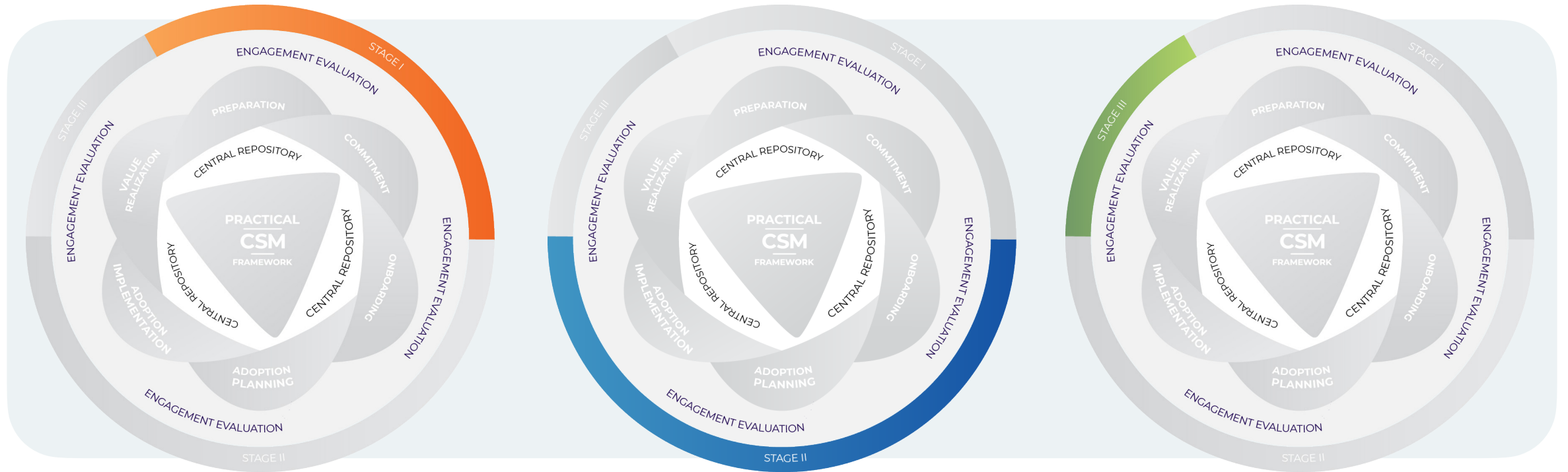
# Defining Customer Success Management



Practical CSM Framework Stages

# Three Stages of the Practical CSM Framework

The Practical CSM Framework can be logically divided into three main stages – Initial Stage, User Readiness Stage, and Ongoing Stage. The framework can also be divided into seven core phases, where the first two phases make up Stage A, the next three phases make up Stage B and the last two phases make up Stage C. We will review each phase in detail shortly, but first of all let's quickly summarize these three Stages, since they are a good way of gaining a quick overview of what the Practical CSM Framework is all about.



**A. Initial Stage**

**B. User Readiness Stage**

**C. Ongoing Stage**

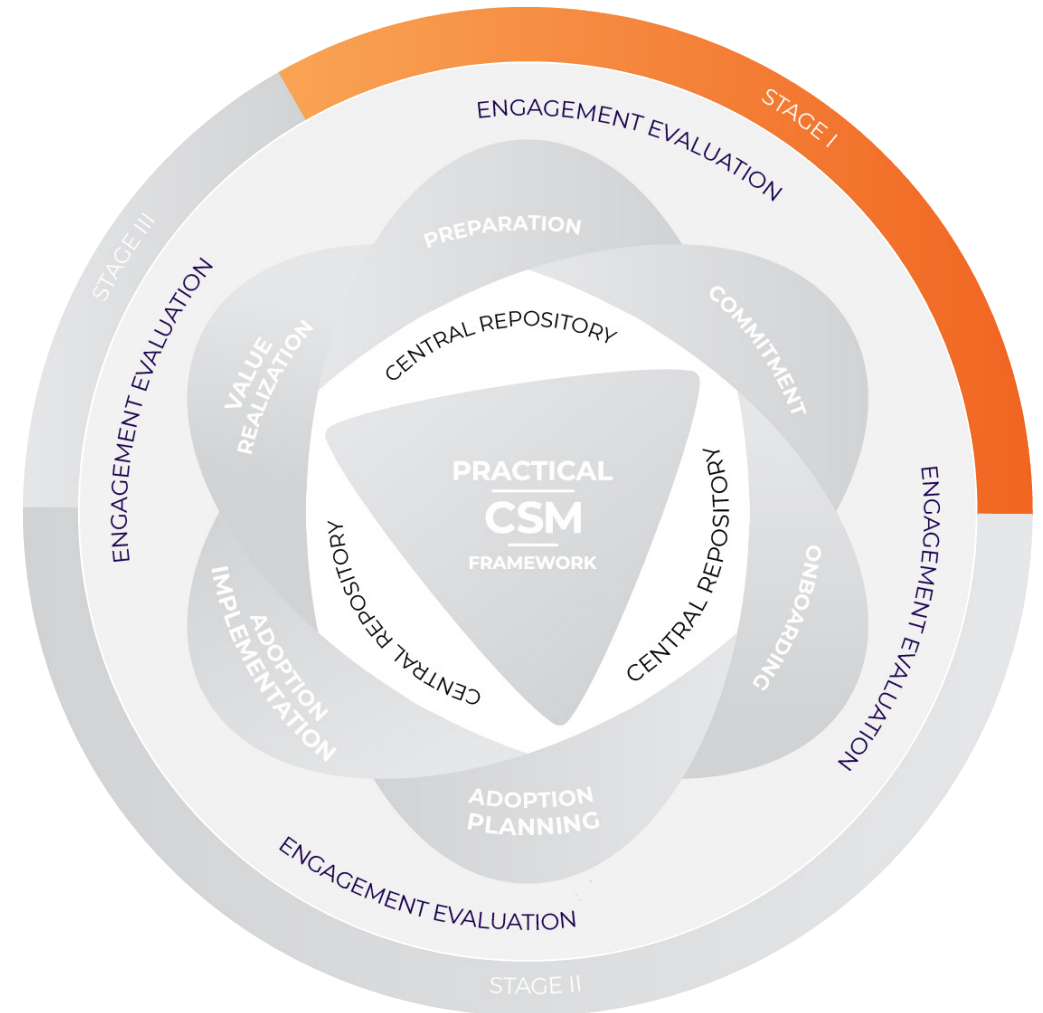
# The Initial Stage

The early stages of an engagement are about getting things ready – primarily getting oneself ready as the CSM to be useful and relevant in the context of the customer’s needs and desires and getting to know the customer’s key stakeholders, as well as reaching an agreement on the types of ways the CSM will be able to help the customer with their journey towards value realization.

## Phases within the Initial Stage:

Phase 1: Preparation

Phase 2: Commitment



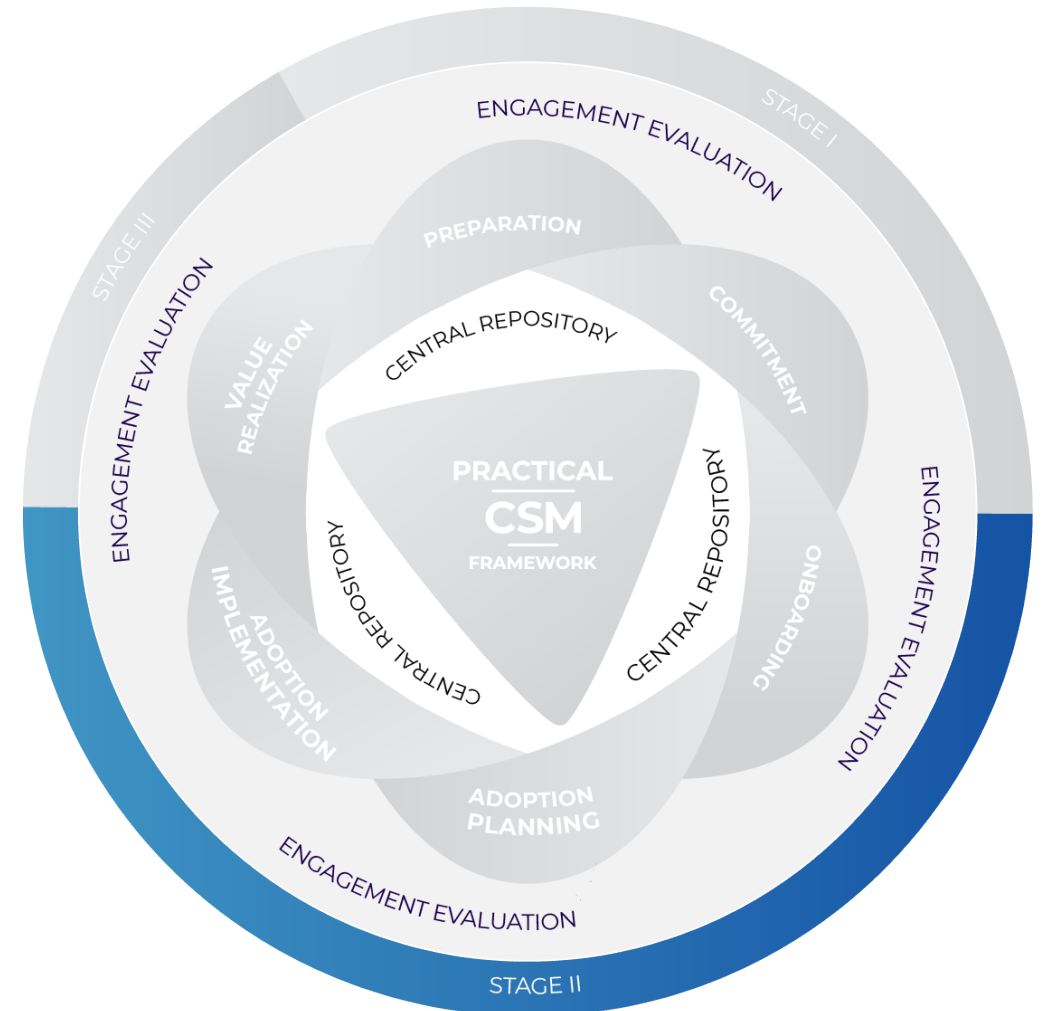
## A. Initial Stage

# The User Readiness Stage

The user readiness stage is all about helping the customer prepare their users to be able to fully adopt and use the solution they have purchased. This includes both the initial onboarding of products and services and then moves into full scale adoption, which in turn readies the customer to commence solution utilization.

## Phases within the User Readiness Stage:

- Phase 3: Onboarding
- Phase 4: Adoption Planning
- Phase 5: Adoption Implementation



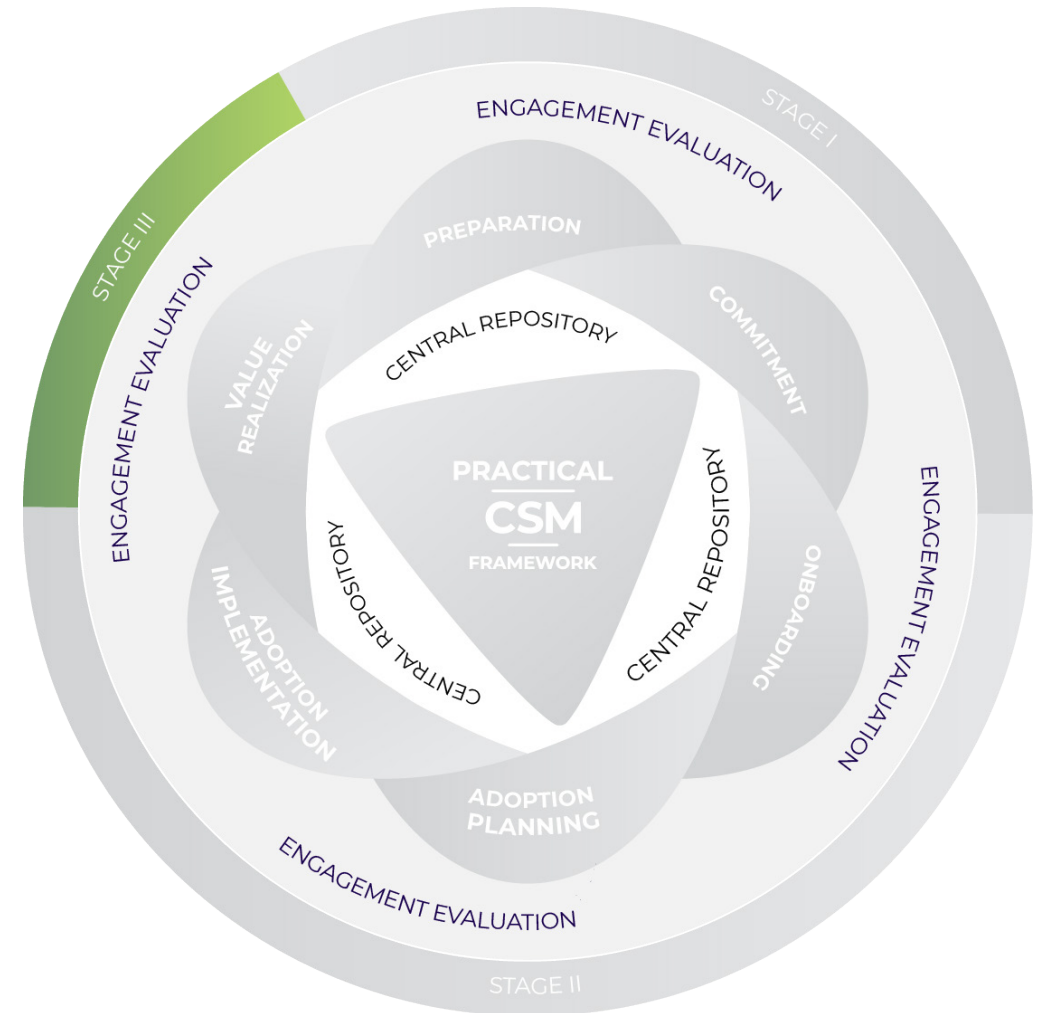
## B. User Readiness Stage

# The Ongoing Stage

The final stage is ongoing in the sense that it continues on into the future for as long as the customer continues to use the solution. This stage takes over as soon as adoption is completed and ensures that maximum value is continually generated, measured and reported on. At intervals during this stage the CSM will take stock of the engagement and determine what has gone well, what could have gone better and what has been learned for future engagements.

## Phases within the Ongoing Stage:

- Phase 6: Value Realization
- Phase 7: Engagement Evaluation



## C. Ongoing Stage

# Defining Customer Success Management



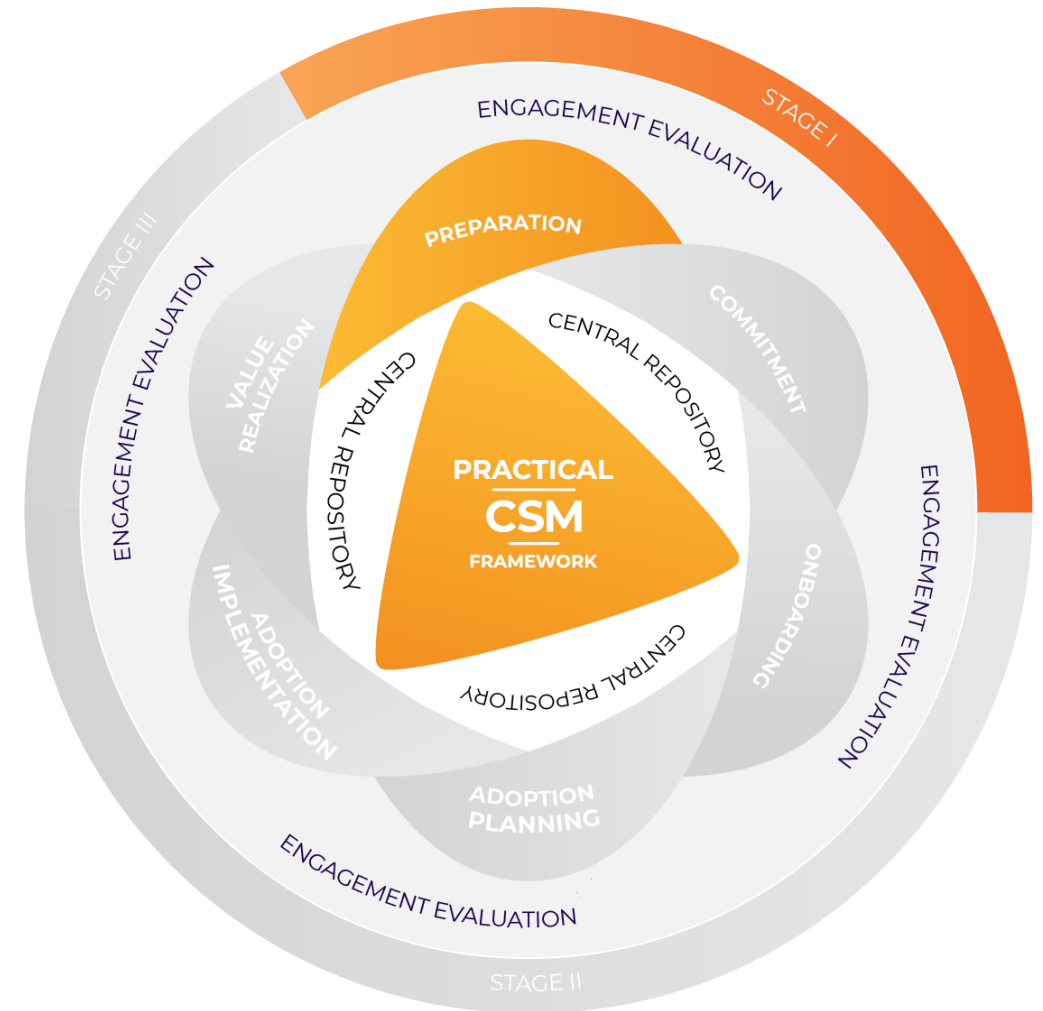
Practical CSM Framework Phases



# What happens at the Preparation Phase?

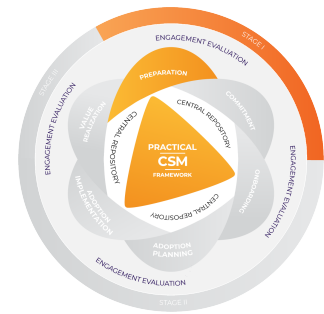
Now we will turn to the seven phases. It's within each phase that all the magic really happens, so whilst we only briefly overviewed the three stages, we will spend a lot more time examining each phase in depth, beginning with Phase One: Preparation.

Activities prior to meeting the customer's stakeholder, that prepare the CSM and enable them to be valuable right from the initial meeting, including research and analysis of the customer and their needs, understanding what has been sold and why, plus learning who the major stakeholders are.



## Phase One: Preparation

# What happens at the Preparation Phase?



## Why?

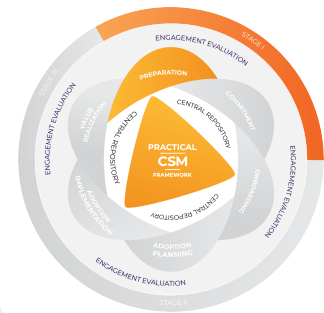
- In order to be useful “right out of the gate” at the very first meeting with the customer
- In order to minimize likelihood of making any mistakes
- In order to know what information must be found or validated
- In order to know what to propose to the customer’s stakeholders as a way forwards for working with them to help them attain their outcomes

## Essential Personal Qualities for the CSM Role

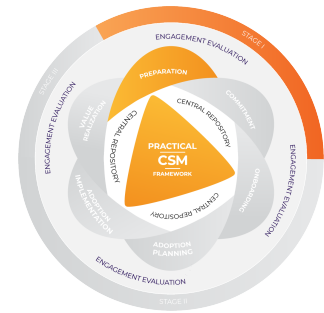
- **Enthusiasm and Energy**
- **Listening and Questioning**
- **Research and Analysis**
- Creative Problem Solving
- Leadership and Influencing
- Determination to Succeed

# Preparation Activities

1. Make sure you are aware of upcoming customer engagements and schedule engagement handovers for these engagements well ahead of time
2. Review the information you already have to determine what you need to learn from the handover meeting
3. Complete your handover from colleagues
4. Perform further research on corporate systems as necessary
5. Conduct wider research on the Internet as necessary
6. Document the information in your corporate systems
7. Review the information to get a sense of the customer engagement requirements
8. Formulate a customer engagement strategy
9. Create the customer engagement strategy roadmap
10. Store all documents that have been created in the Central Repository



# Preparation Outputs



The Output for **Phase 1: Preparation** is the completed or partially completed Engagement Documentation complete with any other documents you have created. By the end of your preparations you must make sure that you have sufficient information to move forward to **Phase 2: Onboarding**.

# What happens at the Preparation Phase?

## Prior to Meeting the Customer, What Information Does the CSM Need to Research?

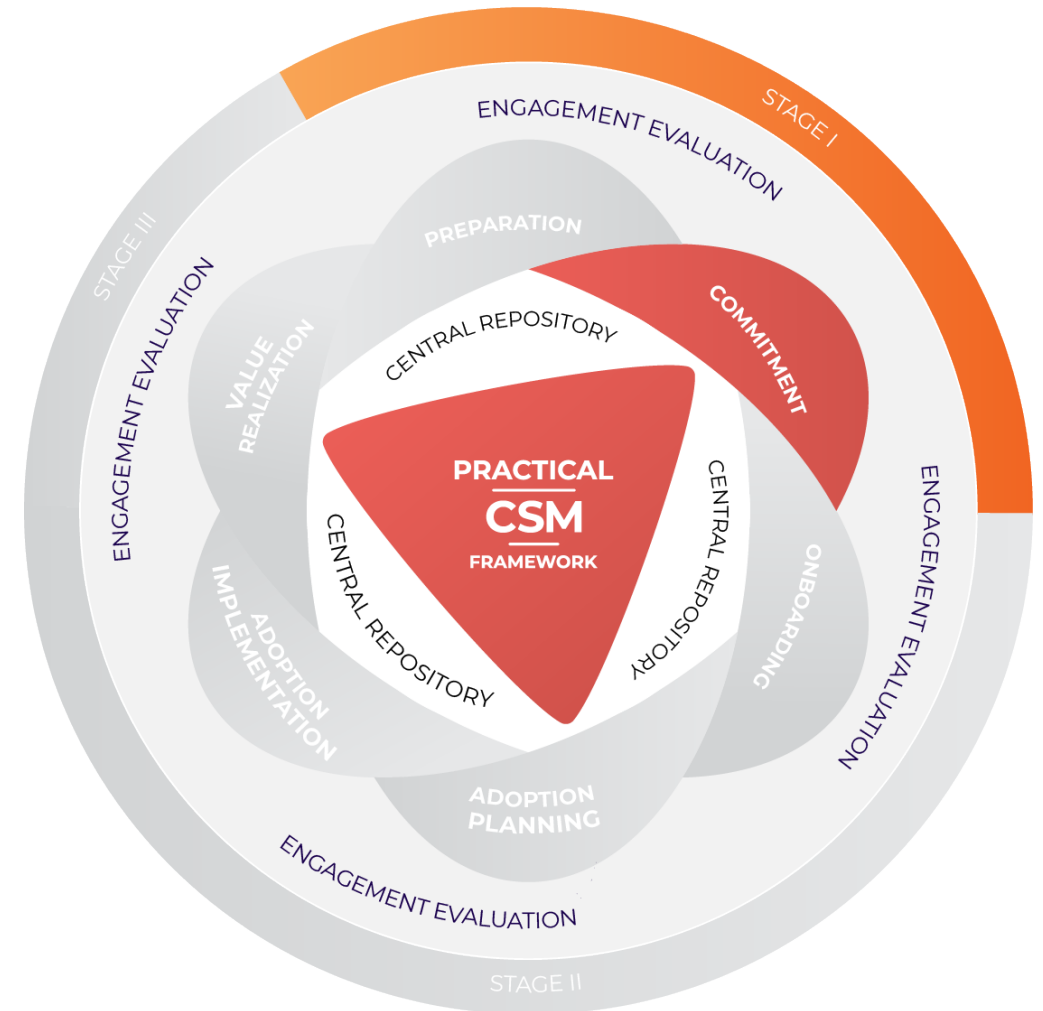
- Initiative Information (*what are they trying to do?*)
- Solution Information (*how are we helping them?*)
- Customer Business Information (*who are they?*)
- Customer Stakeholder Information (*who are they?*)
- Engagement Information (*what is, has and will be happening?*)



# What happens at the Commitment Phase?

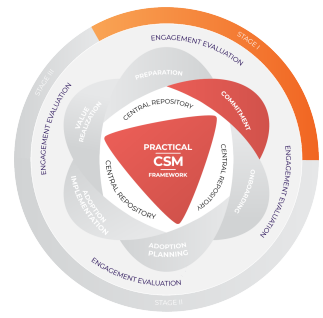
Next Up is Phase Two: Commitment. Phase Two is the second half of the Stage A: Readiness, but this time the focus of that readiness extends beyond just the CSM and also includes the customer's key stakeholders (though not the customer's end users as yet, as they are dealt with in Stage B).

The CSM meets the customer's stakeholder/s and starts to form a relationship with them. They explain their role and agree how they can help the customer. The CSM explains what has been purchased and why, answers the customer stakeholder's questions, and gathers/validates information.



## Phase Two: Commitment

# What happens at the Commitment Phase?



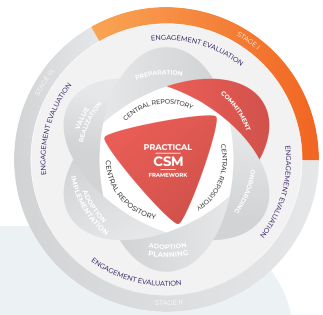
## Why?

- Customers may not be familiar with or have false/limiting beliefs about customer success management
- Stakeholders may not understand what they have purchased and/or what their own initiative is and how the two relate
- Stakeholders may not know what needs to be done or how to do those things
- Gaining agreement on and commitment to a specific proposal provides clarity

## Essential Personal Qualities for the CSM Role

- **Enthusiasm and Energy**
- **Listening and Questioning**
- Research and Analysis
- Creative Problem Solving
- **Leadership and Influencing**
- Determination to Succeed

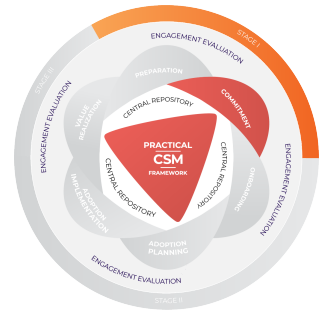
# Commitment Activities



1. Review the information which you created in Phase 1: Preparation
2. If there are any information gaps that need to be filled or assumptions that need to be validated make a note of them and prepare questions for the customer
3. Plan the initial meeting including location, format and style, outcome requirements, agenda, duration, attendees and any collateral requirements such as presentations or case studies
4. Hold the initial meeting and present customer's key stakeholders with your proposed offer of help and assistance with onboarding, adoption and value creation. Negotiate the help you will provide and agree how it will be provided and the way in which you and the customer will communicate with each other
5. After the meeting update your systems as necessary and create the customer engagement proposal based upon the agreement made with the customer
6. Use the RACI Matrix, the Stakeholder Management Matrix and Stakeholder Management Plan tools to begin to formulate and document a stakeholder management strategy for this customer engagement, based upon the information about key stakeholders that you have learned so far
7. Send the completed Customer Engagement Proposal to the stakeholders for their validation and signature and store it together with any other documents that have been created in the Central Repository



# Commitment Outputs



The Output for **Phase 2: Commitment** is the completed and signed *Customer Engagement Proposal* together with start points for the RACI Matrix, the Stakeholder Management Matrix and Stakeholder Management Plan. By the end of your preparations you must make sure that you have sufficient information to move forward to PCSMF **Phase 3: Onboarding**.

# What happens at the Commitment Phase?

## By the End of Phase 2: Commitment...

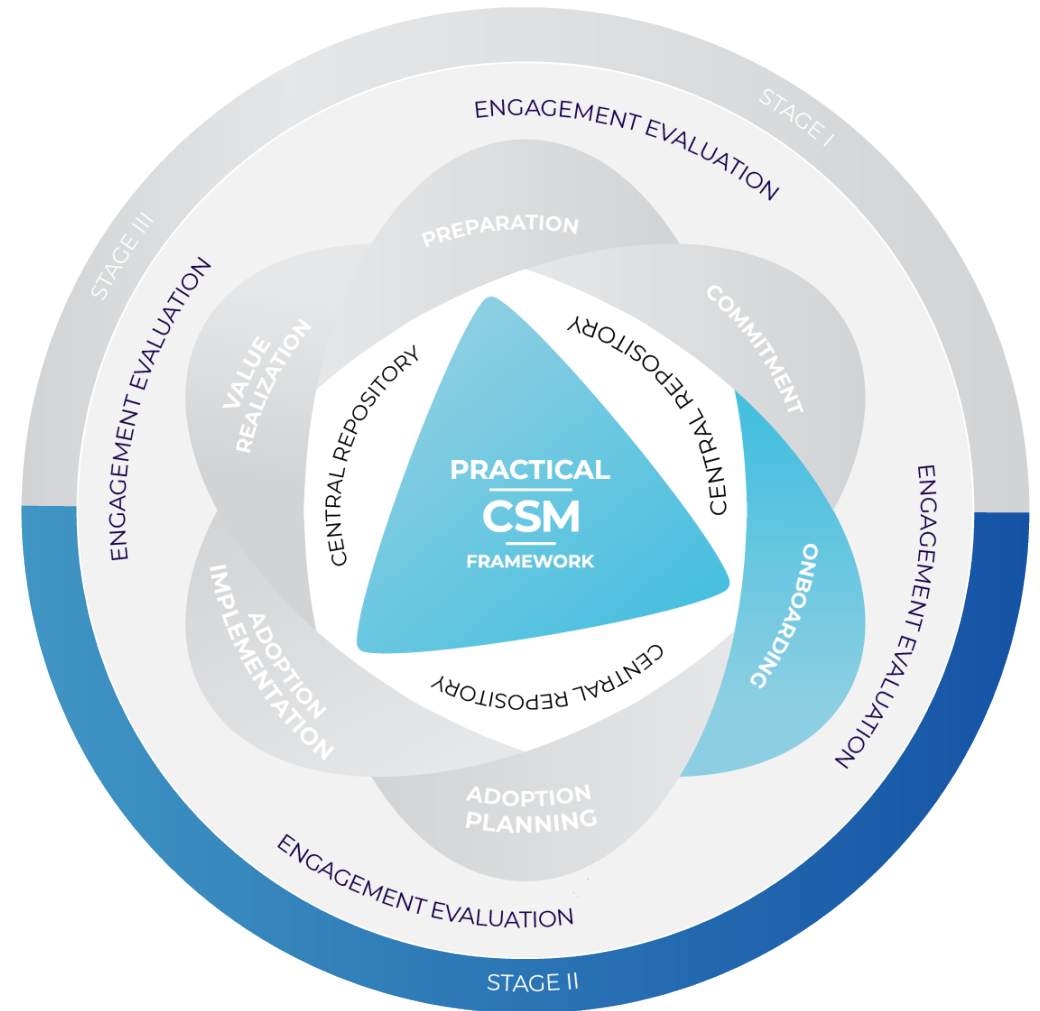
- Met and started to form relationships with the key stakeholder (and potentially other customer stakeholders)
- Explained and evangelized the role, purpose and value of the customer success manager
- Answered the stakeholders' initial questions
- Researched additional information and validated existing information
- Presented and discussed your success proposal
- Gained commitment on what needs to be done, to what standard, by whom and by when (eg success contract)
- Agreed a working way forwards (eg style, cadence etc)
- Agreed specific next steps



# What happens at the Onboarding Phase?

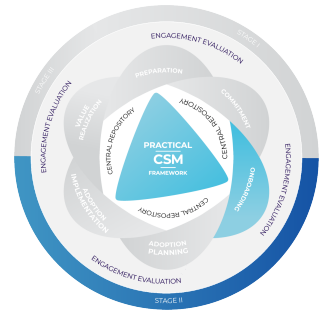
Now we begin Stage B: Readiness. As we already know the concept of “readiness” applies equally to both the customer’s organization as a whole and to each individual within that organization who will be playing their part within the wider initiative. This stage covers three whole phases, starting with Phase 3: Onboarding.

The customer is provided with sufficient information and other resources needed to be able to understand what they have purchased, why they have purchased it, what the change management implications are likely to be for their business, and how to start adopting, using and generating value from it.



## Phase Three: Onboarding

# What happens at the Onboarding Phase?



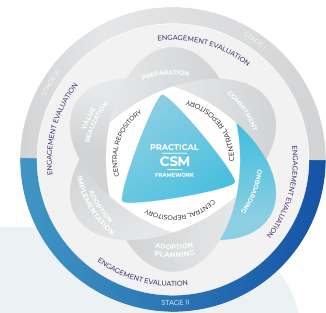
## Why?

- The sooner the customer gets started, the quicker they can generate value from their solution
- Informed, educated and enabled customers tend to report a better overall customer experience
- Enabling the customer to help themselves may potentially reduce support and CS time and other costs
- Many customers actually prefer a self service model because it gives them more control

## Essential Personal Qualities for the CSM Role

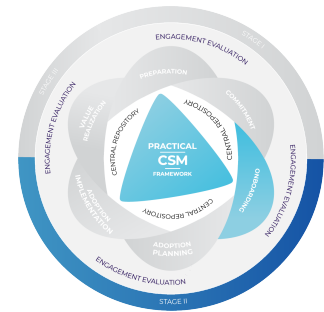
- **Enthusiasm and Energy**
- **Listening and Questioning**
- Research and Analysis
- Creative Problem Solving
- **Leadership and Influencing**
- Determination to Succeed

# Onboarding Activities

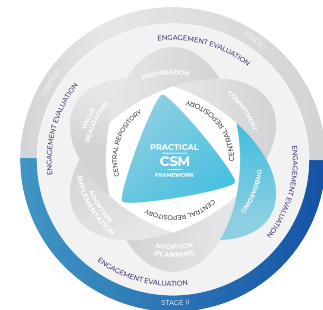


1. Review your customer engagement strategy to ensure you are up-to-date on requirements from the engagement
2. Determine the likely needs and level of complexity of the customer for onboarding.
3. Hold an initial conversation with the customer to discuss their onboarding needs and explain the options available to them
4. Follow up as necessary to learn more information and to negotiate an agreement as to the scope and level of help you will be providing for customer onboarding together with other relevant information such as start times and important deadlines, communication and reporting and any professional services fees
5. Determine a phased onboarding project plan. The plan should include phases, milestones, activities and responsibilities as well as outputs and outcomes for each phase.
6. Work the plan! Make adjustments as necessary along the way due to changes in customer needs or additional information uncovered in these later stages that provide you with additional insight into customer onboarding requirements. Liaise with colleagues and customer regularly during this time to ensure activities are being completed and outputs and outcomes are being attained.
7. Record and manage your own time and to learn lessons for future similar engagements
8. Create customer facing reports at each major milestone and at the end of the onboarding process.

# Onboarding Outputs



The Output for **Phase 3: Commitment** is the successful completion of all onboarding activities, which should be signed off by the customer and detailed in your report. By the end of the onboarding phase you will be ready to move forward to **PCSMF Phase 4: Adoption Planning**.



# What happens at the Onboarding Phase?

## The Welcome Pack

The Welcome Pack (or Welcome Kit) is a neat idea. The concept is to provide the key stakeholder with everything they need to get started in their initiative in one place. The purpose of this is to make it easy for stakeholders to get to grips with and understand the basic information they need to know about. You don't have to use a "Welcome Pack", but if you do decide to use them, you will need to decide what goes into them, and then create, purchase or re-use content as appropriate. Here are some considerations for you to take into account when designing them...

- What information does your customer's SPL need?

- Solution components
- Principles features and functions
- Quantities purchased
- Licensing and password information
- Access to support team
- Access to specialists (if applicable)
- Access to self service help systems and FAQs
- Access to online learning libraries
- 'Get Started" guides

- What format?

- Printed and bound 'brochures' or 'leaflets'
- Digital information

- Who should send it?

- Who should receive it?

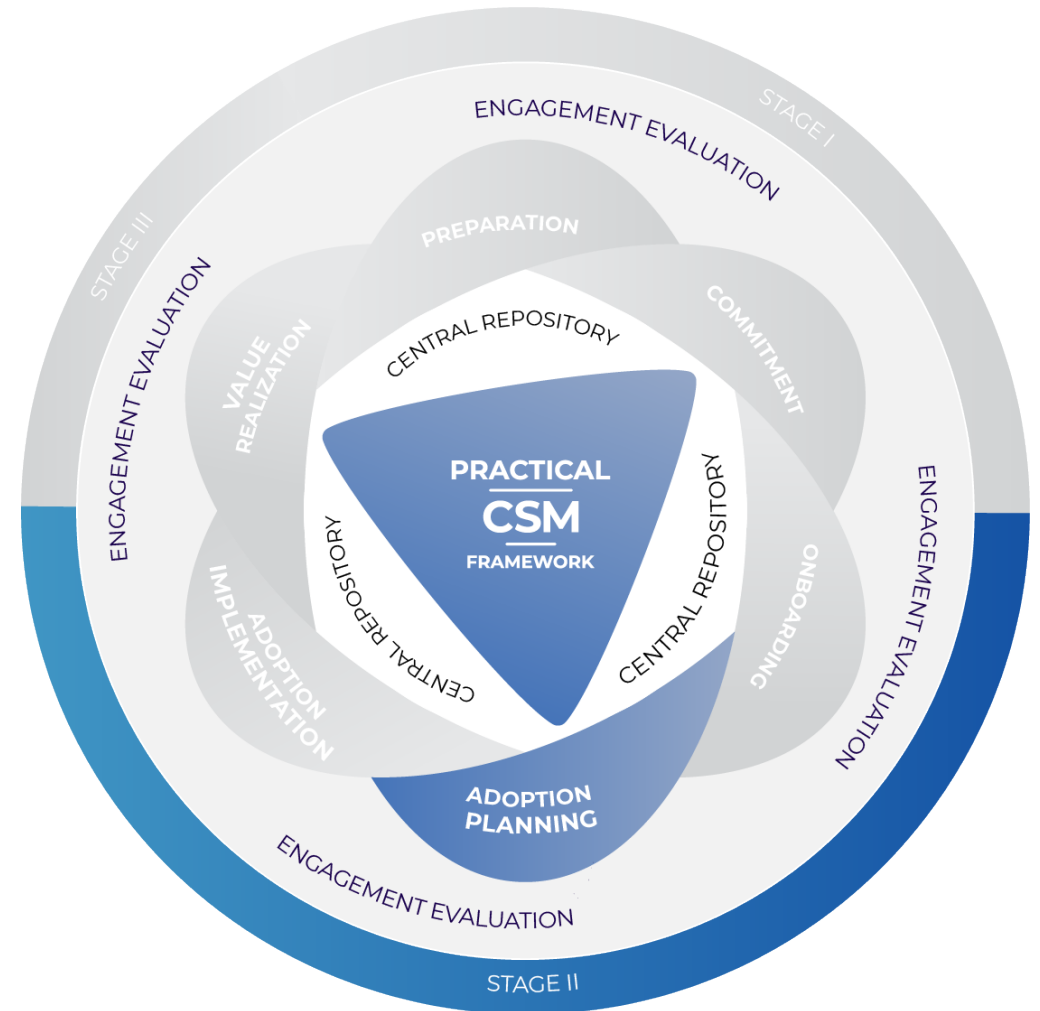
- When should it be sent?

- Recommend – check they have it and review its contents with them

# What happens at the Adoption Planning Phase?

Now we move into Phase 4: Adoption Planning. Adoption is so important to the overall customer success engagement that it has no less than two phases to itself. The first one is this one – Adoption Planning and then comes Phase 5: Adoption Implementation, which we will deal with straight after we have examined Phase 4.

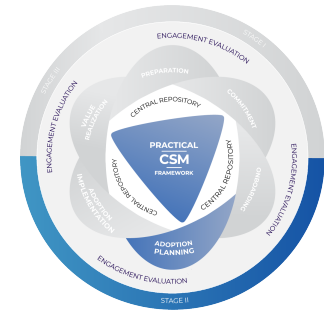
The CSM helps the customer's key stakeholders to determine the type and level of impact within their company of adopting the solution, and helps to develop a watertight change management plan to deliver an efficient and effective adoption implementation.



## Phase Four: Adoption Planning



# What happens at the Adoption Planning Phase?



## Why?

- An inadequate adoption is likely to lead to reduced user performance when utilizing the solution, in turn leading to poor overall results from the initiative
- Customers may not know how to go about the adoption planning process – particularly if they are a small company with less internal knowledge, expertise, experience and resources
- Successful adoption of the solution is critical to ensuring the customer gains value from it, which in turn increases the likelihood for retention and expansion

## Essential Personal Qualities for the CSM Role

- Enthusiasm and Energy
- **Listening and Questioning**
- **Research and Analysis**
- **Creative Problem Solving**
- Leadership and Influencing
- Determination to Succeed

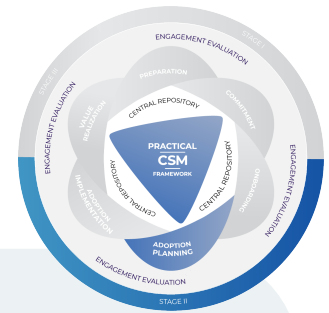
# Adoption Planning Activities



1. Review your customer engagement strategy to ensure you are up-to-date on requirements
2. Gain an initial understanding of the needs and level of complexity of the customer for adoption
3. Hold meetings with the customer to discuss their adoption needs and determine their adoption requirements and follow up as necessary to learn and document additional information where any information gaps were uncovered and document each process that will be impacted by the initiative and describe the changes
4. Determine which users will be impacted and then group them into IGs (impacted groups). Document each group and their KSA (knowledge, skills, & attitude) change requirements
5. Capture all practical considerations that need to be regarded during the adoption planning
6. Work through the communication, training and support needs for each IG and document these needs
7. Capture potential adoption barriers that need to be regarded during the adoption planning process

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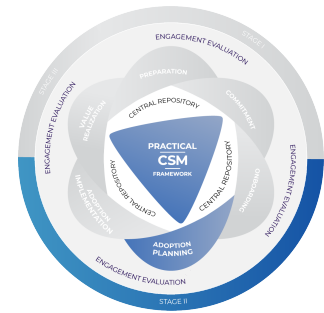
# Adoption Planning Activities



Continued...

8. Capture potential risks that need to be regarded during the adoption planning process.
9. Work with the key stakeholder and other customer stakeholders as necessary to create an outline adoption plan.
10. Once the outline adoption plan has been approved, proceed to help the customer to flesh out the adoption plan into a fully detailed version, using project management tools to do so if necessary. This may involve multiple stakeholders from HR and Training departments, change management professionals, and team leaders and process owners as necessary.
11. Create a summarized version of the full adoption plan that can be published more widely as an adoption roadmap for all workers (or at least for managers) to see, and start work on any other marketing collateral needed for marketing the upcoming adoption program.
12. Capture a summary of the work you have accomplished plus any lessons you have learned.

# Adoption Planning Outputs



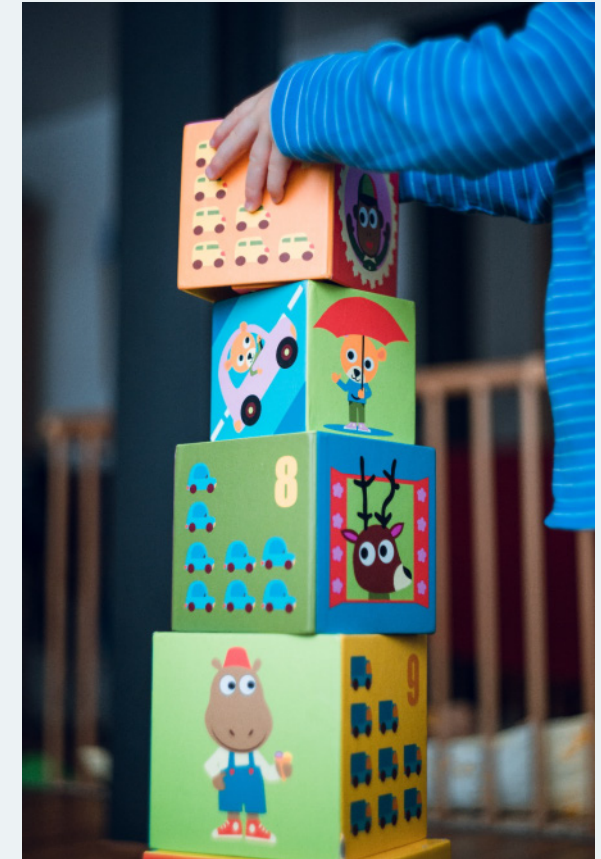
The main Output for **Phase 4: Adoption Planning** is a fully detailed adoption plan. If possible, the CSM should store a copy of this document together with other documents created during this phase in the Central Repository, together with lessons learned. By the end of this adoption planning phase you and the customer will be ready to move forward to PCSMF **Phase 5: Adoption Implementation**.

# What happens at the Adoption Planning Phase?

Oftentimes the CSM will be involved to a greater or lesser degree in the delivery of Pilots that are run for the customer to trial the product or service before they make their final purchase decision. If this is the case for you then it's important you understand whether or not this engagement is in fact a pilot rather than a full implementation. Here are some considerations about pilots for CSMs:

## Adoption Pilots and Phases

- Lessons learned from a pilot might be about the product or service itself and might answer questions such as:
  - What can this product or service do for us?
  - How much value can this product or service provide for us?
  - How can we make the most use of this product or service?
- The **Proof of Concept** pilot...
  - Does this work?
  - Does it do what we thought it will do?
  - Does it “fit” within our organization?
- The **Proof of Value** pilot...
  - How well does it work?
  - How productive / efficient is it?
  - How much does it improve us over previously?



# What happens at the Adoption Planning Phase?

## Adoption and Change Management

- The start point for any change is the motivation for change to occur
- Motivation for change comes from whatever internal and external drivers are acting upon the company
- Change management expertise helps determine what types of activities should occur to ensure that the desired outcomes are attained



# What happens at the Adoption Planning Phase?

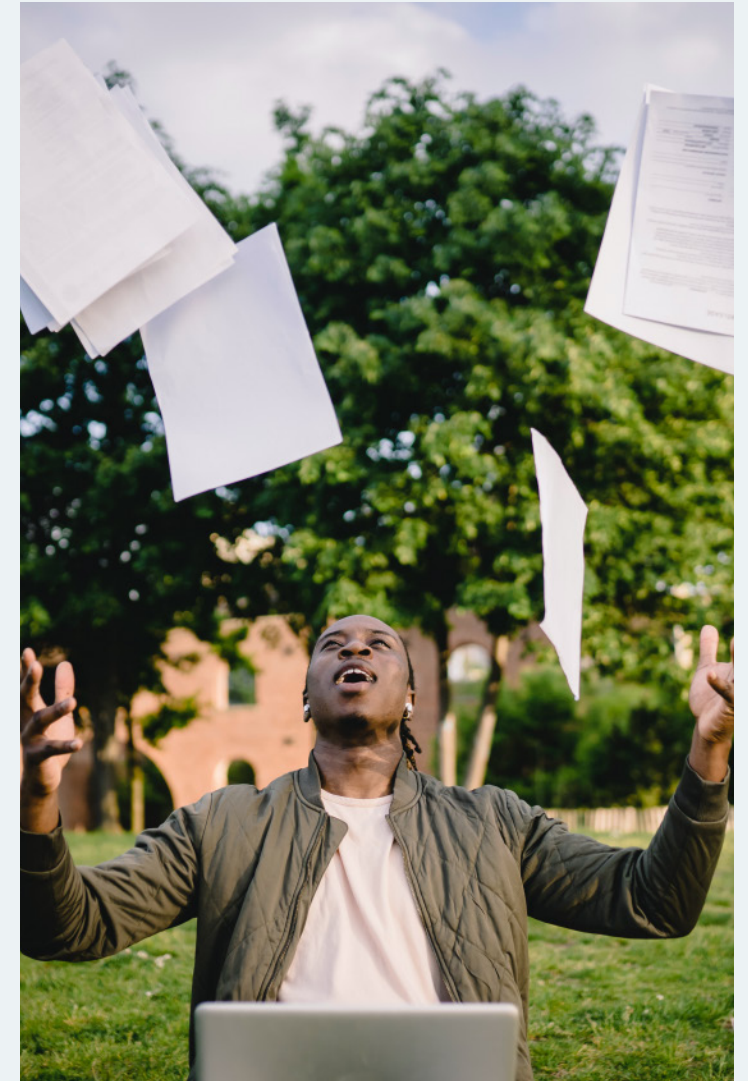
## The Concept of KSA

In order for your solution to become fully adopted, the customer's **impacted users** must be ready, willing and able to perform new or amended tasks that utilize your solution, in order to generate the new or improved outputs.

KSA stands for:

- **Knowledge**
- **Skills**
- **Attitude**

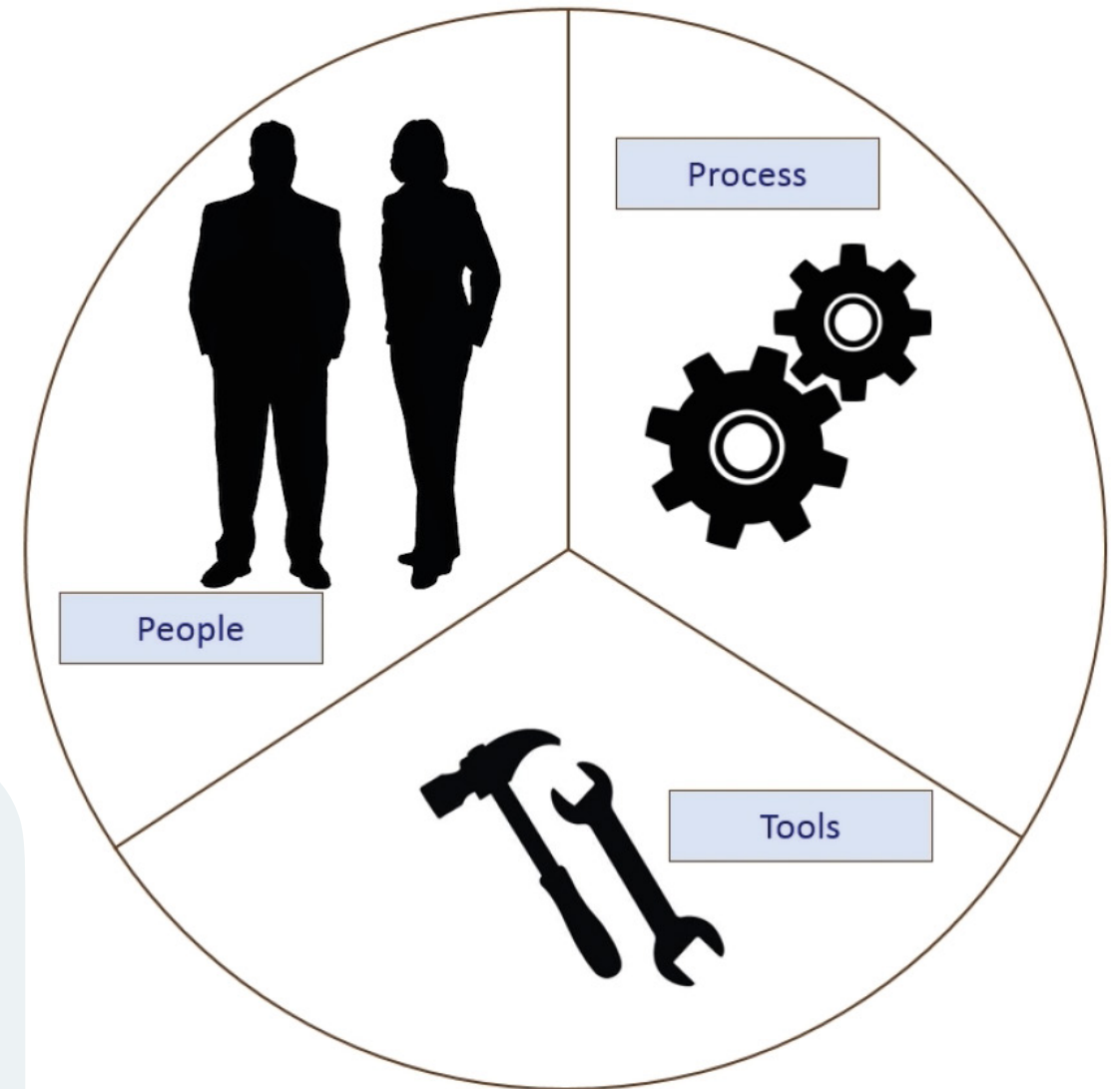
These are the three requirements for change management when dealing with **impacted users**.



# What happens at the Adoption Planning Phase?

## Capabilities

- A business capability is the ability possessed by a company to perform a specific task
- A capability has inputs and outputs. Work is performed on the inputs to create the outputs
- 'Better' capabilities lead to 'better' outputs (eg higher quality, greater productivity, greater efficiency, etc)
- Business capabilities have three components:
  - **People**
  - **Process**
  - **Tools**





# What happens at the Adoption Planning Phase?

## Directly and Indirectly Impacted Users

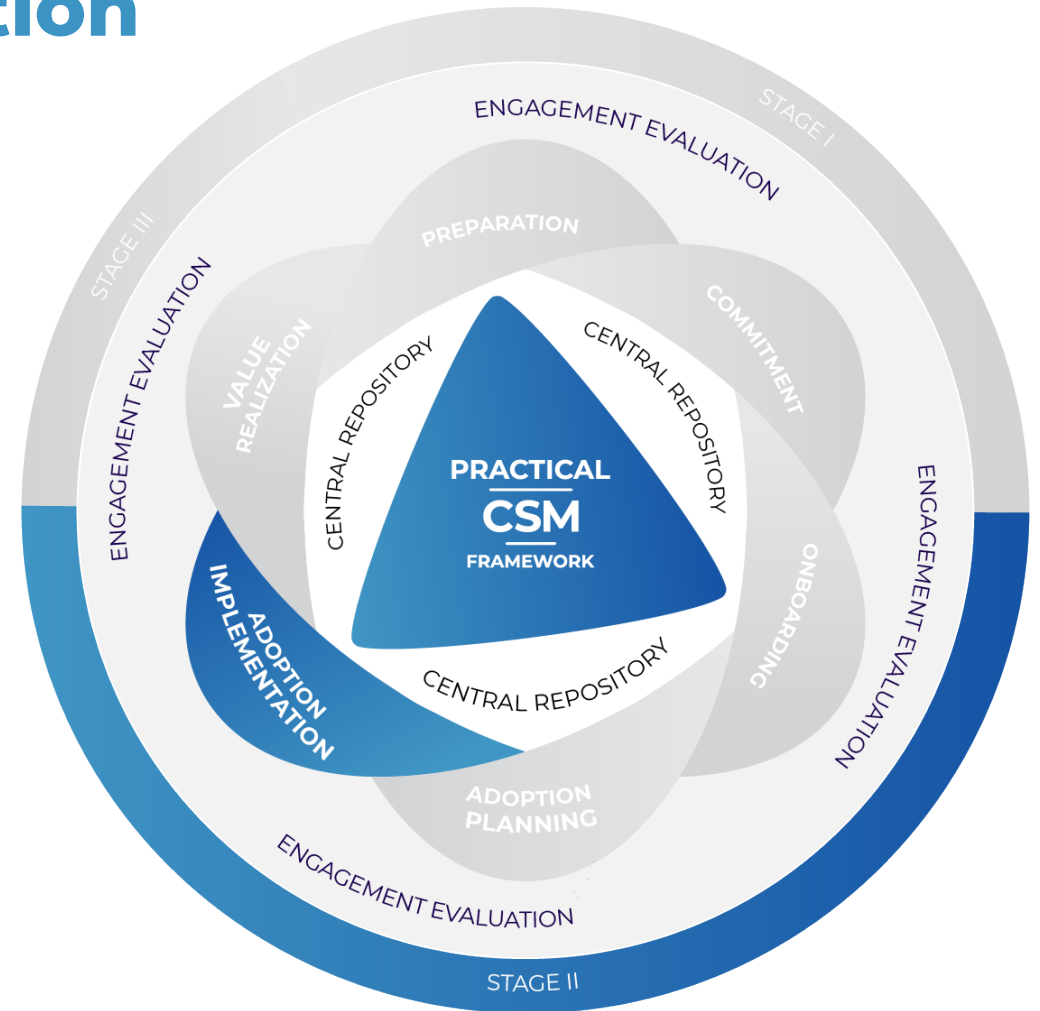
- **Directly Impacted:** someone who will actually be using the new products and/or services
- **Indirectly Impacted:** someone who will not actually be using the new products and/or services, but for whom change will still occur
- The KSA needs of both directly and indirectly impacted users should be considered



# What happens at the Adoption Implementation Phase?

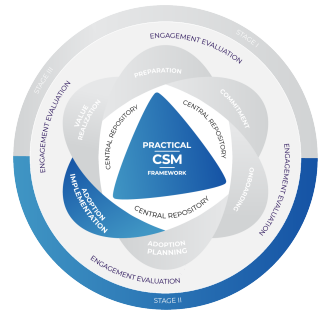
Once the adoption is fully planned the next step is of course to carry out that plan by implementing it.

The adoption plan is implemented, and users are provided with the necessary communications, training, support and other resources they need to ensure they are fully prepared for performing their roles. Results of the implementation are measured to ensure requirements are met.



## Phase Five: Adoption Implementation

# What happens at the Adoption Implementation Phase?



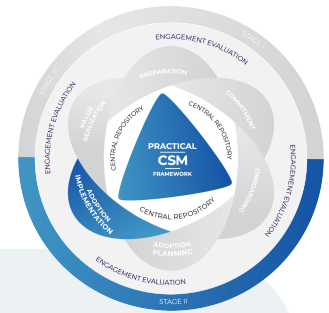
## Why?

- Once adoption has been successfully completed, the users are ready and enabled to create value for their company

## Essential Personal Qualities for the CSM Role

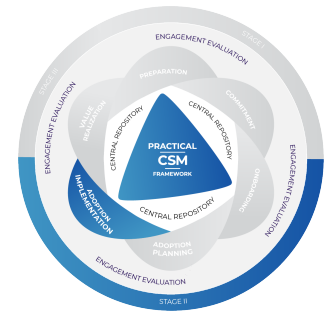
- Enthusiasm and Energy
- Listening and Questioning
- Research and Analysis
- **Creative Problem Solving**
- **Leadership and Influencing**
- **Determination to Succeed**

# Adoption Implementation Activities



1. Review your customer engagement strategy to ensure you are up-to-date on requirements
2. Take some time to review the adoption plan, adoption roadmap and any other documentation that was created by the customer to project manage the adoption program with
3. If necessary break the project phases down into smaller, work packages that can be assigned to individuals to complete and which each have their own deliverables.
4. Create an adoption checklist in a project readiness workshop. Attend to any issues that are uncovered by this process.
5. Commence the adoption program. Allocate time in your schedule to support, advise, counsel and otherwise assist the key stakeholder or whoever is formally project managing the adoption program. Pay special attention to managing people and to ensuring that tasks are completed and measurements are taken.
6. Collate and documents measurements and compile reports (or make sure that those who are responsible for performing those tasks are doing so)
7. Respond to unexpected challenges that turn up, and make sure to document these challenges for reference in the planning for future similar adoption programs with other customers.
8. Attend governance committee meetings or other management meetings as necessary to report on progress and to help determine any changes to the adoption program if any are necessary.

# Adoption Implementation Outputs

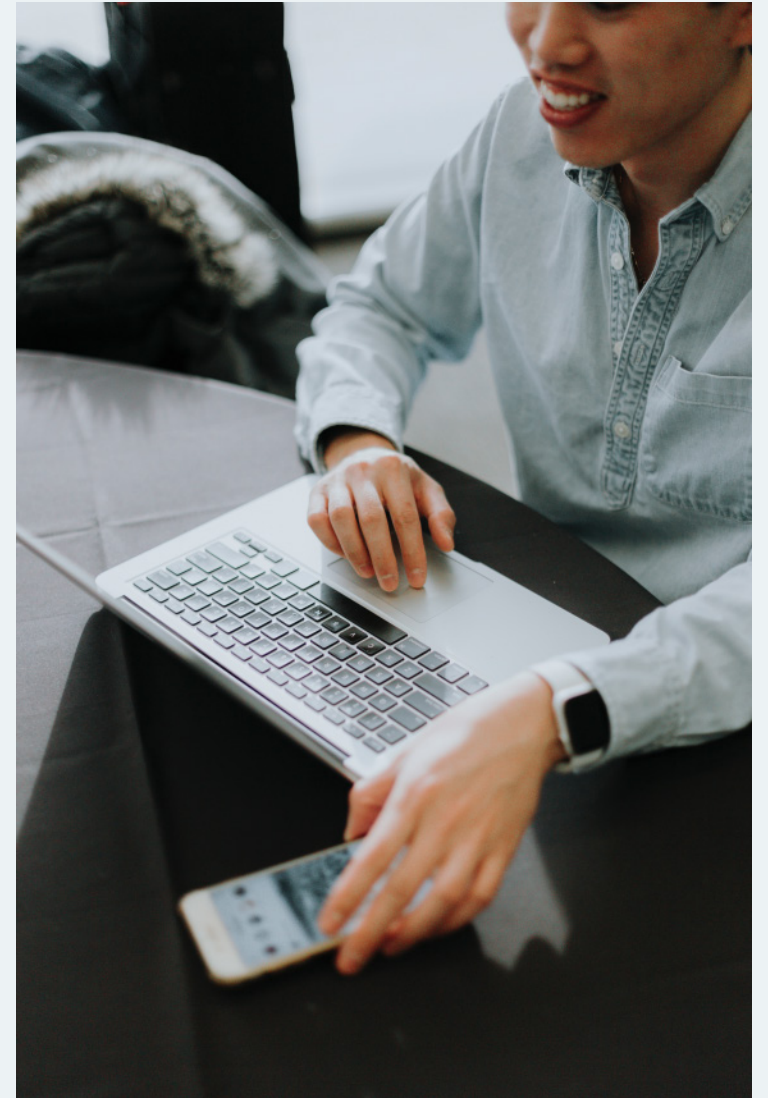


The main Output for **Phase 5: Adoption Implementation** is the completion of the adoption program. The CSM should store a copy of any documentation created during this phase in the Central Repository, together with lessons learned. By the end of this adoption planning phase you and the customer will be ready to move forward to PCSMF **Phase 6: Value Creation**.

# What happens at the Adoption Implementation Phase?

## Adoption Implementation Roles

- Logically, the customer should be the owner since the customer is paying, and customers who “assume ownership” are more likely to invest the necessary time and energy to make it a success
- Customer stakeholders will have a deeper and more profound understanding of their own company. This knowledge will enable better decisions about how to implement the adoption process
- The CSM is familiar with their own company’s solutions, and in particular how to onboard, adopt and realize value from them. This familiarity will help ensure a high quality adoption implementation to help realize the maximum value in the shortest possible timeframe



# What happens at the Adoption Implementation Phase?

## Managing People

- People management is a critical skill of any project manager and indeed of any CSM
- People are what make things happen, and what stop things from happening and can prevent outcomes from being attained
- This is especially so for adoption implementations

## Managing Key Stakeholders

- Not all stakeholders are aligned to the initiative
- There will be at least some degree of disagreement or even sometimes outright opposition to the initiative in the majority of cases

## Managing Impacted Users

- Within adoption implementation the interests of end users must also be considered
- End users generally have less individual power than key stakeholders, however their willingness to fully participate is still a critical requirement for adoption success



# What happens at the Adoption Implementation Phase?

## Measurement: Targets, Baselines and Milestones

- CSMs should agree targets for all activities with the key stakeholder and other stakeholders
- For activities with sufficient complexity or time durations, they should also agree milestones
- Finally they should ensure that a baseline measurement is taken right at the start before activity commences
- Measurements tell us where we are now, and help us to predict the future

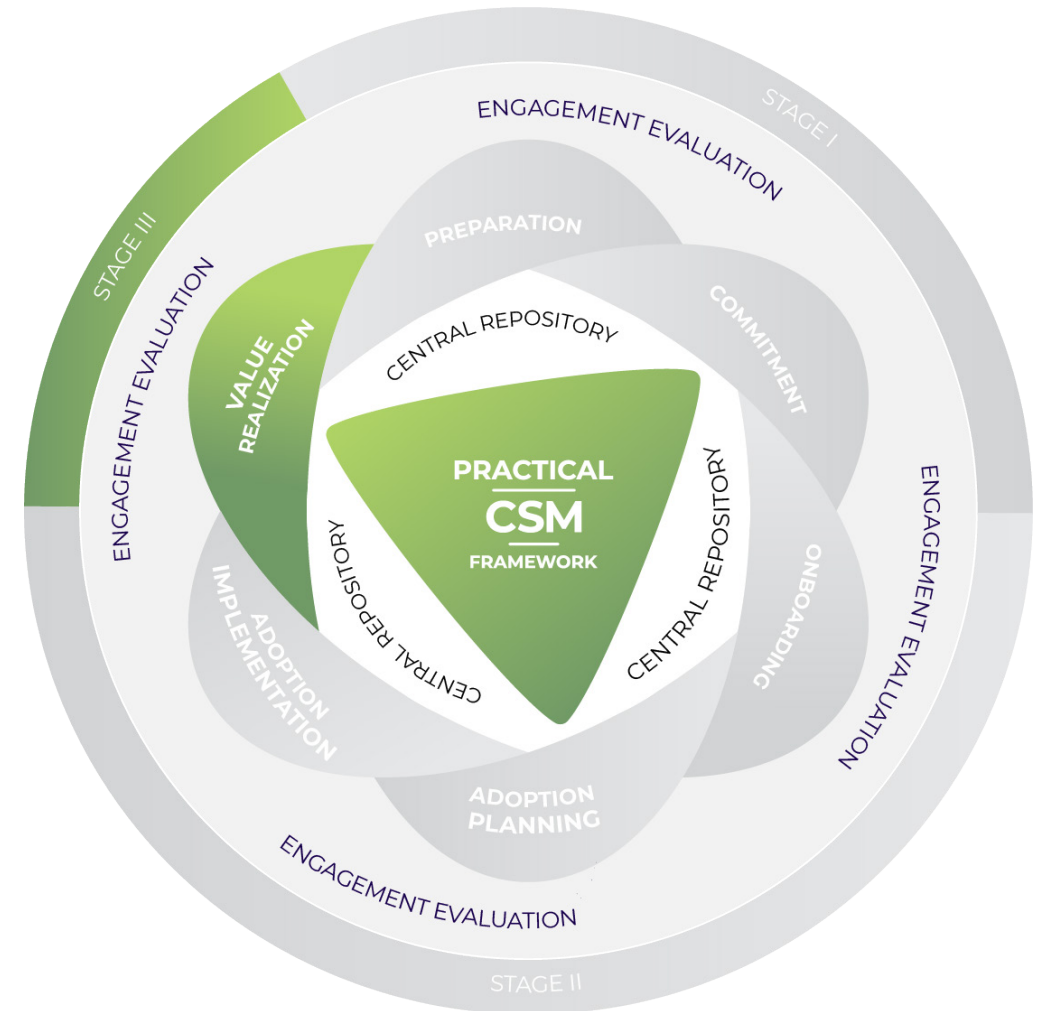




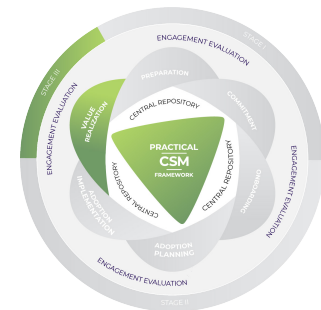
# What happens at the Value Realization Phase?

Now we enter Stage C: Ongoing. In the Ongoing stage we deal with the ongoing activities that occur on a regular cadence as soon as adoption is completed. The first of these is Phase 6: Value realization.

This is the **ONLY** phase of the entire lifecycle where customers create value. For customers, everything up to this point is preparatory, and the *real* work starts now. CSMs help with ongoing measurement and reporting of progress toward outcome attainment, and ensure the customer is kept informed and up to date.



## Phase Six: Value Realization



# What happens at the Value Realization Phase?

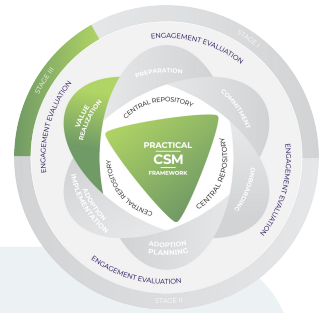
## Why?

- Value still needs to be created. This cannot be done until after adoption – now is the time!
- Creating value is not enough – it needs to *realized* by the customer's key stakeholders (*and esp. the budget holders and decision makers*)
- Customers do not always know what to measure or how to measure it

## Essential Personal Qualities for the CSM Role

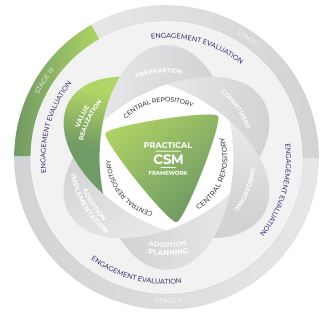
- Enthusiasm and Energy
- Listening and Questioning
- **Research and Analysis**
- **Creative Problem Solving**
- Leadership and Influencing
- **Determination to Succeed**

# Value Realization Activities



1. Review your customer engagement strategy to ensure you are up-to-date on requirements
2. Assist customers towards realizing their value by ensuring that KPIs and milestones have been identified, that measurements are being taken and that progress is being monitored and reported and (where necessary) corrective action taken to get the initiative back on track
3. Identify challenges and/or changes that occur and to plan for taking actions to deal with each one
4. Make every effort to ensure that customers perceive the value of the existing products, services and/or solutions that they have purchased in order to maximize the likelihood of them renewing their contracts and renewing at the highest possible level
5. Keep an eye open for upselling and cross-selling opportunities and when such an opportunity is spotted deal with it quickly following your company's policy and process for doing so
6. Attend regular meetings with the customer to report on and discuss progress and to acknowledge and plan for any new challenges or changes that have been identified
7. Take every reasonable opportunity to ask for and obtain feedback and advocacy from the customer
8. Check to ensure that all activity that should have taken place has indeed occurred and if not, formulate a plan to ensure it happens now
9. Update the corporate customer success management software system to ensure that all information pertaining to each customer is accurate and up-to-date

# Value Realization Outputs



The outputs for **Phase 6: Value Realization** include updated information that is documented on the corporate customer success management software system together with any completed changes and challenges checklists and/or value realization activity checklists. The CSM should store a copy of any documentation created during this phase in the Central Repository, together with lessons learned. By the end of this adoption planning phase you and the customer will be ready to move forward to **PCSMF Phase 7: Engagement Evaluation**.

# What happens at the Value Realization Phase?

## Promised and Expected Value

The start point for the CSM when they get to the Value Realization phase is to check back on previous documentation to remind themselves as to:

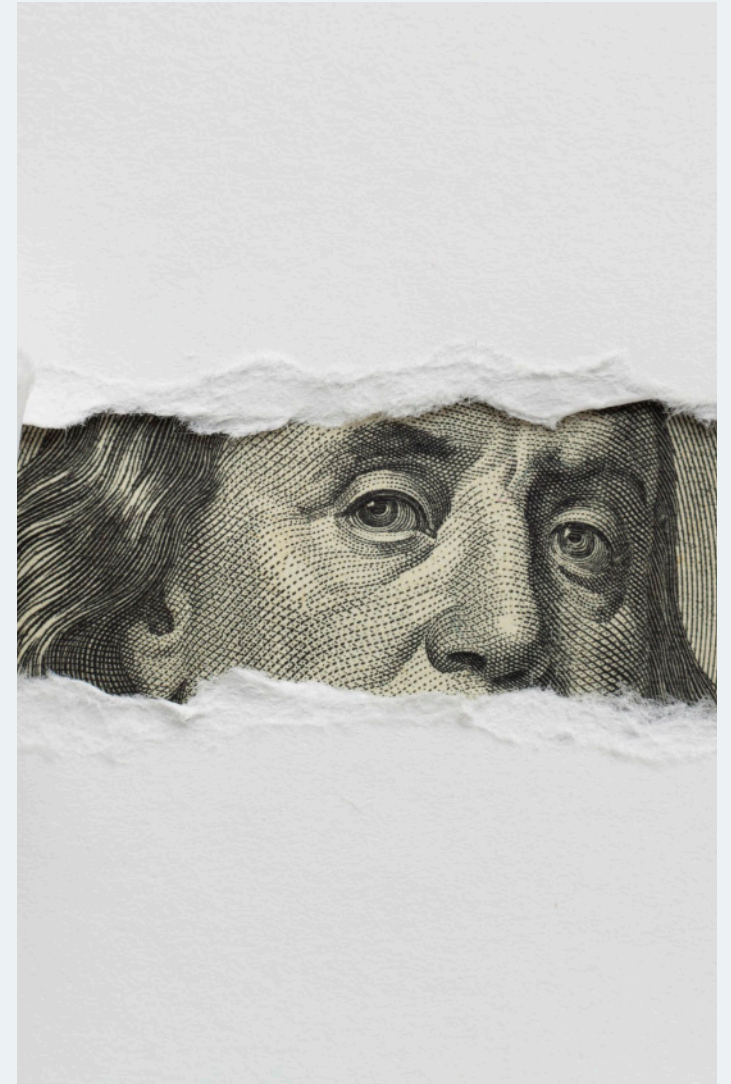
- What was promised
- What wasn't promised but was also proposed as an expectation in terms of value that would be realized by the initiative
- Customers will typically make their purchase decision based on a combination of both of the above, hence it is necessary to understand both and to measure and report on both



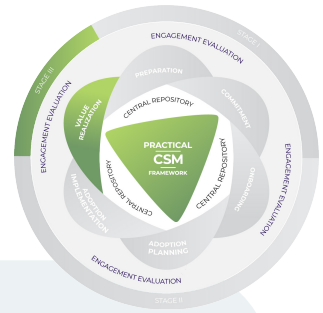
# What happens at the Value Realization Phase?

## Selecting Indicators to Report On

- Greater numbers of indicators means more work in data collection, analysis and reporting, but will provide a more accurate and/or more multi-dimensional illustration of what is occurring
- The CSM needs the customer to select or agree on outcomes, milestones and indicators to measure progress
- Much of what needs to be measured and reported on will be accomplished directly by the customer
- The CSM should be clear as to what their own and their company's role will be
- The CSM needs to know how they will access the information



# What happens at the Value Realization Phase?



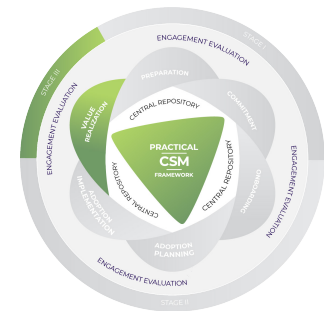
## Health Scores

It is during the Value Realization phase that the post adoption customer engagement will be added to any ongoing customer health monitoring system that the CS team might be using to help them track and monitor customer relationship health. Most of these tools use a simple “traffic light” style warning system to help CSMs spot potential customer health issues and deal with them as soon as possible.

As with all automated tools, health monitoring systems need to be carefully set up and any health score parameters and metrics need to be carefully thought through and tested before the health scores that the system outputs can be relied upon. Selecting and setting up health monitoring tools is a complex topic that is beyond the scope of this eBook. However, here is some basic information about how health scores work and what some of the most common indicators used within a health monitoring system mean.

- Health scores are used to determine how “healthy” the relationship is between the company and the customer
- It uses percentages and traffic lights to make it simple
- It enables CSMs to focus their time and energy on the right customers and activities
- Provides a standardized benchmark for customers
- Provides a way to measure value from CSM activity

# What happens at the Value Realization Phase?

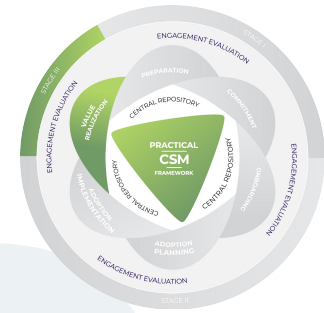


## Health Score Indicators

Indicator	Description
<b>Sponsorship</b>	Level & standard of internal advocacy for the seller provided by key customer stakeholders (often refers to seniority of budget holders or decision makers)
<b>Advocacy</b>	Amount of external advocacy for the seller provided by the customer organization
<b>Sentiment</b>	Overall level of satisfaction with reseller's products, services, and relationship
<b>Support Utilization</b>	Pattern of utilization of support services
<b>Product Utilization</b>	Level of usage of products (measured variously e.g. no. of logins, time spent, features used, etc.)
<b>Company Health</b>	Perceived general health of the customer organization (e.g. share value, profitability, productivity, etc.)
<b>Net Promoter Score (NPS)</b>	Combined rating for customer sentiment that includes satisfaction survey ratings and promotional activity (for example references and case studies)



# What happens at the Value Realization Phase?



## Business Reviews

Another essential activity to take place during the Value Realization phase is the Business Review. Sometimes these are referred to as QBRs (quarterly business reviews) or EBRs (executive business reviews), we refer to them simply as “business reviews” here in order to leave both cadence and seniority of attendees open to whatever is appropriate to the needs of the customer. The following is some basic advice around setting up meaningful business reviews with your customer:

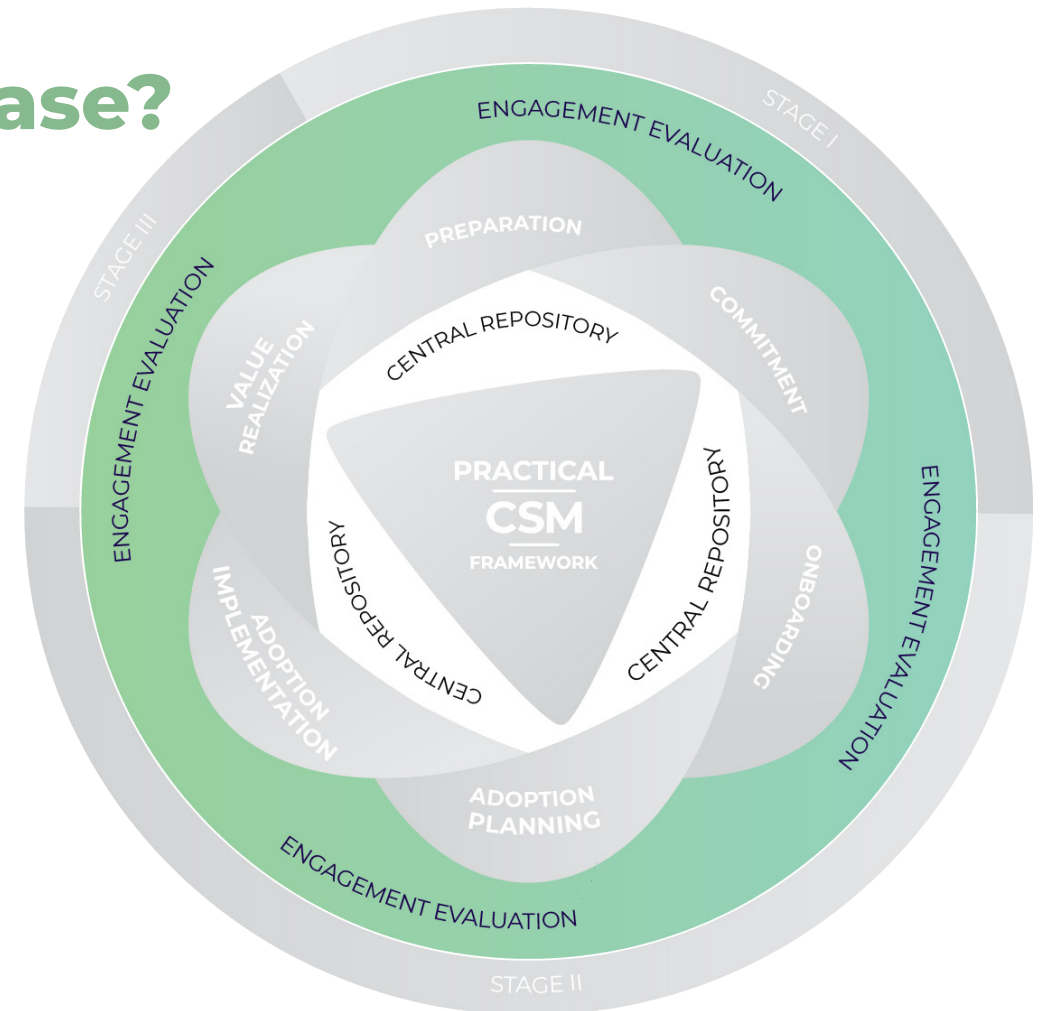
***The CSM needs the customer to select or agree on outcomes, milestones and indicators to measure progress.***

- There is no “one size fits all” approach. The CSM needs to decide and/or negotiate with the customer’s key stakeholders on:
  - What information will be shared (*and why*)
  - Who should attend
  - How often they should occur
  - How much time they should take
  - Which format should be used (*eg face-to-face, online*)
  - How the meeting should be managed (*eg agenda, minutes, time keeping, follow up, etc*)
- The important thing to bear in mind is that a BR must create value for *both* parties (*sometimes less is more*)

# What happens at the Engagement Evaluation Phase?

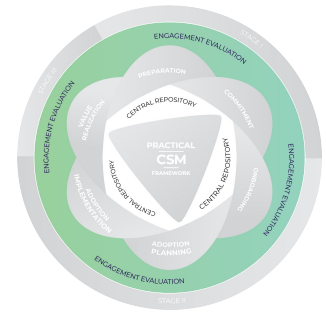
Now we have arrived at our final phase, Phase 7: Engagement Evaluation. Just like Phase 6, this also belongs in Stage C: Ongoing. Because Phase 6: Value Realization is itself ongoing in its nature, Phase 7: Engagement Evaluation does not occur afterwards but at the same time or to be more precise at regular intervals during this ongoing stage.

This is where the CSM steps back to review the engagement as a whole. Lessons should be learned and shared from each new engagement in order to improve performance in subsequent engagements. Resources that have been created can be templated to make things easier in the future.



## Phase Seven: Engagement Evaluation

# What happens at the Engagement Evaluation Phase?



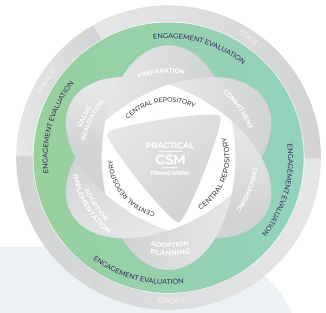
## Why?

- The CS team will become stronger more quickly if time is deliberately taken to monitor progress and learn lessons
- Successes should be rewarded and celebrated
- New tools and techniques should be documented and shared
- Problems they have encountered should be noted and where necessary training should be undertaken to plug any knowledge or skills gaps

## Essential Personal Qualities for the CSM Role

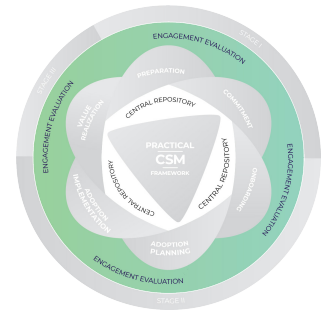
- Enthusiasm and Energy
- Listening and Questioning
- Research and Analysis
- Creative Problem Solving
- Leadership and Influencing
- Determination to Succeed

# Engagement Evaluation Activities



1. Review the work you have completed for a customer engagement on a regular basis to determine lessons learned both for self and team
2. Capture any best practice processes, tools and templates that you have developed for this customer engagement and save them in a format that makes them accessible for either yourself or the customer success team as a whole as appropriate
3. Determine any mistakes made or lessons learned about how things could be done better in future similar engagements and plan how this can be achieved
4. Develop your own vision for your personal career success, determine the critical success factors for attaining this vision and then design and plan activities for achieving those critical success factors and work the plan to do so
5. Meet on a regular basis (for example quarterly) to formally review progress made in the previous period and determine activities and targets for the upcoming period. This can be done with your team manager where possible but otherwise select a colleague or peer to work with
6. Contribute as appropriate not just to the content within your customer success team's central repository but to the management and maintenance of it
7. Act as a team player by helping team members when opportunities arise to do so, and do not be afraid of reaching out to fellow team members for their assistance when you need it
8. Celebrate your own and your team's successes as often as you have the opportunity to do so

# Engagement Evaluation Outputs

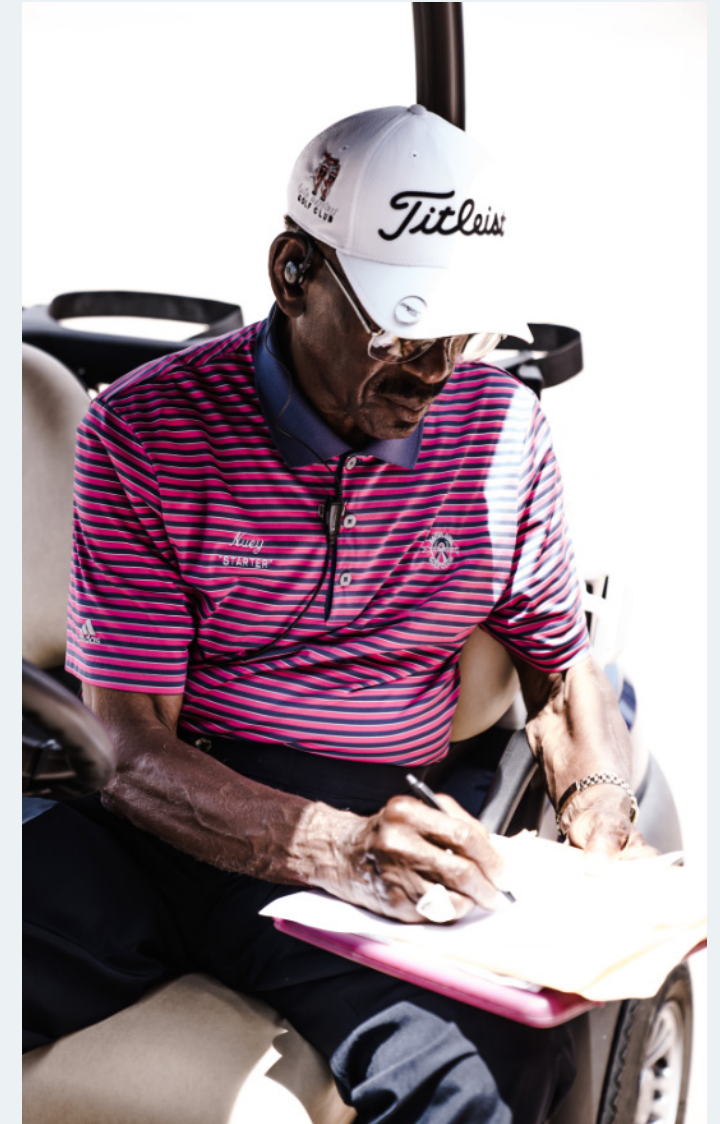


The main Output for **Phase 7: Engagement Evaluation** is a better *you*. This is achieved through learning the lessons of the experiences you encounter as you engage with each customer and help them on their journeys towards value realization. In addition to this, the best practice processes, tools and templates that you and your team members have available to them will be improved as your body of knowledge and experience matures and evolves.

# What happens at the Engagement Evaluation Phase?

## What Value has the Customer Received from this Engagement?

- Are customers getting the help that they need in the form of both advice and practical assistance in order to attain the outcomes they were hoping for?
- How should this value be measured?
- Is the customer aware of this value?
- Is my own company aware of this value?
- What difference is this information actually making?



# What happens at the Engagement Evaluation Phase?

## What Value has my Company Received from this Engagement?

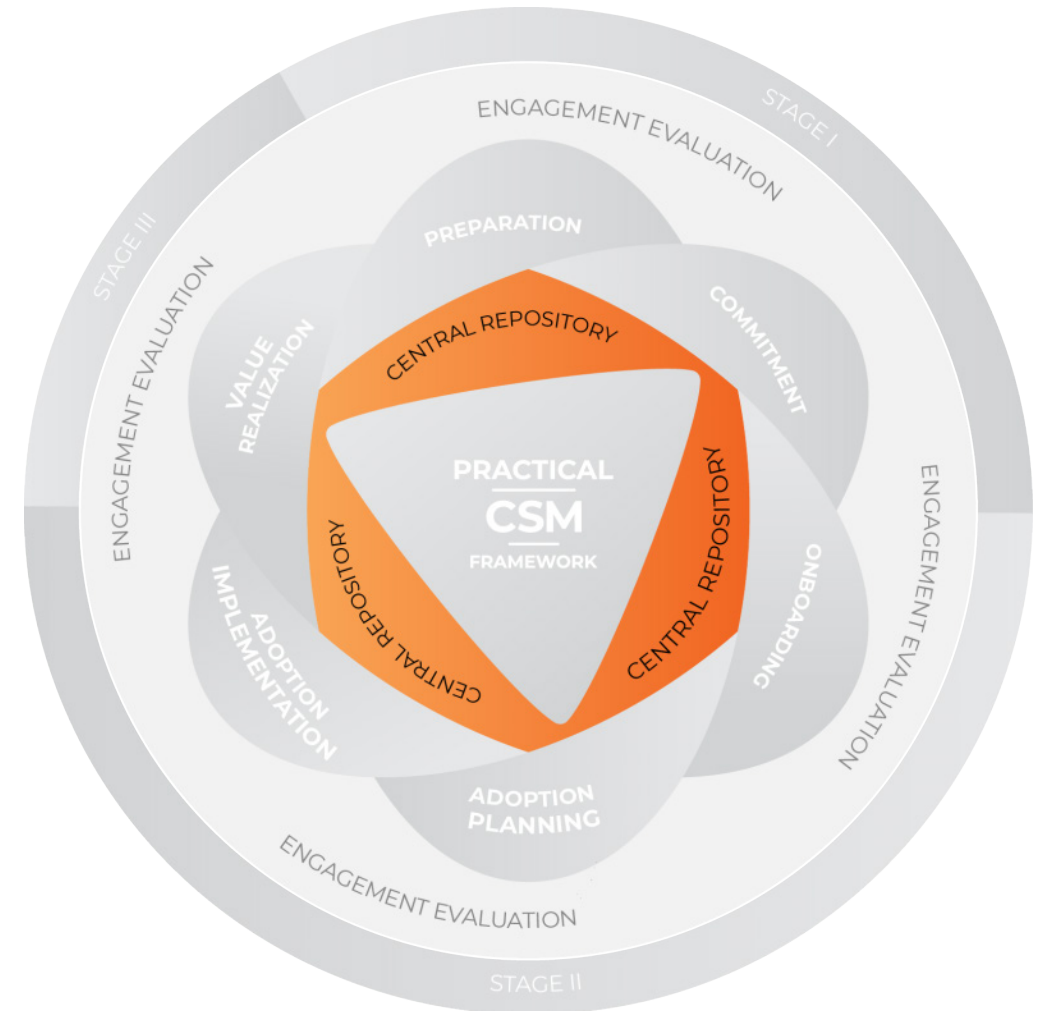
- Helping customers attain their outcomes is a means to an end rather than being the ultimate end in itself
- From a business leadership perspective, CS is an investment from which a return is required
- CSMs should therefore be measuring and reporting on the progress being made towards the attainment of their own company's outcomes
- CSMs should also be reporting on information learned from customers around Product Effectiveness and Customer Experience
- How is this reported and discussed within my team?
- How is this reported to and discussed with other teams?



# The Central Repository

Now that we have been through all three stages (and therefore all seven phases) of the Practical CSM Framework in depth, we need to quickly explain the bit in the middle of the diagram called the “Central Repository”.

- It’s handy to have everything stored (or at least referenced) in one place so that it can be managed more easily and to make sure it is available when needed.
- The concept behind the Central Repository is to ensure there is a place to store all information from each of the phases in a central location so that anyone who needs to access the information at any stage within the engagement can do so.
- Ultimately, new content created and stored within this Central Repository can also be templated for re-use in future engagements if this seems like a good idea.

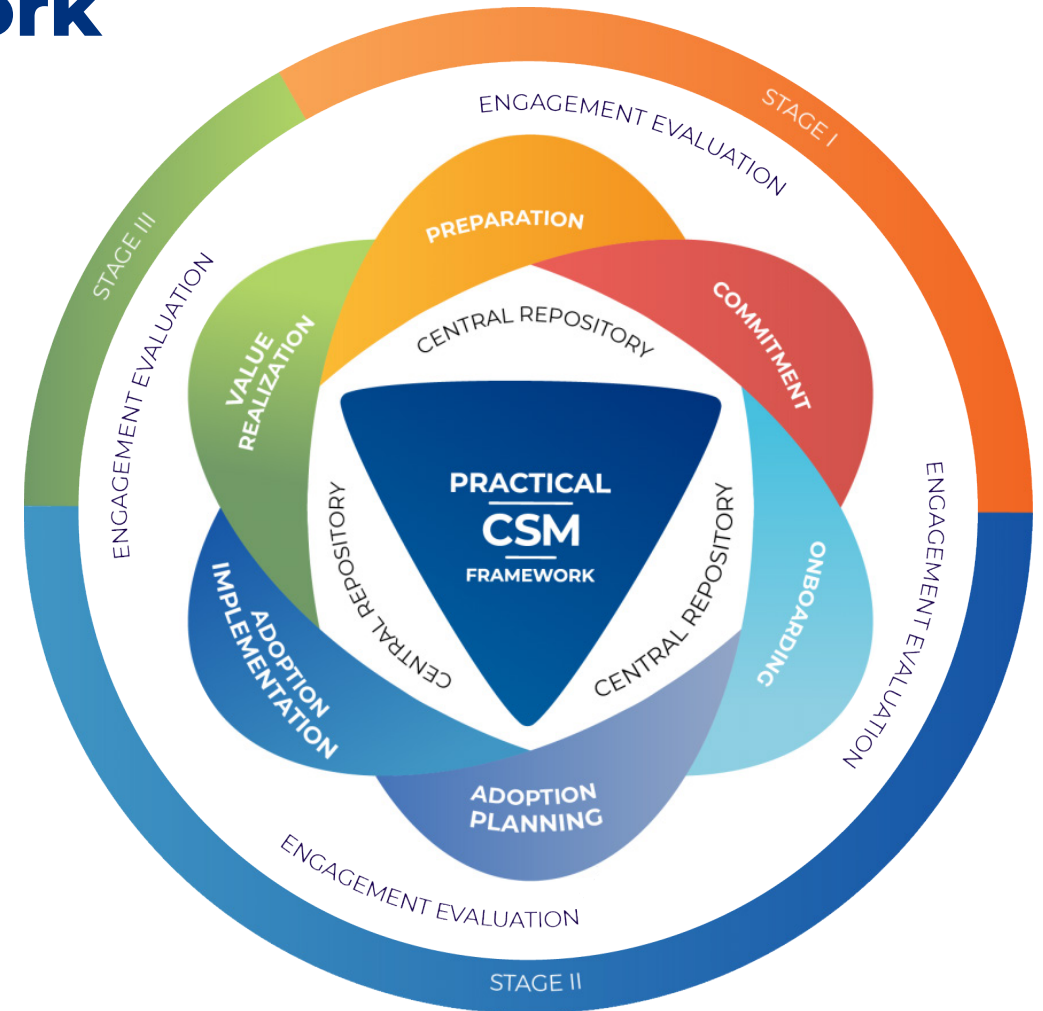


## The Central Repository



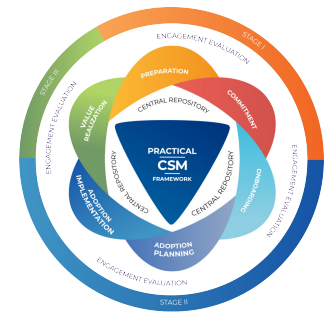
# The Practical CSM Framework and Cycles of Iteration

- The Practical CSM Framework is depicted as a wheel or cycle rather than as a linear progression.
- This has been done deliberately in order to illustrate the concept of cyclical work, although in fact there are both linear and cyclical patterns that occur in most customer engagements.
- In a typical customer engagement there is a linear progression from initial meetings through to reporting on end results, as described earlier in this chapter.
- This is a fairly obvious progression since most things have a beginning, middle and end to them.
- However in addition to this progress from beginning to end it is important for CSMs to recognize that the reality of their progression is likely to be more complicated than that.



**The Practical CSM Framework**

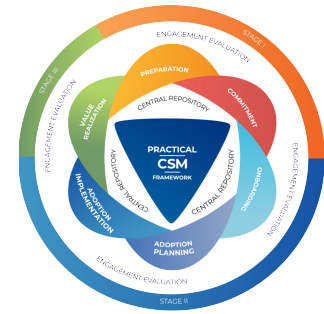
# Flexible Use of the Practical CSM Framework



Finally, before we end this section, we want to point out that the Practical CSM Framework is very much designed with flexibility and agility in mind. It is our intention that practitioners use this framework as guidance only, and do not lean entirely upon it or let it become doctrine that cannot be challenged or amended. As we discussed earlier when we talked about the Pareto Principle, the 80/20 rule states that for example 80% of the time things will follow the general rules and you can do things in the order and in the way that the Practical CSM Framework suggests you do them. But 20% of the time this will NOT be the case and you will need to use your CS professional experience to decide what things to do and/or in what order to do them. Below are some ideas about flexible use of the Practical CSM Framework for your consideration.

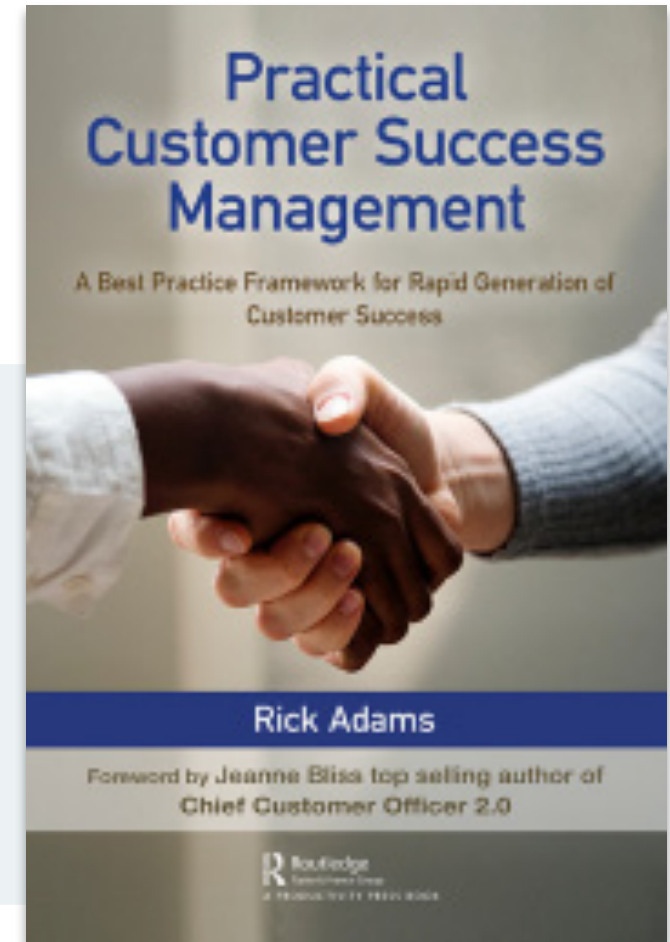
- Typically the CSM will have to revisit previous phases (or even stages) and/or jump ahead to future phases/stages in order to get the job done.
- Sometimes this is due to outside pressures such as deadlines or budgets.
- At other times it's simply a product of learning on the job and uncovering new needs or requirements that need to be dealt with but which were not known about at the start.
- The Practical CSM Framework cycle is therefore illustrative of the need for the CSM to be flexible in their approach and willing to jump forwards and backwards through the phases as necessary whilst at all times maintaining an overall progression forwards in order to ensure the engagement's desired outcomes are attained.

# Purchasing the Practical CSM Framework

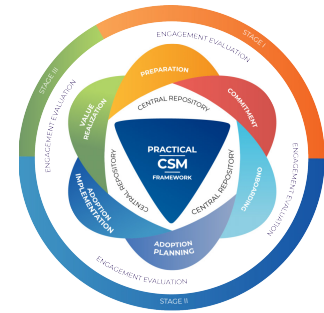


The full version of the Practical CSM Framework includes all of the tasks contained within each phase of the framework, together with step-by-step guidance on how to complete each task. It also includes downloadable tools and templates to help you along the way.

**amazon** **BARNES & NOBLE**



# Purchasing the Practical CSM Framework



*Practical Customer Success Management: A Best Practice Framework for the Rapid Generation of Customer Success* is available from all good book stores including Amazon and in both printed and eBook versions

**Chapter 2**

## Readiness for Customer Success Management

**2.1 What Is Your Organization's Customer Success Management?**

**2.1.1 Understanding Your Own Company's Customer Success Management**

Context is always important, and no more so than when it comes to customer success management. It will be examining in detail how a CSM should go about a customer's situation, requirements and needs in later chapters that is also important for CSMs to understand and take the CSM's own company which is what we will be exploring. As we discussed in Chapter 1, the reason why CSMs, company, and how they do this is primarily by helping customer products as a service, it is essential not just to help the customer to make the first place (which of course is the domain of the sales executive) but also measurable value from using those products so that the customer continues to (which is the domain of the customer success manager).

There are other aspects to the CSM's role, but in a nutshell this transfer of risk to the customer and the increase in selling as-a-service style contracts is why customer success management is increasing in importance for many companies.

**2.1.2 Creating a Customer Success Strategy**

An initial customer success strategy will typically be set with a budget and a set of targets to achieve. These are then used to create a customer success department within their business department (assuming the department hits its targets of cost per customer) or the head of the department either from within the organization or someone from outside of the business. Alongside the final leader a certain amount of corporate resources including systems, and so on. And they will also have provided the

**8 ■ Practical Customer Success Management**

**Figure 1.3 Delayed vendor profitability from X-as-a-Service.**

In the new world of X-as-a-Service, it may take, for example, up to 3 years for a vendor to generate the same revenues from an as-a-service sale that they used to from a capital outlay sale. This means that whereas previously the vendor made the profit from a new sale straight away, now the vendor has to wait several years to generate the same level of value from the deal. This is the reason why for companies where products as a service, it is essential not just to help the customer to make the first place (which of course is the domain of the sales executive) but also measurable value from using those products so that the customer continues to (which is the domain of the customer success manager).

There are other aspects to the CSM's role, but in a nutshell this transfer of risk to the customer and the increase in selling as-a-service style contracts is why customer success management is increasing in importance for many companies.

**1.5 How Does Customer Success Management Help to Realize Business Value?**

**1.5.1 How Does Customer Success Management Work?**

Now that we have defined what customer success is and why it is important, let's look at how it works. When a customer purchases a product, service or solution, they are typically provided with multiple products and services that have been combined and packaged together to solve a problem or overcome a business challenge, it is likely that they will be provided with the product, service or solution that the vendor does. The vendor has researched and created the product itself and then ultimately it has marketed and sold it. The customer has purchased and configured it for those customers and maybe provided it but almost certainly supported those customers afterwards.

**10 ■ Practical Customer Success Management**

**Table 1.2 Core Customer Success Activities**

Activity	Description
Onboarding	Making sure that relevant customer stakeholders have bought, why they have bought it, how (if anything) needs to be done to get it up and running.
Adoption	Helping the customer to plan for whatever is product or service into use, and then helping implement that plan. The plan might include analysis on the impact of using the new product, creation of communication, training, support incentives for end users, as well as document and tasks.
Ongoing value creation	Providing ongoing assistance to customers to access the product/service and continue to use it. CSM might be tasked with helping the customer to overcome barriers that are preventing that value from being created.
Measurements and reporting	Ensuring that once the customer is up and running, product/service measurements are regularly taken and reported. The CSM might be preparing reports based upon those measurements to inform the customer in meetings.
Adapting and fine-tuning	Helping the customer to refine the way that they use the product/service to maximize its value, and to adjust that usage to occur either at the customer end (for an individual customer) or at the vendor end (for a corporate strategy) or at the vendor end (for a corporate strategy) that provides new features and functions.

**92 ■ Practical Customer Success Management**

**Figure 5.4 Categorizing stakeholders.**

wrong in some assumptions around levels of authority, interest and/or the values in the strategy plan and the data needs adjusting. If you find this to be the case, then you may want to adjust the values in the strategy plan and move the plots in the matrix accordingly.

**5.5.5.3 Step 3: Classify the Stakeholders into Categories**

If you only have a handful of stakeholder/groups and can create separate strategies for each one without too much difficulty then you may be able to do this. If you have a lot of different stakeholder/groups with the initiative it may be advisable to classify all similar stakeholder/groups you can give a relevant name to. You can then treat the entire category developing a stakeholder management strategy. An example of this is the

**5.5.5.4 Step 4: Determine Your Management Strategy for Individual Stakeholders/Groups and/or Categories**

Now you can create the strategy itself, either for an individual stakeholder or for a group of stakeholders. You should be able to create a strategy for each one without too much difficulty then you may be able to do this. If you have a lot of different stakeholder/groups with the initiative it may be advisable to classify all similar stakeholder/groups you can give a relevant name to. You can then treat the entire category developing a stakeholder management strategy. An example of this is the

**Phase 1: Preparation ■ 49**

**4.2 Defining the Engagement**

**4.2.1 Defining the Term "Engagement"**

A reasonable question to ask at this point might be "what exactly are we preparing for?" Or to put it another way, what do we mean by the term "customer engagement"? In a sense the answer to this question goes back to our earlier discussion about customer experience.

Let's take a look at the entire end-to-end process through the eyes of the customer for a moment. From the customer's perspective, their engagement with the vendor (or other technology seller) starts at pre-sales with selecting potential vendors, undertaking initial discussions and scoping their requirements. It then proceeds through the process of requirements analysis and solution formulation, then moves through to the proposal stage. In this stage, a proposal is formulated and negotiated and possibly a trial of some kind occurs, and ultimately the final contract is agreed. The engagement then moves into a delivery stage where products and services are configured and/or customized as necessary and shipped, installed, integrated and otherwise made ready for use. Now the customer either has the product or has access to the service and needs to make adjustments internally in terms of changing their business processes and training their workforce to prepare them for any changes that will occur. Then they can go live and start using the new products and/or services and supporting their workforce while also taking measurements to determine value creation is occurring as desired and where necessary making adjustments to ensure this happens.

**4.2.2 The Customer's Perspective**

Figure 4.2 shows the stages in the complete end-to-end customer engagement. Note that there may be some small variations in this engagement between industries, vendors and customers but the concept is always the same. Looked at from the customer's perspective they have to make the right purchasing decision, then they have to get the selected solution up and running and finally they have to drive value out of it by using it. For the customer steps 1-5 are purely a means to an end, that end being step 6 (hence, it is marked with a big asterisk) because this is where all the value creation takes place. Think of it this way: Step 6 is really the only step that matters to customers. If they could get to a satisfactory step 6 without the intervening steps 1-5 they would of course very happily do so.

**4.2.3 The Seller's Perspective**

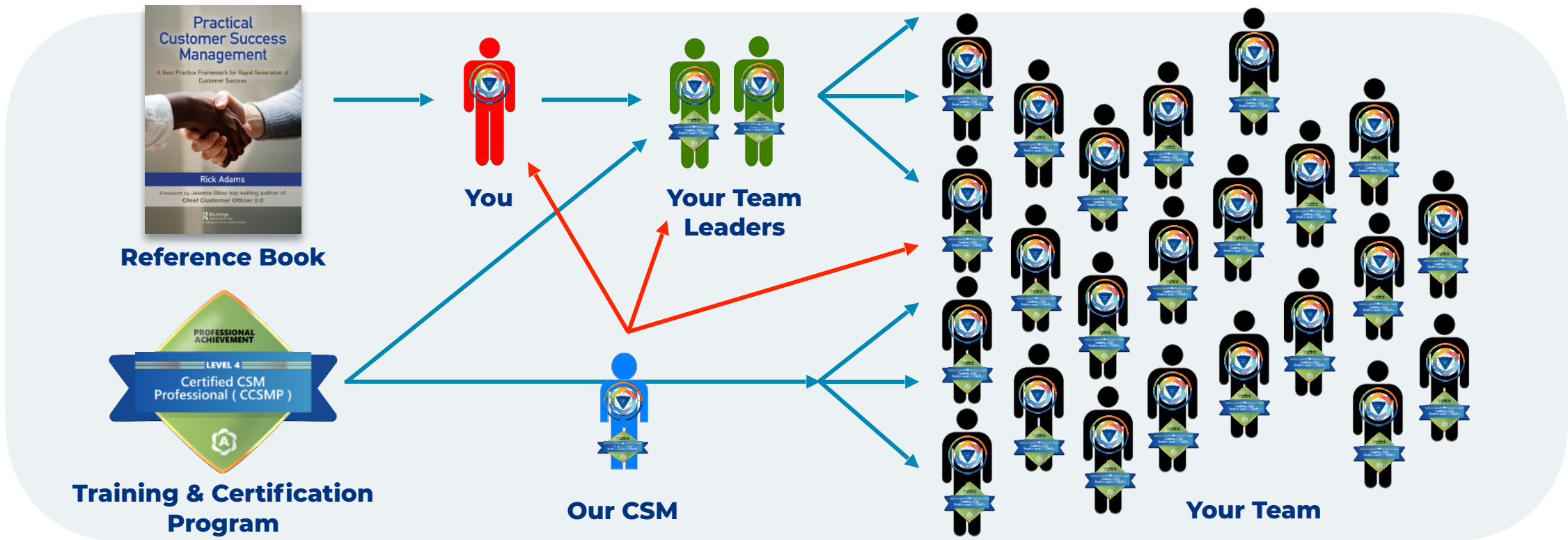
From the seller's perspective however, the traditional (i.e., not X-as-a-service) way of viewing an engagement would look different. For the seller, it is steps 1-3 which are a means to an end, that

**Figure 4.2 Stages in the overall engagement.**

# Deploying the Practical CSM Framework



Once you have read the book for yourself and tested the certification training for quality and fitness, we recommend disseminating the book and training through your entire Customer Success organization, starting with team leaders and working through all team members, including adding the training to the standard new team member induction program. One of our CSMs will be appointed to work with you to ensure smooth integration and rapid ROI.





**PRACTICAL CSM**  
MAKING CUSTOMER SUCCESS SIMPLE

## **How Customer Success Management Fits within the Company**

Old World Vs New World Value Chains

Customer Success Vs Customer Experience

Old World Vs New World Value Chains with CX

# How Customer Success Management Fits within the Company



Old World Vs New World Value Chains

# How Customer Success Management Fits within the Company

Michael Porter is a famous Harvard Business School professor, acclaimed for many great academic advances in business administration. One tool that he devised to help understand how the different capabilities within or functions of a business combine to generate revenues is called “Porter’s Value Chain”. We have adapted Porter’s Value Chain to illustrate how the addition of the Customer Success business function into a business (thus providing the business with new capabilities it previously did not have) helps to prepare that business for the “new world” of business outcome focused selling on renewable contract terms.



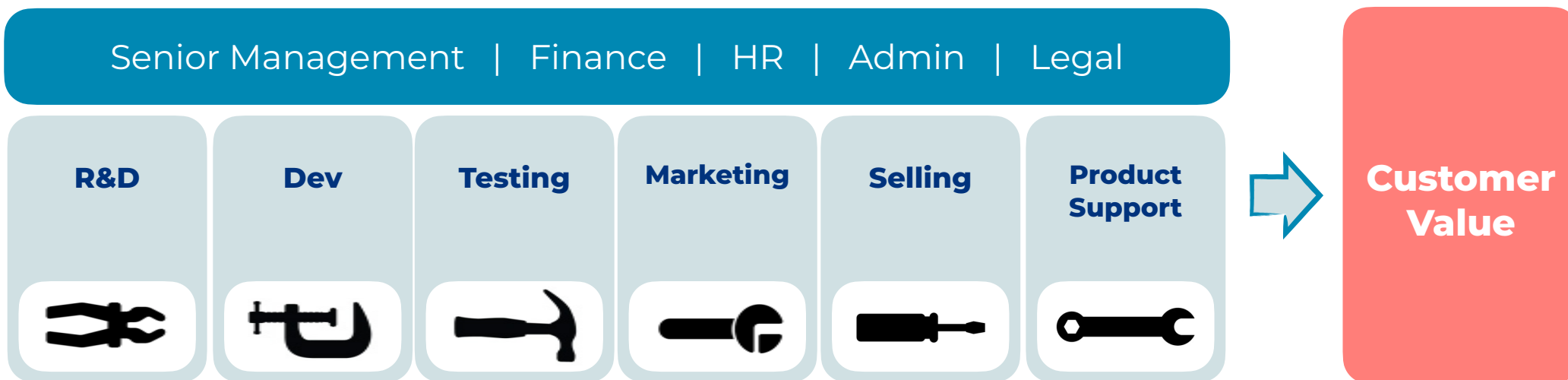




# How Customer Success Management Fits within the Company

Shown here is a typical value chain for a software company. It includes both horizontal or “supporting” business functions such as management, finance, HR and so on and vertical or “directly impacting” business functions such as Research, Development, Testing, etc. These vertical functions fulfill all the requirements necessary to provide the customer both with the product itself and ongoing support to ensure it continues to function correctly.

## Old World Value Chain...



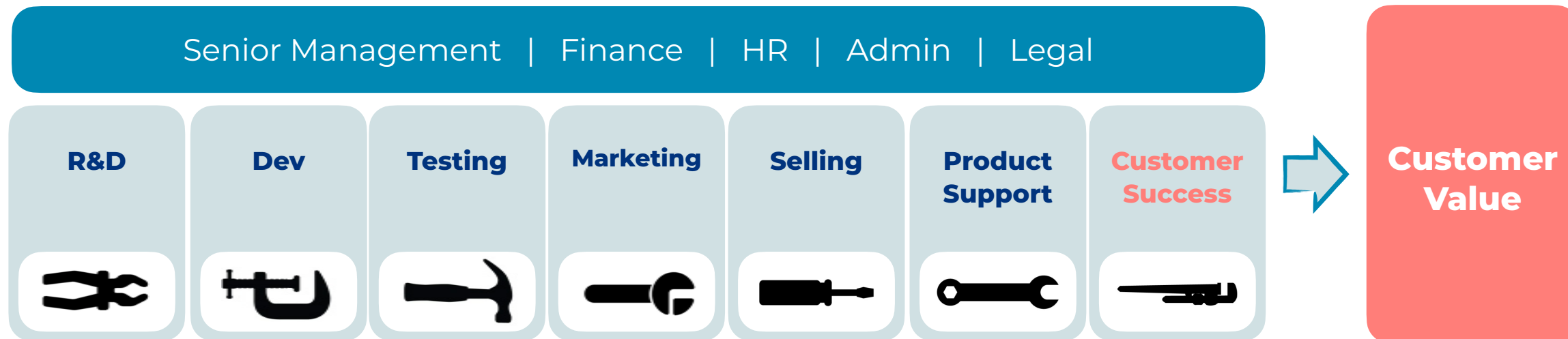
...Results in a Functioning Product



# How Customer Success Management Fits within the Company

Now we see the addition of the new “Customer Success” business function at the end of the line of vertical functions. By adding this new function, the business is able to re-align itself to the “new world” where customer require more than just a functioning product, but also demand help with business outcome attainment.

## New World Value Chain...



**...Results in Business Outcome Attainment**



# How Customer Success Management Fits within the Company

The difficulty that senior leaders face is how to drop this new business function into their business and integrate it tightly with all existing functions in order to ensure that the new function is able to perform its role successfully. This is not always easy to accomplish, although it is of course beyond the scope of this eBook to discuss it in more detail.

**How do we “drop” Customer Success into the existing corporate infrastructure, and also add Customer Experience as an over-arching corporate culture and philosophy?**



- R&D
- Development
- Testing
- Marketing
- Selling
- Support



- R&D
- Development
- Testing
- Marketing
- Selling
- Support
- Success

# How Customer Success Management Fits within the Company



Customer Success Vs Customer Experience



# What is Customer Experience?

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Finally, we'd like to address the key differences and similarities between Customer Success and Customer Experience, and examine how combining both of these can generate fantastic results for forward thinking businesses.

Let's start by defining what is meant by the term "Customer Experience". At its heart, Customer Experience is about putting the customer first. To do this requires a company-wide philosophy or culture of customer centricity to prevail.

**Customer Experience = a Customer FIRST philosophy and culture**

# What is Customer Experience?



**Customer Experience is a “Customer First” Philosophy & Culture**

Customer Experience examines the entire customer engagement lifecycle from the perspective of the customer, looking for ways to improve that engagement for the customer and its stakeholders.

This of course implies firstly engaging with and listening to customers in order to understand them better, and secondly applying this understanding throughout the entirety of the organization (especially all the customer-facing aspects) to make real and measurable improvements to the Customer Experience.



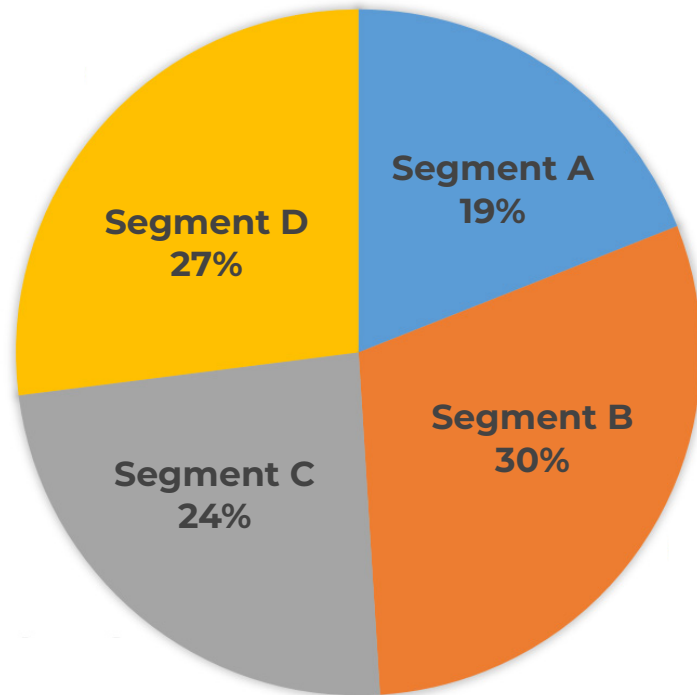
# What is Customer Experience?

## Core Concept: Customer Segmentation

Not all customers are the same, and so not all customers will undergo the same experience. Before considering customer experience for each customer we must first segment our customers. Usually the same or similar experience is undergone by a customers in similar situations (current capabilities) and with similar challenges (current requirements). As a rule, aim for a segment to be no less than 15% and no more than 35% of your overall customer base by value (3 to 7 segments).

# Customer Segments

In this example our fictitious company has segmented its customers into four categories or segments, with Segment A being the smallest in value at 19% and Segment B being the largest in value at 30% of total revenues. Customers in each of these segments purchase different products and/or have different needs and/or bring different amounts of revenue per customer to the table. Because of these differences, each segment will undergo a different customer journey.



## Segment A

Challenge = Product Lifecycle Decision Making  
Solution = Indigo Lifecycle Manager PRO v3.4  
Complexity = High  
Value = High  
Customer Maturity = Medium

## Segment B

Challenge = Product Lifecycle Management  
Solution = Indigo Lifecycle Manager v3.4  
Complexity = Medium  
Value = Medium  
Customer Maturity = High

## Segment C

Challenge = Product Quality Control  
Solution = Indigo Quality Manager v2.0  
Complexity = Low  
Value = Medium  
Customer Maturity = High

## Segment D

Challenge = Product Quality Control  
Solution = Indigo Quality Manager v2.0  
Complexity = Low  
Value = Low  
Customer Maturity = Medium





# What is Customer Experience?

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The Customer Journey is the journey that each customer undergoes from their first to last interaction with the company. Each interaction can be recorded onto a Customer Journey Map and can be assessed for the quality of customer experience encountered.

The Customer Journey should ideally be developed by the CX team, but assisted by all people within the company who play a part in that journey. It should then be validated by the customers themselves to ensure it is accurate. Do NOT believe what management “thinks” happens!

**Core Concept: Customer Journey**



# What is Customer Experience?

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Voice of the Customer (VoC) is the concept of representation of customers' interests during decision making. This of course is most important during senior (strategic) decision making, since the decisions are larger and more far-reaching at this level. VoC works firstly by listening to and understanding customers and documenting their desires, needs and concerns – this is the role of the CX team. Secondly by contextualizing and evangelizing those concerns during the business decision making process itself – this is the role of the Chief Customer Officer (CCO) or Chief Experience Officer (CXO).

**Core Concept: Voice of the Customer**



# What is Customer Experience?

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Once understood, validated and documented for each customer segment, the Customer Journey can now be analyzed and decisions made as to where the current Customer Experience is strongest and where it is weakest. From this analysis, plans can be created to improve the weaker areas. These can then be implemented and then tested to ensure the desired value is being created.

**Core Concept: Customer Journey Improvement**

# How Customer Success Management Fits within the Company



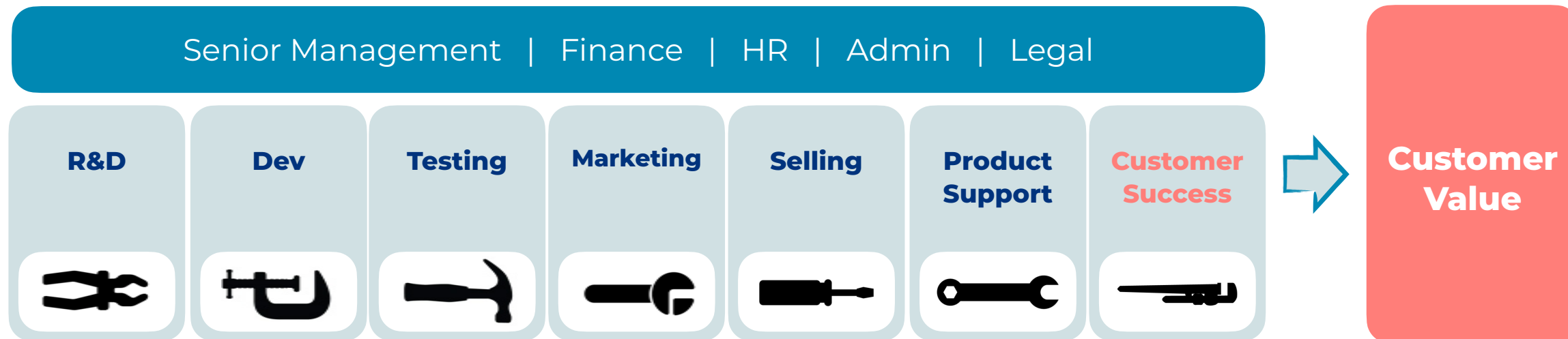
Old World Vs New World Value Chains with CX



# How Customer Success Management Fits within the Company

So now let's add Customer Experience (CX) into the mix, again using Porter's Value Chain to illustrate. Here we have the "new world" model with the addition of the Customer Success function to help deliver business outcome attainment for the customer.

## New World Value Chain...



...Results in Business Outcome Attainment



# How Customer Success Management Fits within the Company

Now we will add in a new horizontal or supporting function called Customer Experience. This horizontal function's role will be to drive the "customer first philosophy" into everything the business does in every function and especially in the customer facing ones. Now in addition to immediate business outcome requirements being met, the business is also able to provide ongoing customer satisfaction through both the attainment of outcomes and a great customer experience.

## New World Value Chain...



...Results in Long Term Customer Satisfaction



# How Customer Success Management Fits within the Company

The table below provides a brief comparison between these two functions:

## Customer Experience

- A “Customer First” philosophy and culture
- Pervades all aspects of the business
- Horizontal function, managed centrally
- Responsibility of everyone
- Customer represented at board level
- Overall responsibility for entire customer journey
- Liaises closely with all departments

## Customer Success

- A “result” that occurs when the customer attains its outcomes
- Is the specific responsibility of a Vertical function
- Employs best practices to deliver maximum success levels in the shortest timeframe
- Directly responsible for the post-sales part of the customer journey
- Consults with customer stakeholders to provide guidance and advice



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