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Unlocking Customer Growth

A mandate for efficiency

Making customers successful should be the north star for all GTM teams, not just the customer success department.

It’s Time To Grow With the Customer

The era of relentless expansion at any cost is behind us.

Rather than achieving growth with a myopic focus on new customer acquisition, long-term success hinges on growth from within existing customers, i.e., additional products and services, usage levers, more teams, departments, and BU’s.

In order to expand contracts and reap those recurring revenue rewards - those customers have to be more than just happy - they have to be able to achieve and quantify the anticipated results.

Customers using a solution daily and not renewing is the real risk for any business. Essentially they are saying, “I used the solution and didn’t see value”.

+2X

120% NRR

allows you to double revenue every 5 years without adding a single new customer

High churn, low Net Revenue Retention (NRR), inability to make customers successful, or inability to convince them to expand the scope of the relationship in terms of dollars and outcomes will lead to growth stalls or, worse yet, a total collapse of valuation and inability to raise capital. In this era, as budgets get tightened, the primary KPI shifts to customer lifetime value (CLTV) and NRR, leaving many companies to question if they ever had product-market-fit.

Retention is the new acquisition.

When we think in terms of ‘customer retention’, it’s easy to put the responsibility squarely on the shoulders of either the Customer Success department or a team of account-focused sales reps. Reframing our thinking to center around ‘customer growth’ expands the effort from a department goal to a company initiative. We need to spend more executive energy tackling the customers’ success rather than the department aptly named. This shift in focus brings a more holistic approach to ensuring both customer achievement and long-term revenue growth.

In an effort to cut costs, companies have reduced head count across all departments and Customer Success is no exception. But the question of ‘do I need more or less CSMs?’ is the wrong question. The right question is, ‘what do we need to do as a company to ensure more customers see value?’. Making customers successful is not a job; it’s a company mandate.

Reframing the Growth Equation

Siloed	Holistic
Customer Retention	**Customer Growth**
CS Department	GTM Mindset
CSMs	GTM Teams
Renewal Cycle	Customer Lifecycle
Upsell / Cross sell	Upserving
Outputs	Outcomes
Cost Center	Growth Driver

Key Questions to Shift to a Customer Driven Growth Strategy

Are you focused on building a CS department or a GTM mindset?

Are you relying on CSMs or all GTM teams to meet the needs of customers?

Are you focused on securing the renewal or creating lifetime value for you and your customer?

Are you thinking, 'how can we sell them more', or for more ways to serve them?

Are you focused on the outputs of your CS team (issue resolution / QBR's) or the outcomes of your customers (value creation)?

Do you view helping customers achieve success as a cost center or as a growth driver?

Why the Old Approach Is Broken

The traditional way of imagining customer success as a siloed department with sole ownership over making customers successful is not working.

How do we know?

1. Buyers expect fast time to value and measure ROI in months.
2. Customer success teams are at risk of burnout.
3. The old metrics don't predict the customers' commitment.

1. Buyers expect fast time to value, measuring ROI in months.

For decades, purchasing decisions have been based on price and features, e.g., 'do you have the features I want at the price I'm willing to pay?'

But in today's cash-constrained market, buyers are looking to vendors to prove tangible value. They want to know that your tool will be easy to implement, that it will show fast ROI, that it will easily scale with the team, and enjoy good user adoption.

Customers expect quick ROI and will spend more to get it.

47%

expect to see ROI within 6 months

55%

will increase spending in 2024

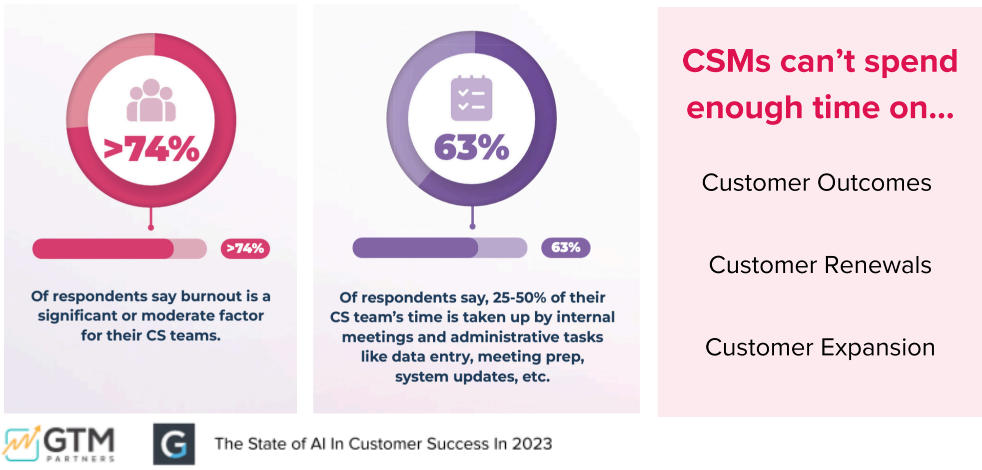
Source: G2 Buyer Study

2. Customer teams are at risk of burnout.

Your CSMs are exhausted.

In a recent Gainsight survey, 74% of respondents said burnout is a “significant or moderate” risk factor for their CS teams. In addition, two-thirds of respondents say that their CS team spends up to half their time on internal meetings and administrative tasks. Those are hours they can’t spend on customer outcomes, renewals, and expansion. But, the problem with this is that companies need the help of CS to drive revenue. In fact, Gainsight's 2023 CS Index found that 61% of CSMs said they are responsible for revenue growth.

Customer Success teams are at risk of burnout



3. The old metrics don’t predict customer commitment.

Traditional customer success measures such as Net Promoter Score (NPS), adoption & usage or customer satisfaction surveys, are directional at best and not enough to understand if individual customers or cohorts are achieving the business impacting results they expected. After all, NPS asks, “how likely are you to recommend us” but not “how likely is your CFO to approve a renewal during a tight year with deep budget cuts?”

The familiar reality of the dreaded churn call:
“We love working with your team -- But can’t renew.”
“We used the product but not sure what it did for us.”
“You have the coolest brand, and we are big fans -- But not going to renew.”
“I love you guys but couldn’t convince my boss to keep it in our budget this year.”
“Sorry, the person that brought you in no longer works here.”

Attempting to preempt this, 60% of North American respondents put Customer Health Scores as their number one non-revenue measure of CS, ousting NPS (Gainsight's CS Index).

Is Your Team Aligned for Customer Growth?

READINESS ASSESSMENT	
Is the executive team aligned on what it takes to make customers successful?	Yes / No
Can you identify the kinds of customers that will be most successful and likely to expand in the future?	Yes / No
Have you identified ways to speed up your time to value?	Yes / No
Can your customers identify and quantify the ROI of your solution?	Yes / No
Do you translate success in ways that resonate with the whole buying / renewal committee?	Yes / No
Do you track usage, churn, NRR, and CLTV by segment?	Yes / No
Is your GTM team spending the most time and resources on your best-fit customers (evaluate each department)?	Yes / No
Are GTM teams (not just CSMs) incentivized or measured on the ability to deliver value, retain, and expand customers?	Yes / No
Do you understand your ideal mix of digital and human support to ensure customers achieve the results they are expecting?	Yes / No

Source: Unlocking Customer Growth

How To Build and Execute a Customer Growth Strategy

As we reorient our teams around customer growth, it becomes clear that getting customers to achieve results requires alignment among Product, Marketing, Sales, Revops, and Customer Success. If the teams are focused solely on departmental outputs, they are likely out of sync. Utilizing the GTM OS can provide clarity and ensure teams are aligned. An executive declaring in exasperation 'we must fix retention, we have to increase NRR'— while probably true—will provide the energy and motivation but not the direction.

In reality, there are lots of ways and ideas for how your company can grow revenue through existing customers. But, do you have clarity on the best way? Are you aligned on the who and how to execute the plan? Utilize the GTM O.S. to create a comprehensive customer growth strategy your teams can align and execute on.

The GTM Operating System

Key Questions to Connect Your Strategy to Execution

Total Relevant Market	Where can you grow the most?
Market Investment Map	Which product(s) create the highest customer value?
Brand & Demand	How will you engage your customer with a differentiated POV?
Pipeline Velocity	Which GTM motions get you to your revenue goal faster?
Customer Time-to-Value	What's your ROI in the customers' mind?
Customer Expansion	How else can you upserve your customers?
Revenue Operations	Which GTM metrics drive your business health?
Leadership & Management	How do you bring clarity, alignment, and trust for your team?

Should You Reconfigure Your Customer Service Model?

Part of moving to a customer-driven growth mindset is realizing that the customers' success can not rest solely on the shoulders of the customer success or service department. To expand your vision, start by asking questions like, 'how best can we ensure the success of all good fit customers?' For most companies, the answer lies in a mix of human and digitally delivered approaches.

It's worth noting that the digital form of customer success is more than just in-app engagement and product usage data. Other categories are Customer Communities, Customer Education, Customer Portals, Digital Onboarding, etc.

Seeq - an analytics provider to process manufacturers, added a digital component giving their CSM's 30% more time back to serve customers better.

What mix of digital and human touch points will work best?

Digital post sales

- Always on - Self-serve
- Digital Onboarding
- In App - in the moment you are stuck
- Communities, Portals, Knowledge Centers
- User-generated content for long tail support

Ideal when...

- Users know what they are trying to do but not how
- They are ready to take action now
- Lots of end users needing to do asynchronous work

Human post sales

- On chat
- On call
- Over email
- Tailored education/best practices
- Process driven

Ideal when...

- Customers need to be guided
- The concepts are transformational
- Highly consultative/ customizable solutions
- Lots of stakeholders needing alignment

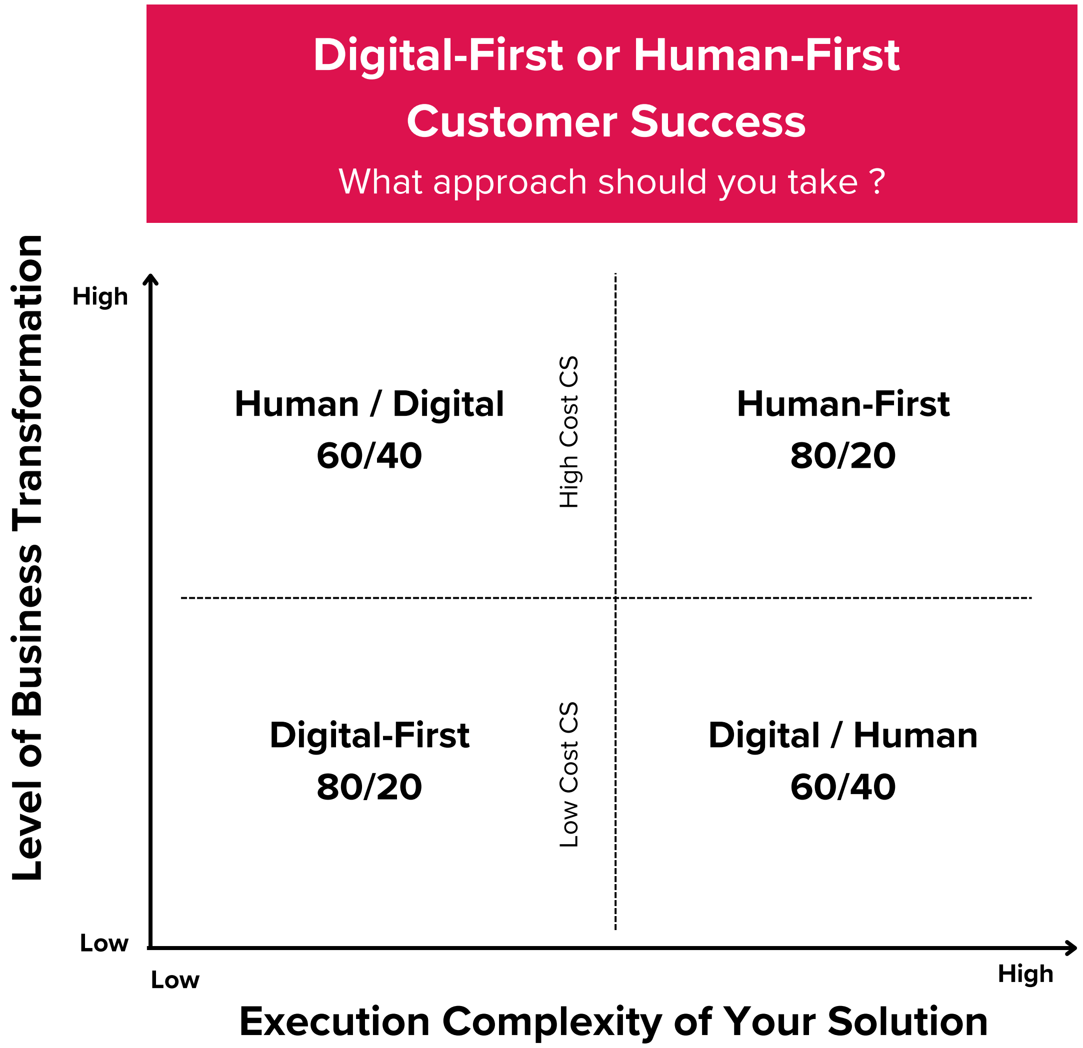
39% of Gainsight customers say their organization has achieved greater profitability and reduced the overall cost to serve their customers via digital customer success initiatives.

Digital First or Human First?

By identifying the ideal mix of digital and human touch points, companies can create a customer success strategy that combines the efficiency of automation with the depth and personalization of human interactions. This approach ensures that customers receive the right level of support and engagement throughout their journey, ultimately leading to higher satisfaction, goal attainment, retention, and revenue growth.

How do you know the right mix for your business?

It will vary by company but the higher the level of business transformation you offer, and the more complex your solution, the more you'll need to rely on human-first customer success, supported by digital channels. If your solution is tactical rather than transformative or fairly simple to execute and implement, you can lead with digital support and supplement with human contact.



Improving Time to Value

Improving customer time-to-value is a strategic process that should involve your whole GTM team, but it's well worth the effort. Paying attention to how quickly your customers achieve desired outcomes will allow you to spend less time on retention issues. Retention should be baked into the customer journey.

Step 1: Identify and Evaluate the "As Is" Customer Experience

Gather a diverse GTM team to map out the existing customer journey from start to finish. List out touch-points from the initial website visit and sales process to onboarding and adoption, noting hand-offs, activities in each stage, interactions with customer facing teams, in-product experiences, and finally billing and renewal procedures.

Step 2: Employ the 5 D's Framework to Identify and Document Value-Blocking Areas

Utilize the 5 D's framework to pinpoint and document areas within the buyer and customer journey that hinder customers from experiencing value. Identify pain points, obstacles, and inefficiencies across each stage of the journey to inform strategic improvements that will ensure and speed up customer time-to-value.

The 5 D's of Customer Value

The path to failure and what to watch out for

Delays	Where are the delays and how can you accelerate the customer?
Disillusionment	Does your customer think, "This is not what I was sold", or "This is much harder than I thought"?
Dilution	Where are the non-value moments, like calls that add more questions, uncertainty, feel like a waste of time?
Disconnected	Do you have too many handoffs or cold ones where the customer feels like they are starting over?
Disengaged	Identify the reasons and areas where the customer or even your team are disengaged

Step 3: Create the Ideal "To Be" Experience for Accelerated Customer Time-to-Value

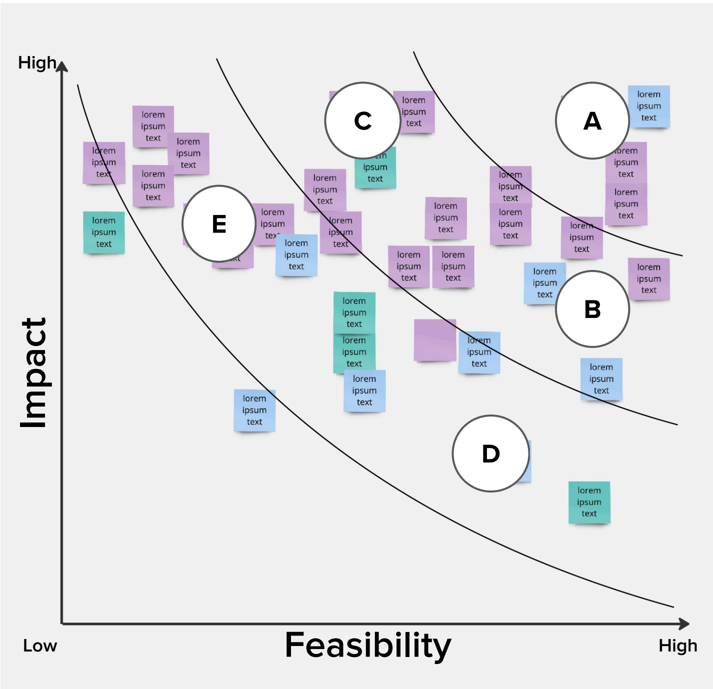
Begin by assessing steps 1 and 2 to pinpoint the areas with the highest impact and lowest effort, enabling significant improvements in time-to-value for customers.

Ensure alignment within the GTM team regarding the value proposition for customers, referencing our ROI guide if needed.

Break down the path to value and outcomes for customers in a manner that facilitates quicker wins, rather than waiting until renewal to quantify ROI.

Customer Time-to-Value

Put your attention on getting customers to their desired outcomes more quickly and you can spend less time on retention issues. Bake retention efforts into the customer journey.



Build a prioritized GTM roadmap to improve customer time-to-value.

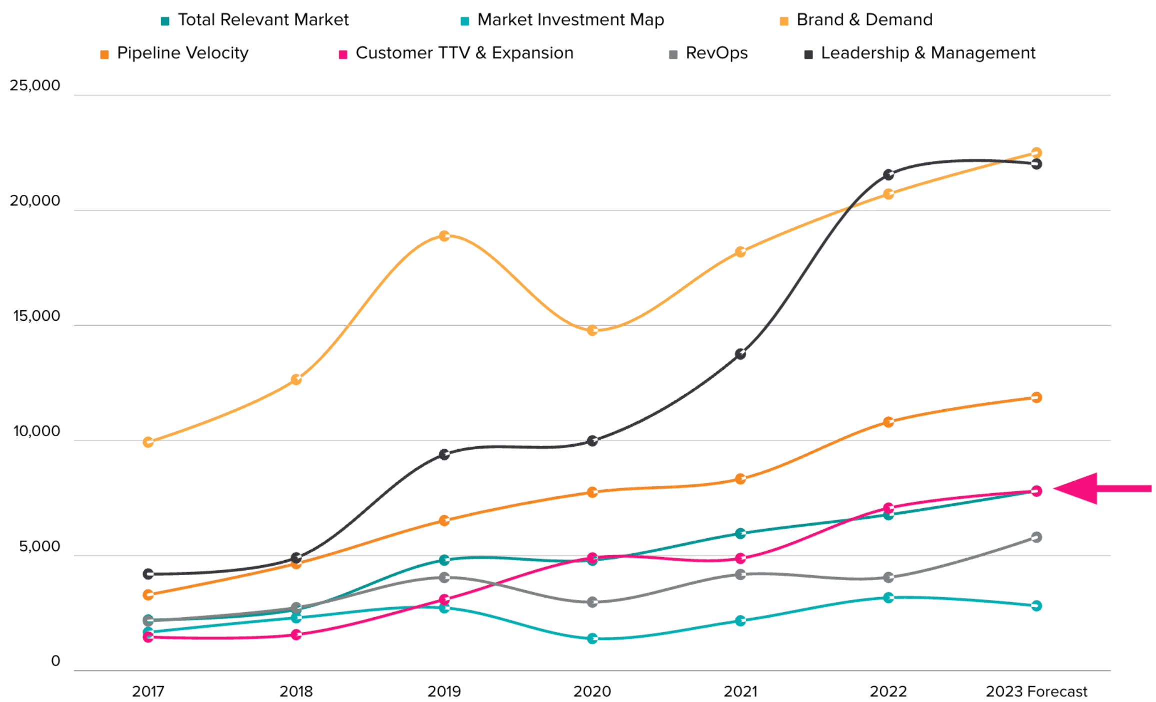
- Use small sticky notes to generate a list of ideas to improve customers time to value
- Plot the ideas
  - How feasible is this for your company to deliver in terms of effort / resources?
  - How much value impact will it have for the customer?
- Prioritize the highest impact / least effort ideas using a ranking system
- Document the prioritized list in a sheet with owners and timelines

Some companies excel at enabling customers to perceive value even during the sales cycle. Strategies like offering freemium models or instant trials are effective in this regard. For instance, Demandbase, an ABM solution provider, grants prospects free access to place their tracking tag on their website. This approach allows customers to witness the immediate impact of their first ad campaign's on-site traffic, providing tangible value from the outset.

Using Technology to Ensure the Customers' Success

Adoption of technology related to making the customer successful is skyrocketing. Analyzing user reviews on G2, we can see a 473% increase in the adoption of technology related to improving customer success, delivering time-to-value, and customer expansion. Notably, it has gone from the least invested part of the GTM tech stack to 4th. Consider your investment and the role of customer-focused tech in ensuring customers are successful.

Go-to-Market Technology Adoption



G2 Reviews data. Source: G2

473% **increase in adoption**

We see a steep incline in the adoption of **Customer Time-to-Value and Expansion** technologies as companies continue to work to build stronger customer relationships and drive more Net Revenue Retention (NRR) for their organizations.

The Go-to-Market Operating System

We often hear business leaders speak of the desired outcomes as though they are the plan: "We need 3X pipeline," "Increase NRR by 3 points," "30% increase in revenue," etc. However, without a systematic way of confirming that you have the correct processes and investment to achieve the goal, you might struggle to see risks that could prevent you from reaching it. How do you bridge the gap between your strategic planning process and your execution?

The GTM Operating System is an 8-pillar framework that we have developed to provide organizations with a blueprint to provide clarity and alignment in their strategic planning and execution process.

How The GTM Operating System Works

The GTM Operating System is made up of many interconnected parts that will allow your Go-to-Market team to stay aligned on a common goal, both as a GTM team and within specific disciplines such as Sales, Marketing, and Customer Success. It also allows the owner of GTM within your organization to validate your strategy and understand the capacity of the GTM team.

The GTM Operating System provides blueprints for how to run a successful plan to manage the execution of a successful GTM Motion(s) across the entire company. Each pillar builds on the next, allowing you to connect the dots between teams with significantly different roles. These 8 pillars are critical to ensuring that GTM is a company-wide holistic initiative and not just a marketing and sales initiative.

For example, without having the correct positioning and branding support, Sales will struggle to make their numbers, or if your customers can't see value in your solution, having your revenue depend on expansion will become a challenge for your Account teams.

Unlocking Customer Growth is key to the Customer Time-to-Value and Customer Expansion Pillars.

ABOUT GTM PARTNERS

GTM Partners, a data-driven Go-to-Market Analyst firm, helps organizations achieve efficient growth by transforming their GTM strategy. We work with high-growth companies to help them unify their GTM teams and to provide them with lasting strategies and frameworks. GTM Partners, with a mission to make Go-to-Market simple, aims to be the voice of the industry for all things GTM.

We do this by offering:

1. Data and benchmarks collected from data providers, including G2 and Bombora, as well as our community of the world's fastest-growing companies.

2. Research, best practices and design frameworks to provide guidance on the best-in-class approaches to strategizing, executing and tooling your Go-to-Market approach.

3. Personalized advice and support from experienced leaders and practitioners that help you address business challenges in a manner that is authentic and specific to you. Our consulting work focuses on areas such as Go- to-Market strategy, creating a Point of View and Go-to-Market project execution strategy across the 8 pillars of GTM.

4. Events and networking with industry leaders looking to define the category of Go-to-Market and revolutionize the way we create value for our organizations.

The Analysts

Bryan Brown
Cofounder, Chief Analyst

Bryan is a SaaS pioneer and thought leader in the marketing and sales tech industry. He has both created and brought to market innovative software products and ideas while helping thousands of companies in their effort to grow revenue more efficiently. Bryan is a co-founder with multiple exits (Vtrenz), has led strategy teams in Fortune 100 Companies (IBM) and has helped multiple organizations scale their products and Go-to-Market approaches from point solutions to platforms (Silverpop, Terminus).

Lindsay Cordell
Senior GTM Analyst

Lindsay is a practitioner turned analyst who studies best practices and trends in Go-to-Market and develops actionable models and blueprints for our clients. She has held both practitioner and leadership roles in almost every aspect of Go-to-Market, including Product, Marketing, Sales, RevOps, and Enablement in Fortune 500 companies including AT&T, Hearst and Cox. She most recently ran the GTM Center of Excellence for the Account-Based Marketing Platform Solution Terminus.

Sarah Allen-Short
GTM Analyst

Sarah brings more than 20 years of experience of B2B marketing and sales leadership to her role as a GTM analyst. She's worked in technology, nonprofit, government, and higher education, with a specialty in B2B SaaS. She excels at taking the skills and experience she developed working with Fortune 500's and billion-dollar companies and helping startups and scaleups apply those lessons in practical, agile ways. Sarah specializes in combining strategic and tactical approaches for maximum impact.

Sangram Vajre
Cofounder, Industry Analyst

Sangram is a three-time best-selling author and co-founder of several organizations, including Terminus, The Peak Community and most recently, GTM Partners. Sangram has been at the forefront of B2B marketing trends, the Flip-my-Funnel movement, and defining the Account-Based Marketing category ushering in a new generation of marketers. He has previously held CMO roles at Pardot, a Salesforce company and Terminus.