

## Webinar Notes:

**Topic:** Customer Success as a Revenue Engine

**Hosted by:** Rob Forsyth and Gemma Butler

**Experts:** Ian Robson, Director of Success Methods & Matt Rumins

---

## What is a Revenue Engine?

Well, first of all, let's take a look at **The Customer Success Equation**. Within this there are four areas we have identified where Customer Success teams can have a major impact on revenue.

1. **Retention** - Drive up retention and reduce churn by making sure customers see the value
2. **Sales** - Customer Success teams can add value in a new business sales cycle and support strategically in different stages of the sales process
3. **Usage** - If customers pay for results revenue increases with usage. Customer Success can drive increased usage
4. **Services** - Customer Success can influence Indirectly and directly by being the team that warms up and spots opportunities

---

## What is the advantage of Customer Success as a Revenue Engine?

### THE 1% ADVANTAGE

You can make a massive impact by increasing retention by just 1% or conversely by reducing churn by just 1%.

For example - If you start in year 1 with £10m in ARR and a customer retention figure of 90% in 5 years the £10m ARR will cumulatively have reduced down by £4m.

However, if you can improve by just 1% (increasing the retention year on year 91% in year one, 92% in year two, 93% in year three etc.) you end up down by just £3m. That is £1m saved, which is significant by only making a 1% improvement YoY.

And that's just by looking at 1% improvement in Retention, but if you work alongside Sales, Usage and other departments, there will be huge revenues to be reached!

This helps demonstrate the value of Customer Success to a business.

## The Revenue Roadmap – how do we generate as much revenue as possible?

It starts with Activity and benchmarking yourself against each of these. Ask yourself where your CS department is right now with:

- CSM Team – hiring and onboarding
  - Growth and Scaling – Strategy
  - CSM Tools – Automation, Support etc
  - Alignment – Philosophy VS Function
  - Business Outcomes – Engagement, customer journey
  - Data & Analytics – Dashboards, internal and external
- 

Now that you have a baseline, ask yourself ‘Can we improve anything here?’

Consider the company’s performance against the following:

- Customer Satisfaction
- Expansion Revenues
- Churn Revenues
- Advocacy
- Customer satisfaction
- Monetised usage

Capability – CSM Alignment

- All teams should be aligned around Customer Success
- All teams measured on Customer metrics
- Clear journey and processes across the team
- Executive should be aligned

Product analytics

- Outcomes led product development
- Customer product council
- All key customer outcomes tracked
- Dashboards by CSM

Performance – Outcomes led

- Outcomes, value and ROI library
- Best practices aligned to driving outcomes
- Clear measurements for every customer – clearly demonstrate to customers, use their data if you can
- Outcomes led at every customer

#### Renewals process

- Need to know why churn is occurring
- Health scores to predict and manage churn
- Churn is therefore an exception – you are never surprised and can deal with issues before they occur.
- CSM measured on net retention

#### Advocacy Nurturing

- Have a programme in place
- Advocates mapped and identified
- Convert these by CSM team
- Use nurturing steps
- Track metrics

Most people aren't doing this so it's a chance to get ahead.

Remember your measurement framework:

- Define your Success Metrics
- Agree with the Executive
- Take a metrics baseline
- Measure your metrics and you will start to see some improvements

---

## About

NinetyThousandHours specialises in Recruitment and Executive Search for commercial leadership positions across SaaS and Technology markets.

Follow us here: [LinkedIn](#)