

The Complete Guide to Customer Success for SaaS Companies



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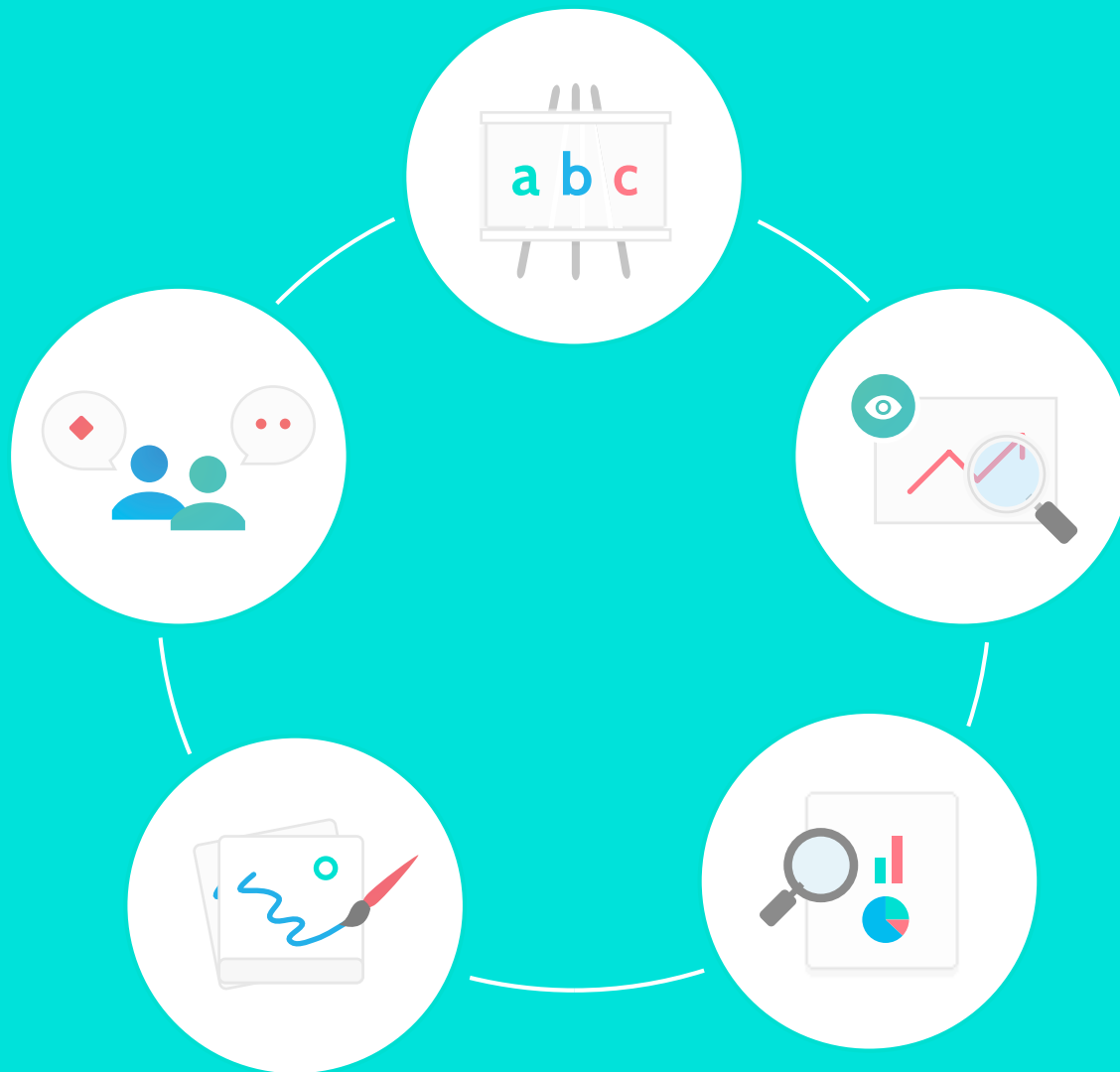
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01. What is Customer Success?



What is Customer Success?

An introduction for SaaS Companies

When you sell a coat or a bar of chocolate, customer success isn't necessary.

Those are simple, self-explanatory products that everyone knows how to use.

Even with things like a new vacuum cleaner, customer success isn't required. A user manual and a hotline is as far as most things go.

With your SaaS product, however, it's not going to be so easy. Complex analytics platforms, SEO tools, and landing page creators can be set up and used in a variety of ways, solving different problems for customers from marketing agencies, e-commerce stores, factories, and farms.

For software companies, the golden days of unbreakable contracts and technical lock-ins are gone. The industry has diversified, and there are a lot of companies your customers could be choosing over yours, with more attractive branding, master salespeople or better customer success.

When your product needs follow-up and guidance to ensure the customer gets full value, that's when customer success becomes a must-have.

This is because a customer who speaks to your sales team or reads your landing page is sold on the benefits, not the features.

The customer knows your product can solve their problem, but not exactly how to get that value.

What is Customer Success?

According to [Lincoln Murphy](#), at its most basic level, Customer Success starts out as an aim, not a department of people or a group of processes– what he calls ‘[lower-case customer success](#)’.

It starts by recognizing that your customers need more than your user manual, your automated onboarding flow or email drip campaign for your app to live up to the promises made on your landing page.

Keeping customers close, and working with them 1-on-1 is a customer success style known as [concierge onboarding](#). While startups and SaaS companies are starting to focus on it only now, the early results are promising – Customer.io [doubled conversion rate to paid](#) and Mainstay [reduced churn by 50%](#).

I’m going to talk more about the benefits later, but for now it’s obvious that a customer who is staring at the configurable dashboard of your product and wondering how they can set it up for their own company is likely to cancel their recurring payment and go look for something they understand – something that it’s easy to see the

value of straight away.

Customer success is a system, run by people whose only goal is to help customers get the best out of your product. It happens straight after a sale is processed, as shown below:

The Process Leading up to Customer Success



To define customer success, you have to know what success looks like for your customers. The definition will be different for each customer, and the method of achieving it will be different for every company. The first thing about customer success you have to know is that it's not customer support: it's a way of proactively working with your customer

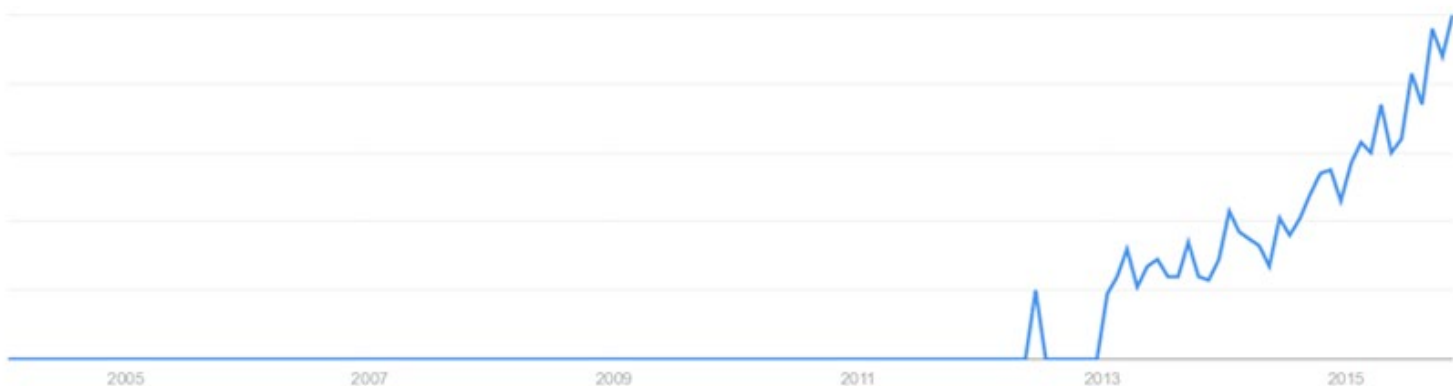
If your customers aren't constantly getting value from what they're paying you, you can understand from a business perspective that they will stop paying.

The Features of Customer Success

Customer success is a mindset before it's a department. It takes an analytical approach towards retaining existing users and draws on great communicative skills to forge long-lasting relationships with customers. It's part [client onboarding](#).

Customer Success – with initial capitals – is still in its early days as an official department. [Google Trends](#) shows that its popularity has been steadily increasing from zero since mid-2012.

Google Search Volume for 'Customer Success Manager'



[Boaz Maor](#), VP of Customer Success at [Mashery](#), divides Customer Success teams into [3 groups](#) by function:

- *Professional Services*: Project management, initial implementation, and setup of any add-ons required.

- *Technical Support:* Resolves technical issues, freeing up the manager's time to work closely with customers.
- *Customer Program Success Management:* At Mashery, Customer Success Managers are responsible for 20 customers each. The full-time job of these managers is to be the face of the post-sales operation and the person the customers build strong relationships with. They also coordinate the efforts of the professional services and support groups.

Customer Success Department Goals and Responsibilities

- Turn customers into advocates
- Increase customer retention
- Optimize customer lifecycle
- Manage customer support
- Up-sell / cross-sell
- Generate referrals
- Increase customer lifetime value
- Monitor product usage
- Track success metrics

Additionally, Customer Success teams take part in the customer onboarding process which is the vital initial setup of the product in line with the customer's vision.

A Brief History of Customer Success

The history of Customer Success is pretty short. It only really became recognized recently.

As **products increase in complexity at a rate faster than customers can use them**, Customer Success as a department has come to the forefront.

In the past, sales operations were sometimes **divided up into Hunters and Farmers**, with Hunters taking on the responsibility of modern sales teams – turning leads into sales – and Farmers acting as what we would now call Customer Success Managers: nurturing customers to make sure they keep on paying their subscriptions, making referrals, giving references and providing data for case studies.

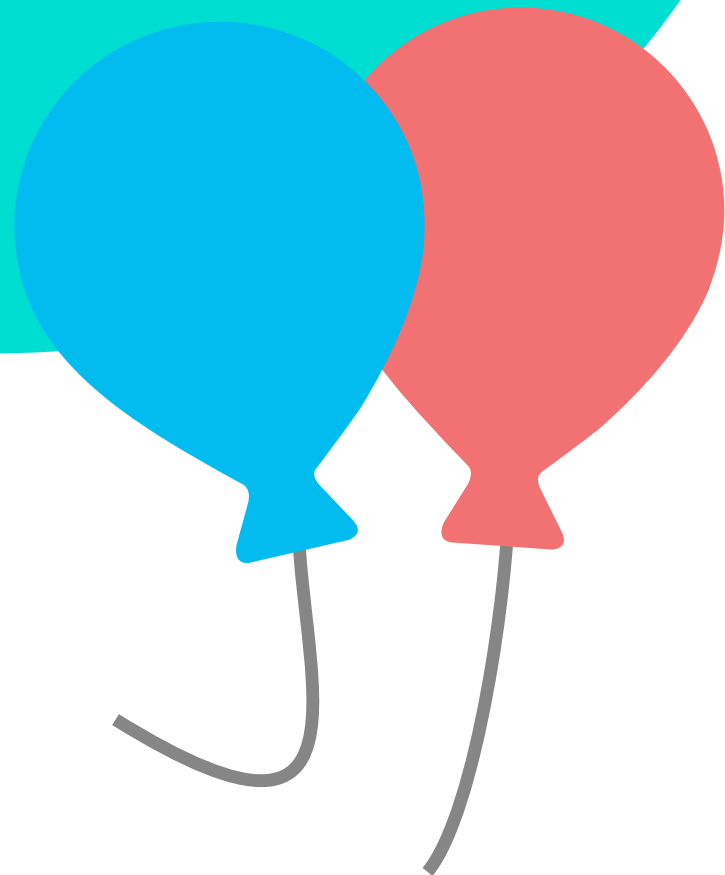
In a field like SaaS, where products require implementation and setup before they can offer full value, the Customer Success department is no longer a nice-to-have but a must-have.

Pre-Customer Success	Post-Customer Success
Sales consisted of: “Hunters” (concentrate on making sales from all leads) “Farmers” (work with existing customers to ensure up-sells)	Customer Success... ...is brought in after Sales closes the deal and a payment is recieved Sales concentrate on hunting Customer Success does the farming.

It also helps salespeople focus on their job, and not having to continue nurturing customers after the deal is closed.

02.

Why is Customer Success important?



Why is Customer Success Important?

A Guide for SaaS Companies

[Tomasz Tunguz](#), venture capitalist at [Redpoint](#), says [customer success](#) is ‘equal in importance to sales and marketing and engineering and product within SaaS companies’. But why? Technically, it didn’t exist 10 years ago, so why do we need it?

We need it because products are developing faster than our capacity to understand them, we need it because competition in the SaaS world is harsh and we need it in place to reduce churn and keep users sticking around for the long haul.

Let’s take a closer look at these points.

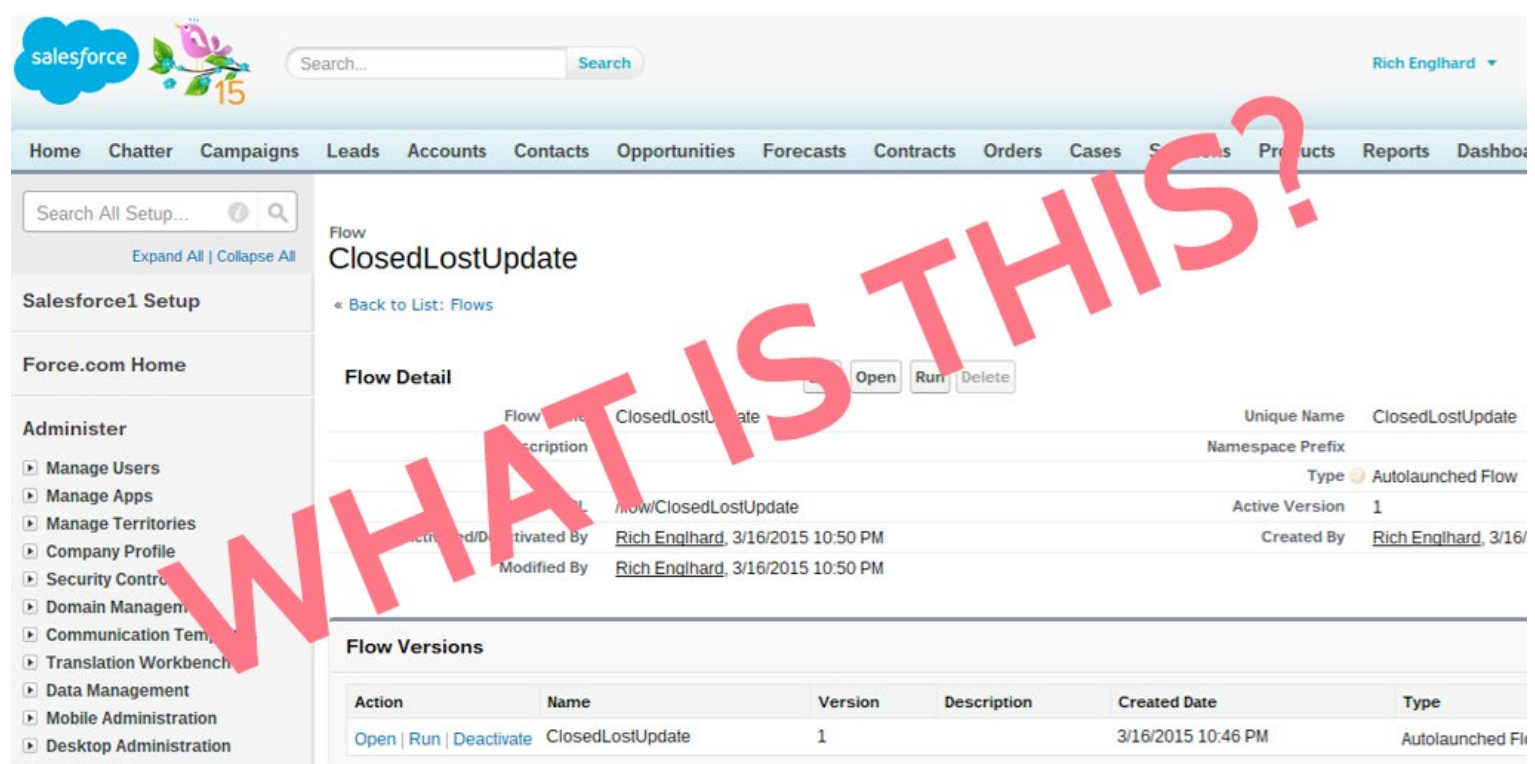
Customer Success connects promise to reality

Here’s a theoretical situation to explain.

Pretend I just signed up for an analytics product because I know I need

to start tracking user activity in my mobile app. The landing page copy told me that's what I can do with the app, so I bought it. I go in, and within 2 minutes I'm confused and wondering exactly how I can load it up with my app's data or set conversion goals.

In an ideal world, the platform's customer success manager should have been on the phone to me the same day of purchase, guiding me through the steps to get it set up and teaching me everything I need to know.



Analytics platforms and CRMs are just two examples of complex products that can be configured in numerous different ways – for these products, a user guide or support ticket system isn't always the best thing to offer.

You don't want your customer having to work harder to get what was promised by the sales team because your product should be easy to implement for all customers and deliver value from day one.

Your product's initial setup, or even basic use, won't be obvious to everyone. Not to mention how businesses grow and their needs

change over time – every time the monthly bill for your product comes through, the customer is questioning whether they really need it.

With every month an opportunity to cancel, it's obvious that the customer success process doesn't stop after the initial set up. Customer Success teams need to be constantly available to stop customers falling out of love with the product, no matter what.

According to [Outreach](#) CEO [Manny Medina](#), customer success should be 'uncomfortably close'. While an exaggeration, it's a good way of imagining how easily reachable and responsive your service should be.

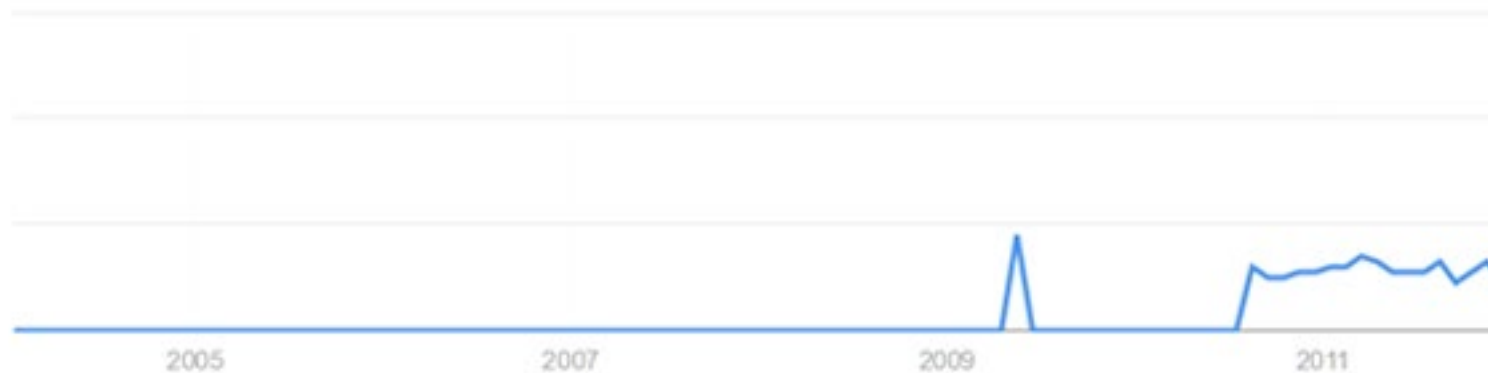
Your competitors will steal your unhappy customers

Disgruntled customers who didn't get the support (or even explanations) they wanted will seek out your competitors.

If your competitor is smart, they'll have a great Customer Success team who will get them set up with the product the same day the bill goes through. They'll make certain that the customer is happy, and set up to get the most value they can out of the product.

Since 2009, the popularity of customer success [has increased 800%](#). It's not becoming something which differentiates a great company from a good one – it's becoming a requirement.

Google Search Volume for 'Customer Success Manager'



It doesn't matter how good your marketing is or how many deals you close, if customers experience the disconnect between promise and reality and it isn't patched up by a Customer Success team, you're going to get a high rate of churn.

Successful customers don't churn out

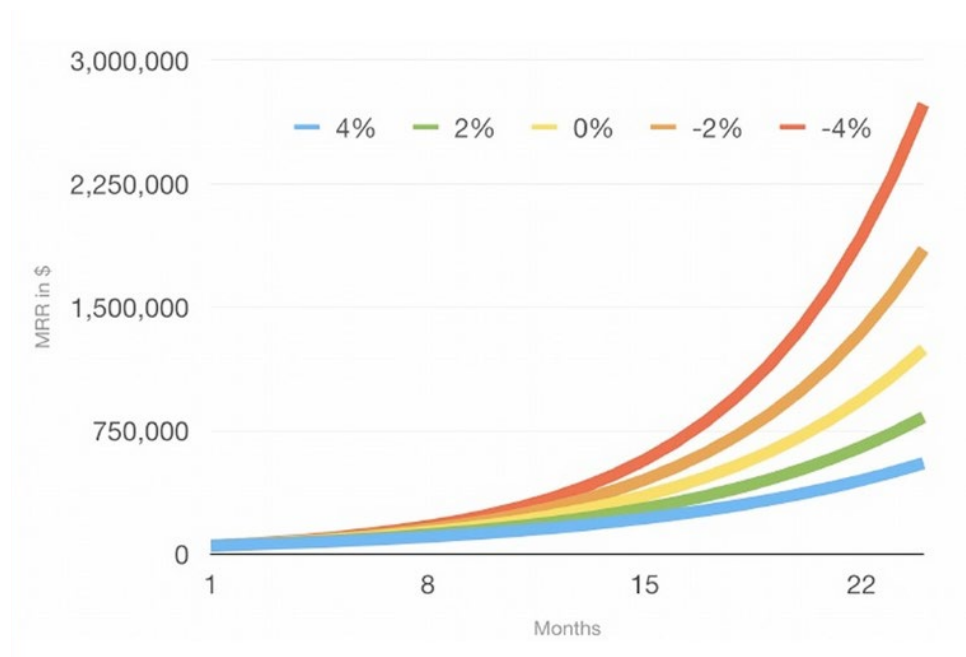
In an earlier article on concierge onboarding, which I excitedly wrote when first discovering customer success, I note that customer success is a method of making customers happy and keeping them that way.

If a customer is happy with your service, there's no need for them to stop using it – what's known as '[churning out](#)'. The amount of customers you lose each month is known as your monthly churn rate, something

I'll explain fully later.

For now, it's enough to know that customer success isn't just about the unscientific art of making people feel warm and fuzzy. Like all [business processes](#), it's about making money.

Churn's Impact on Revenue Growth



As you can see, a small adjustment to churn rate can have a huge effect on overall revenue. It can make the difference between an MMR (monthly recurring revenue) of \$700,000 and one of \$2,700,000 with an adjustment of just 8%.

In fact, while we're on the subject of money, [Gainsight's Jason Lemkin](#) [says](#) "customer success is where 90% of the revenue is". It doesn't just mean that customers keep paying their monthly charge, it also means that they will be inclined to promote the product to others in their company and buy the more expensive packages.

With SaaS, successful customers compound your revenue massively because they are the ones who encourage their companies to pay for more users, give you referrals and are promoters of your product.

Once your product becomes the go-to solution for a large company, that one customer could be paying your entire Customer Success team's yearly salaries every month.

Once again: why is customer success important?

Let's look over the key points again and wrap up this chapter.

Customer Success teams help connect your new customer's expectations with the promises made by your marketing and sales teams. By offering a go-between for your product and customers, your customers always have someone to turn to who will be willing to work closely with them to solve any issues.

Software is complex. If you offer a product that can work in a different way depending on who uses it, you need someone to work with your customers and get it set up for them right from day 1.

Your competition is doing it! They're holding onto the customers you lost and killing you with kindness.

A watertight customer success process reduces churn and increases your revenue. Even a churn reduction of 4% can double your MMR.

03. What is Churn?



What is Churn?

An Introduction for SaaS Companies

Churn is the enemy. Churn is the sickness that will kill your SaaS company.

Redpoint VC Tomasz Tunguz showed us just [how damaging churn is](#) to the MRR of SaaS companies and how an adjustment of just 5% can make a massive impact.

Churn is the rate your customers are cancelling their subscriptions to your product.

One of the key outcomes of any customer success strategy is to reduce churn by helping disenfranchised customers continue to get value from what you're offering them.

The pricing model of SaaS lends itself well to being extremely profitable. But as [David Skok](#) says in his post about [achieving negative churn](#), there are massive risks.

The nature of subscriptions mean that your customers are paying you regularly which brings in recurring revenue, but also puts you in a precarious position.

Every time your customers get the bill for your product through on their statement, they're asking the question: This month, did this product save me more money than it cost me?

Over the past two chapters, I've answered two questions: [What is Customer Success?](#) And [Why is Customer Success Important?](#) Now I'm going to answer the question 'What is churn?'. It all boils down to one thing. Customer success teams and strategies are in place to stop customers cancelling.

They exist to reduce churn. Let's look at this in more detail.

How is churn calculated?

Churn is a notoriously difficult thing to calculate properly. In 2004, four shareholders [sued Netflix](#) over its self-interested calculation of churn rate, but the case was thrown out on the grounds that there simply isn't one solid way to calculate churn.

Churn is [the inverse of your renewal rate](#). If you have a renewal rate of 80%, you have a churn rate of 20%.

$$\text{Churn} = \frac{\text{Customers lost during period}}{\text{Customers at start of period}}$$

Churn is most often expressed as a percentage, but can be talked about in whole numbers. You could say, for example, that 10 customers churned last month.

To calculate your churn rate last month, take the number of customers you had at the start of the month, subtract the number who cancelled their subscriptions then express it as a percentage. (Here's [a handy way of doing it](#) from [RJMetrics](#) if you don't like calculators or math.)

For example, Jim's SaaS company, Salesdrive, had 9618 customers at the beginning of October. At the beginning of November, this had dropped to 8119. That's a churn rate of 15%. Oh dear, Jim.

On the other hand, Helen's SaaS company, Pipeforce, had 2055 customers at the beginning of October, which increased to 2184 by November. That's a negative churn rate of 6.3%. Nice.

A better way of calculating churn

There is, however, another way to do it. A way that shows churn in more useful and realistic way. A way that takes into account the fact that every day a customer uses your service is an opportunity for them to churn.

Instead of looking at a month as a single, measurable period, you look at it as a culmination of customer days. If you have 10 customers in September you have 300 customer days in that month and 300 opportunities for churn.

Let's apply this to Helen's company, Pipeforce, to make some sense of it.

Credit to [Recurly](#) for this fantastic info.

Customers at the start of October	2055
Customers at the end of October	2184
Net gain	129

Days in October		31
Customer days in month	$(2055 * 31)$ $+ (0.5 * 129 * 31)$	65705

Total churns in month		312
Churns per customer day	312 / 65705	0.4%
Monthly churn rate	31 * 0.4	12.4%

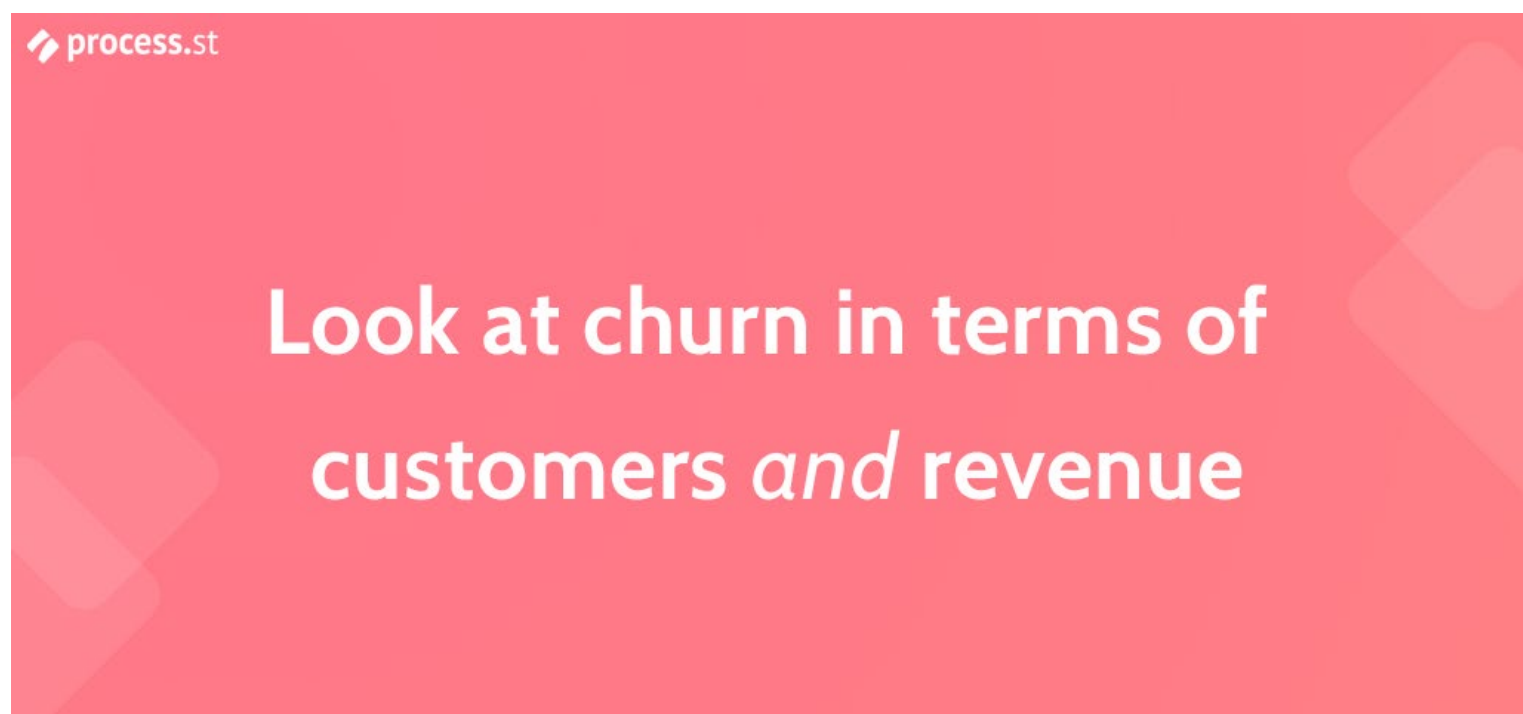
Why is churn about customers, not revenue?

Good question, Benjamin. While churn gives you a good overall idea of the health of your business, it doesn't take customer value into

consideration – something that is arguably more important than customer value. Let's turn back to Pipeforce for another fictional example:

While Helen's just found out that Pipeforce has a churn rate of 12.4% this October, Helen's surprised that her monthly recurring revenue (MRR) is going up. As it turns out, everyone who churned out was on the \$2/month plan. A bunch of smaller companies with less users, all paying below average for the most basic version of Pipeforce.

If Microsoft cancelled, then she'd be in a pickle. Those guys account for a good chunk of business since they've got 500 seats on the Enterprise package. But the companies that cancelled in October? Small fries.



For churn to have real financial meaning, it should also be applied to customers. After working out the monthly churn rate by breaking it down into customer days, Helen looks at what percentage of her total MRR those customer made up. She found that those 312 customers were collectively only bringing in 0.5% of her MRR, so weren't all that valuable anyway.

So, what's the message here?

For one, it's that **churn rate can be extremely deceptive**. You have to calculate it in a meaningful way and account for customer value.

The second point is that **low-value customers are more likely to churn**. They aren't paying much, so aren't getting the full use out of your product. They haven't made a full investment in your product, so can drop it if they need to and cut their losses.

Here's what [RevenueWire](#) has to say about it:

“ Compare this to the customers you may have attracted with a higher price. They are looking for more value and are usually willing to pay for it. They are more likely to have researched their options and are more committed to sticking to a high-value, higher priced product. Alternatively, price-sensitive customers will likely place a lower value on your product and be more likely to churn as soon as they feel like they are not getting sufficient value, especially if there is a price increase.”

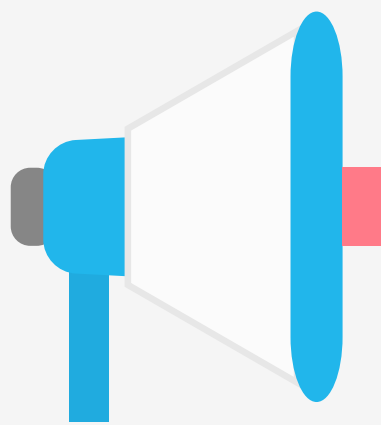
Customer success strategies reduce this problem by ramping up the unsure ones into loyal power users who spread the word about your product to their team members, other departments and other businesses. By getting your low paying customers to the point where they want to be high paying ones, you've created a successful customer.

I calculated my churn rate. Now what?

How's it looking? If it's low, you're in a position so many SaaS owners would love to be in. Just make sure you've calculated it in a way that's representative to the manner customers use your service, and takes into account the revenue created by those churning customers. Keep up the good work!

Is your churn high? Over the coming chapters, I'll be taking you through the way to construct a customer success strategy to reduce churn and increase the MMR of your SaaS company. For a rough guide, check out [high-touch customer onboarding for SaaS companies](#), a checklist guide.

04. How to Calculate NPS



How to Calculate NPS

with the Perfect Customer Happiness Survey

Customer Happiness is a metric unlike any other.

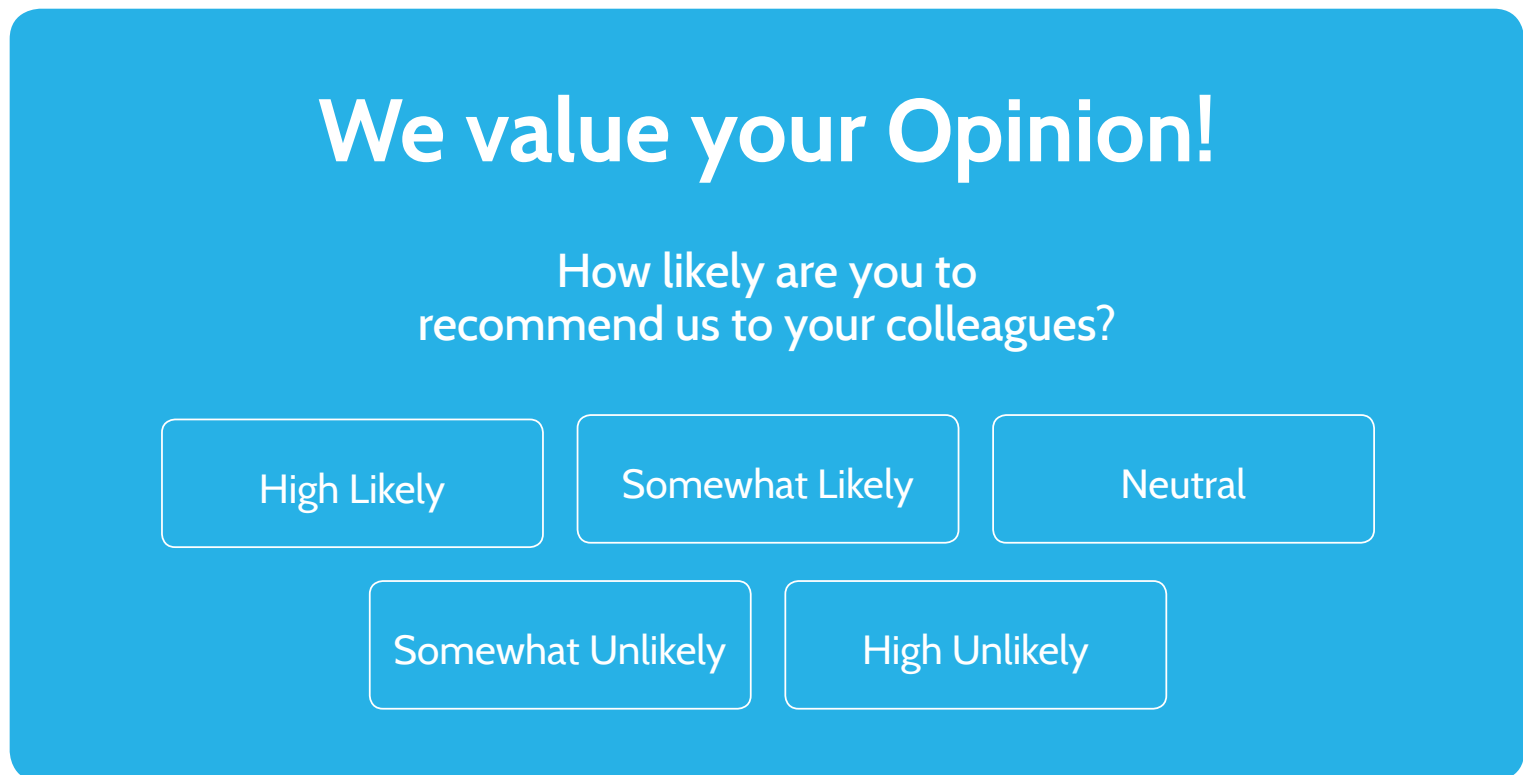
It's not founded on principles of revenue, bounce rate or any other traditionally mathematical ideas.

Customer Happiness is based on emotions, not data. And while these emotions can be formulated as data, one of the first steps is to work out how.

In this book we've already covered the [definition of customer success](#), [why customer success is important](#) and [churn for SaaS companies](#).

Have you ever received this email?

Chances are, you've got an email at some point that looks like this:



We value your Opinion!

How likely are you to recommend us to your colleagues?

High Likely Somewhat Likely Neutral

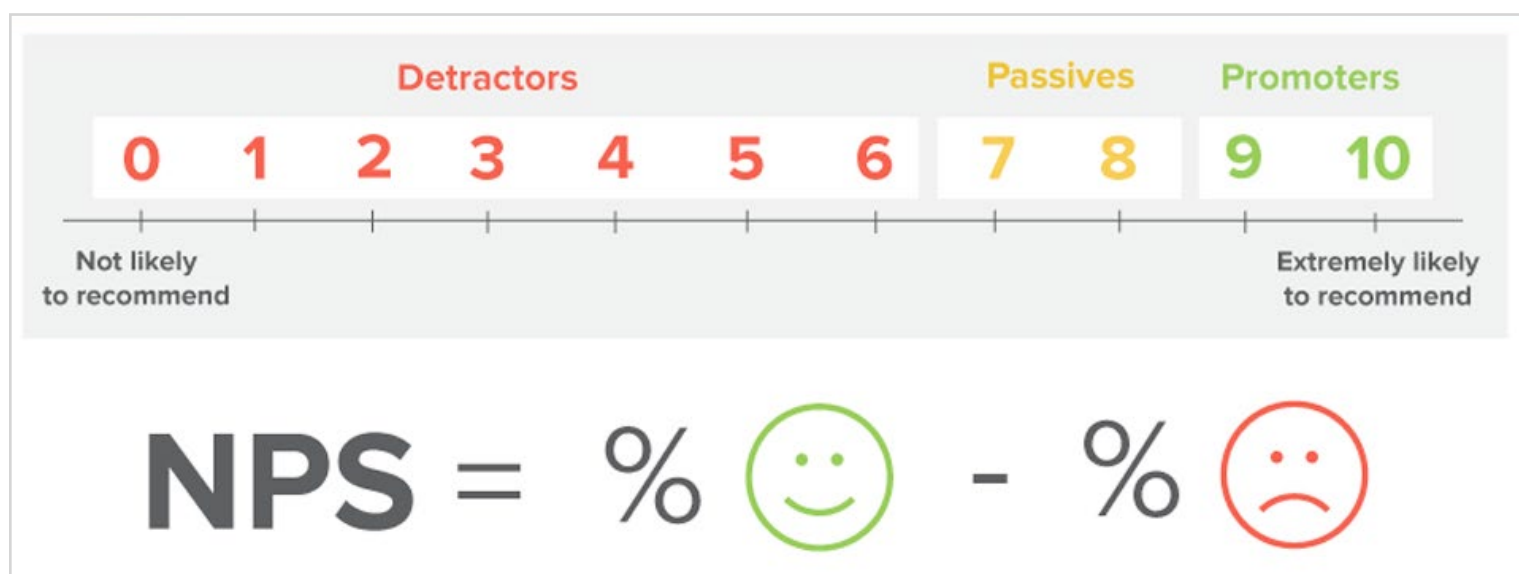
Somewhat Unlikely High Unlikely

The outcome of this question is used to formulate your Net Promoter Score (NPS), one of the metrics that measures the health of your company and the effectiveness of your Customer Success strategy. Some companies will ask for your response on a scale of 1-10, some in a series of phrases like the Microsoft example above. I've even seen :) and :(as options. How do these responses translate to a solid representation of customer happiness?

Calculate NPS to determine customer happiness

Whatever the form of the survey, you can be sure it will be converted into a number between 1-10, and then you will be separated into 1 of 3 groups.

- *Scores between 1 and 6 are Detractors.* These are the customers unlikely to buy more, refer and promote the business to those around them. If the customer base is filled with detractors, the company is in trouble.
- *Scores between 7-8 are Passives.* These are the kinds of customers who are just fine. They're getting what they paid for, and think the company offers a passable service. They have enough gripes with it not to scream your praises from the rooftops but aren't too dangerous. Companies with lots of Passives aren't in the best position, but it's better than having lots of Detractors.
- *Scores between 9-10 are Promoters.* These are the sorts you see retweeting product updates, commenting on every blog post and publically enthusing about their favorite companies. A company full of Promoters is like a great viral marketing campaign all by itself.



As hinted in the image above, your final NPS score is the net percent of your Promoters, minus your Detractors.

Since NPS scores fall inside a range of -100 to +100, you need to work out category scores as percentages.

For example:

- You have 493 customers. 286 Passives (58%), 173 Promoters (35%) and 34 (7%) Detractors.

Discount the Passives, as they are effectively 0s, and subtract the % of Detractors from the % of Promoters. This leaves us with 28% (or +28).

To give you an idea as to what this means, any positive score is a triumph. Companies with a score of +50 or greater are considered to be doing amazingly well.

How to survey NPS data from your customers

The quick way is to send a survey. You can use something as simple as SurveyMonkey or even Google Forms to gather responses in a spreadsheet and work out your NPS.

The long way involves optimizing this process. It has quite a lot to it, so I'll go through it bit-by-bit.

Option #1: Use a form provider

To make a good decision, answer the following questions.

- How many entries am I expecting?
- How is the collected data presented to me?
- What kind of reports should be generated?
- Where can it be embedded?
- Does it look professional?
- Can the form be branded/customized?
- Does it integrate with the apps you use?

[Zapier](#) has already put together a full blog post series on choosing a form provider, so I'll leave that here for you to help make a decision after answering the questions above about your needs.

At [Process Street](#), we use [Typeform](#) because it has a modern, professional look, allows customization and integrates with apps we use, so we can collect the data inside our existing SaaS stack.



Option #2: In-email surveys

To reduce the friction and make it more likely you'll get a response, embed the survey directly into an email. This means that when the

recipient clicks their response, it's directly logged and they don't have to jump through hoops for you.

You can set this up in email marketing programs, including [CampaignMonitor](#), use Google Forms to [embed a survey into your email](#) directly or use trusty MailChimp, which lets you [set up polls](#) and gather the data in an easily-digestible way.

Option #3: In-app surveys

This doesn't have to be an alternative to an email survey, you could do it as well to maximize the amount of responses. There are a few solid options for in-app surveys, which are best for SaaS companies and mobile apps.

One choice is to use [Intercom's Auto-Messaging system](#) which comes built into their [Engage package](#) – that's what we use here at Process Street.

Other options include a specific NPS survey that lives in your app – [Bluenose's Pulse](#), and [FeedbackLite](#) which you can get with a 14-day free trial.

Time it right

Make sure to send your NPS survey at a time where your product is fresh in your customer's minds. This could mean setting up an automated email which triggers when a support ticket is closed, an account is upgraded, or, [as Genroe's Adam Ranshaw puts it](#): 'soon after the service or transactional interaction.'

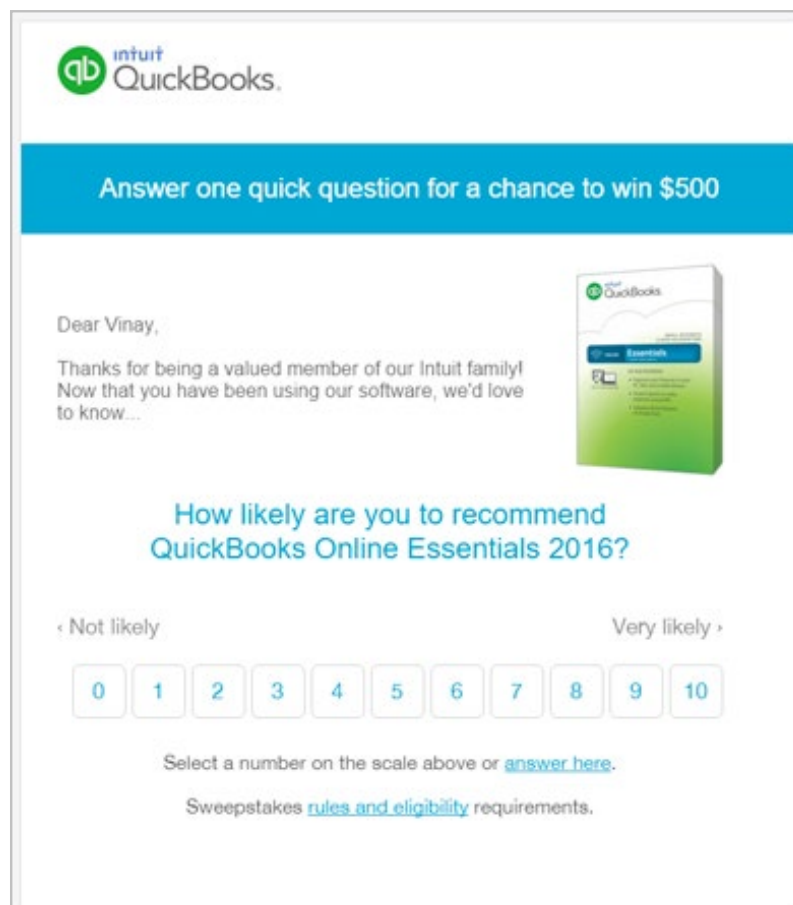
Finding the best time for your customers which gets the highest

response rate is something specific to each company. You'll have to test and find out what works for you. Adam says that the average response rate for a well-timed NPS survey over email should be 20-30%.

Optimize the style of your survey

Making changes to the way your customers enter their data and the layout of the survey could boost your response rates and give you more data to work with. This is definitely something worth A/B testing so you can find out whether your customers prefer a set of phrases, emoticons, a scale of 1-10, etc. Here are some examples of NPS surveys to give you inspiration:

Quickbooks (with a contest as an incentive)



The image shows a screenshot of an email survey from Intuit QuickBooks. At the top, the Intuit QuickBooks logo is displayed. Below it, a blue banner reads "Answer one quick question for a chance to win \$500". The email is addressed to "Dear Vinay," and includes a thank you message for being a valued member. A small image of a QuickBooks Online Essentials 2016 book is shown. The survey question is "How likely are you to recommend QuickBooks Online Essentials 2016?". Below the question is a scale from 0 to 10, with "Not likely" at the left end and "Very likely" at the right end. The scale is represented by a row of 11 buttons, each containing a number from 0 to 10. Below the scale, there is a link to "answer here" and a note about sweepstakes rules and eligibility requirements.

intuit
qb QuickBooks.

Answer one quick question for a chance to win \$500

Dear Vinay,

Thanks for being a valued member of our Intuit family!
Now that you have been using our software, we'd love to know...

How likely are you to recommend
QuickBooks Online Essentials 2016?

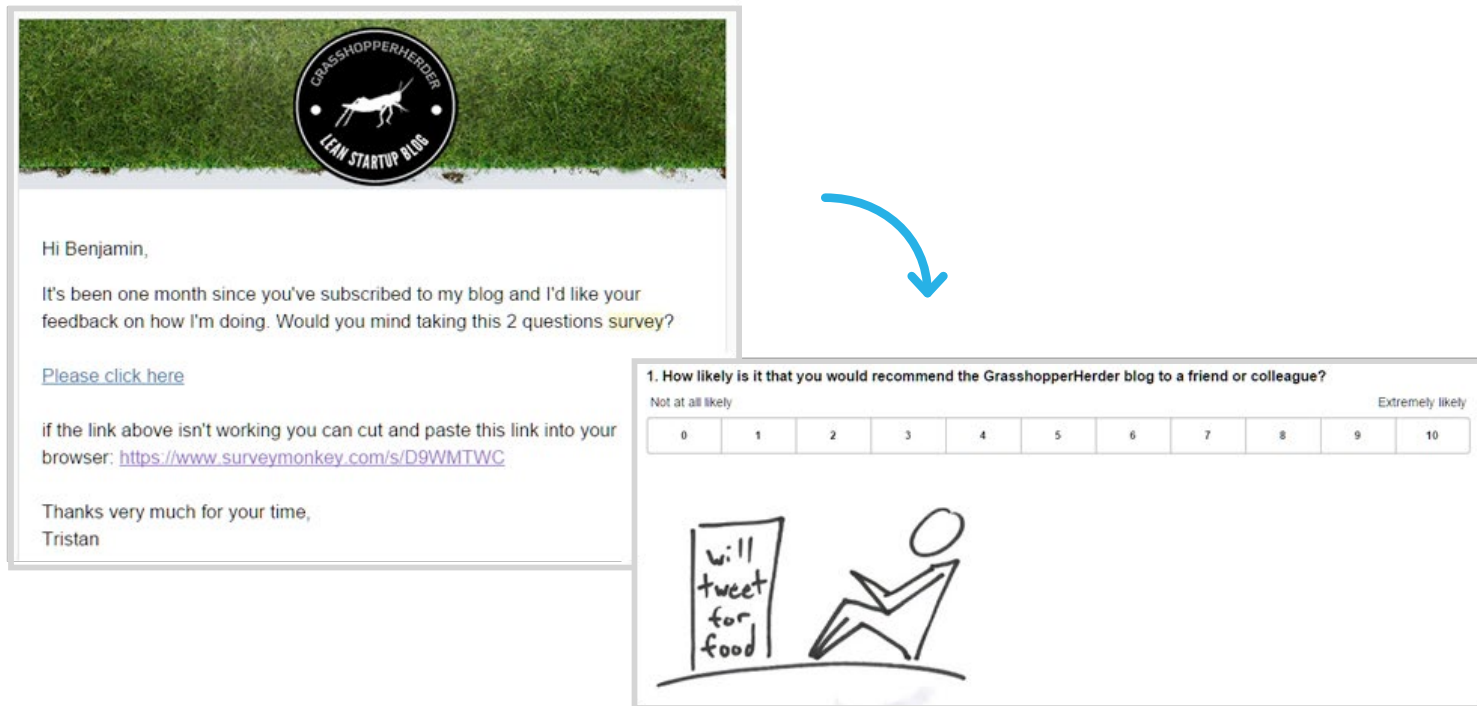
Not likely Very likely

0 1 2 3 4 5 6 7 8 9 10

Select a number on the scale above or [answer here](#).

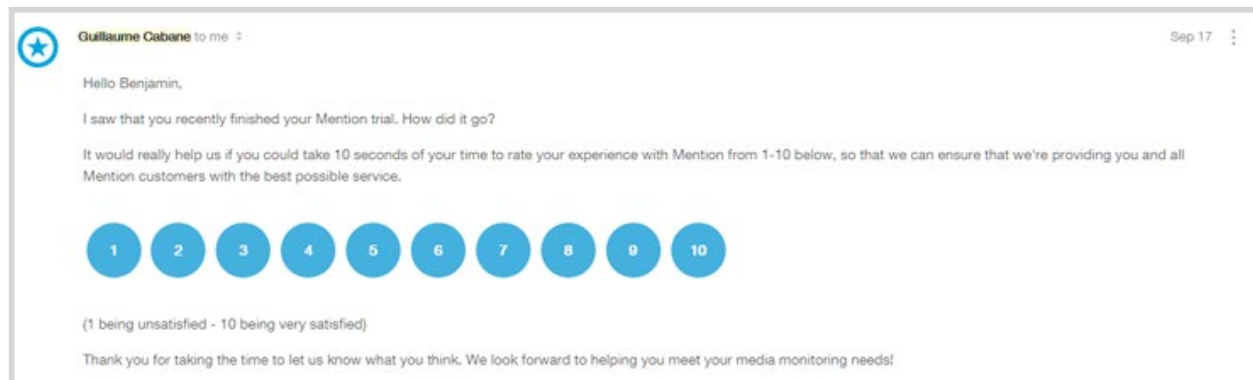
Sweepstakes [rules and eligibility](#) requirements.

GrasshopperHerder Blog

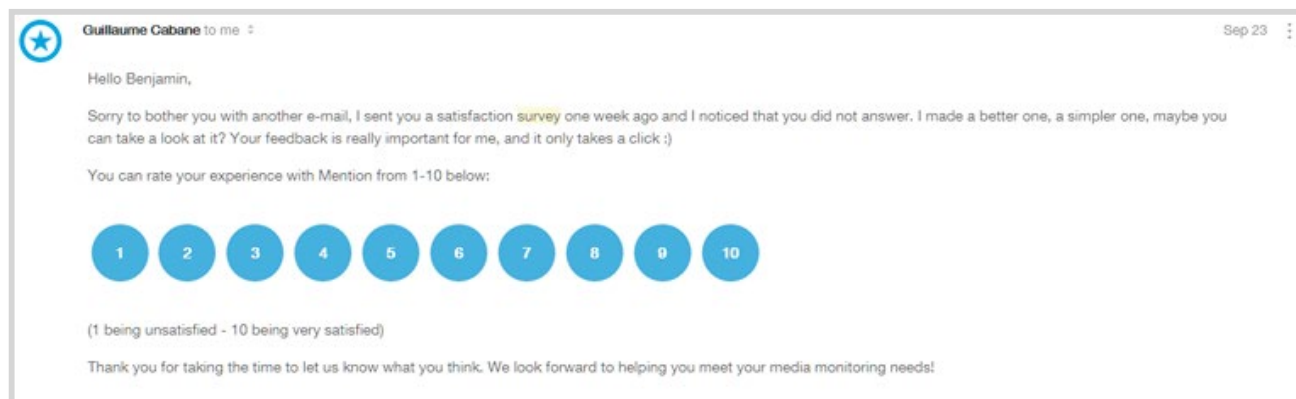


Mention (original and follow-up)

1.




2.



Baremetrics

Subject: Mind giving a bit of Baremetrics feedback?

 **baremetrics**

Your feedback means an absurd amount to us. If you don't mind, we've got two quick questions for you that will allow us to gauge how we're doing

How likely are you to recommend Baremetrics to a friend or colleague?

0 1 2 3 4 5 6 7 8 9 10

Not at all likely Extremely likely

CustomerThermometer (example)

How likely are you to recommend us?





Dear Lindsay

I want to keep a regular finger on the pulse of how we are doing for you, so I'd really appreciate it if you would give me your instant reaction to whether you would recommend our company, based on our work for you to date.

I only want you to click a single button. There's no lengthy survey or feedback form - I am just after your overall feeling. If you hit a red or amber button, I'll be in touch to find out more. If you hit a green or a gold star then I will make sure that the teams know what a good job they've been doing.

Thank you for taking the time to click. I look forward to your input.






Best wishes
Emma Mae, Account Director

	I'd recommend you in a heartbeat
	I'd consider recommending you
	I'm not likely to recommend you
	I'd never recommend you

Load the template into your email marketing software

At Process Street, we use [MailChimp](#) to manage our email marketing. It has great reporting, A/B testing and is easy to create and edit templates with. Chances are, you've already got one picked out, but if not – you need one! That's because you will have to track the opens and clicks to determine whether your NPS survey is working.

Here's a list of quality email marketing software to check through if you haven't got it set up yet:

	MailChimp has everything you'll need for designing, sending and tracking NPS surveys.
	Complete email marketing platform. Slightly more expensive than Mailchimp.
	A little on the expensive side, but full of useful features including a complete email marketing platform and CRM.
	Inexpensive – featuring A/B testing and forms.
	Intuitive, flexible editor. A much cheaper option than AWeber or MailChimp.

To send or to schedule?

Once you've got your survey, your email, and software to send them out to your customer base, it's time to make another choice.

Are you going to blast the survey out to your whole list, or have it trigger based on events?

You can send the email out at a few key moments in the customer lifecycle:

- Before/after subscription renewal
- End of free trial
- After the customer onboarding process
- After X interactions with customer success, customer support, etc.

To get the best results, this option is preferable because it ensures your customers remember you which means you'll get a better response rate and more objective data.

What're you going to do with all that data?

Provided you have a way to collate the responses (this will be easy if you've done it through a form service like Typeform or [Wufoo](#)), it should be easy enough to calculate your NPS score. Just follow the formula I gave you earlier. In case you're in need of a refresh, here it is again:

Your final NPS score is the net percent of your Promoters (scored 9-10), minus your Detractors (scored 1-6). Discount any other data.

Since NPS scores fall inside a range of -100 to +100, you need to work out category scores as percentages.

Subtract the percentage of Detractors from the percentage of Promoters to get your NPS score.

Remember, any positive result is a good NPS score. Any NPS over 30 is considered good, over 50 is great, and over 70 is excellent.

Take action to make improvements

Over the coming chapters, I'll be writing about how to optimize your customer success strategy with concierge onboarding, by improving user experience and by getting a support team running round the clock to solve your customers problems and build relationships.

Once you know your NPS score, you know how urgent this will be. To know where you're going, you need to know where you are *right now*.

Stick around and we'll continue this guide on customer success for SaaS companies.

05. How to Shape Customer Retention Strategies



How to Shape SaaS Customer Retention Strategies

that Beat Churn

Earlier in the book, I wrote about what churn is, and how to calculate it. Now, I'm going to cover how to beat it.

This is part 5 in an ongoing series on customer success for SaaS companies. Here are the previous 4 parts if you need a solid introduction to customer success:

- [What is customer success?](#)
- [Why is customer success important?](#)
- [What is churn?](#)
- [How to calculate NPS](#)

If you're ready to beat churn, read on and we'll get started.

The long road to churn, and why it's so disappointing

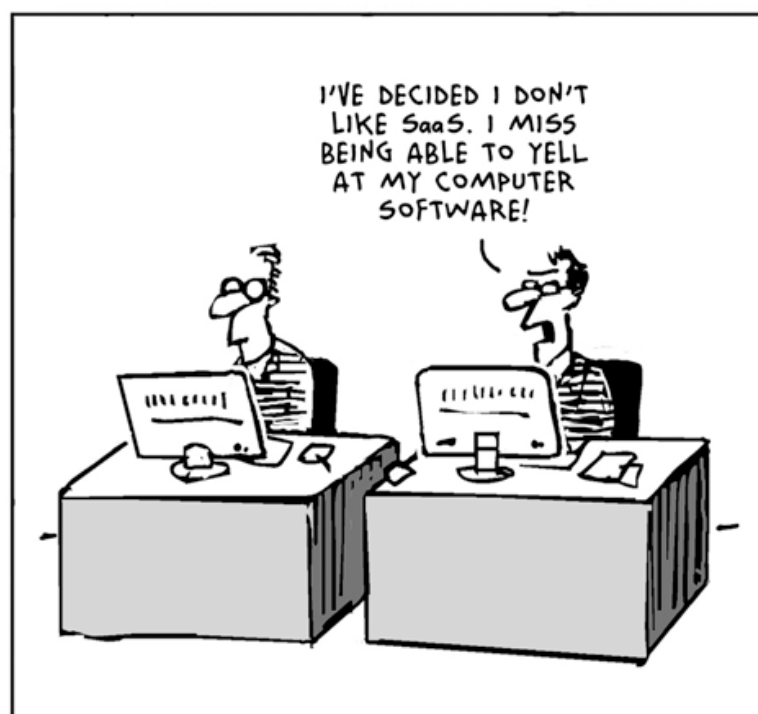
It took months of preparation. Nick learned about your product through your [content marketing](#), where you helped him with his problems and

even provided a bit of lunch break entertainment.

He saw your product's name over and over again thanks to your PPC ads, social media presence, and [content promotion](#). Respected influencers are buzzing about your product on Twitter, and he heard the other marketing team in his company were getting on well with it.

After reading the copy on your landing page, he didn't bounce. He stuck with it through the signup form, the activation email, and the onboarding tour. He even invited the rest of his team to try it out.

Over the course of the first week, Nick was engaging with the product less and less, and ignoring emails from your customer success team. Before the first month was over, he did something heartbreaking – canceled his subscription and churned out.



There's Nick. Most people in the world won't make it as far as him. He had hundreds of chances to lose interest before he visited your landing page, he clicked the activation email or finished your user onboarding tour.

You never found out why, so you can't help him or users like him. He was out as quickly as he came in, churning before he could become a valuable customer.

In this chapter, I'm going to look at the reasons customer churn and how you can stop them with customer retention strategies.

Voluntary churn: it's not me, it's you

According to [LessChurn](#) (a service for SaaS companies that helps them keep customers around and gathers feedback from those who leave), churn can be divided up into two types. The first is voluntary churn.

Voluntary churn is what happens when the customer decides your product isn't worth their time, money or attention. Maybe they're wrong and can't see the value, or maybe they're right and your product isn't a good fit.

Churn can be your fault, or it can be out of your control. If your product doesn't appeal to everyone, that's likely a good thing because it's highly targeted at a certain type of person. As Seth Godin says in his [Inbound 2015 keynote](#):

“Crappiness is sanding all the edges off to make everyone happy.”

You don't have a crappy product, right? Well let's focus on the areas that are your fault – the areas in your control, such as:

Confusing user onboarding

User onboarding is a ridiculously expansive topic, and it's hard to condense into [an entire book](#), never mind about a subheading. To get you started, I've written before about both the [user onboarding process](#) and [empty states](#) (the first thing your user sees when they go into your app). But these articles aren't 100% focused on churn, so I'll apply the ideas here.

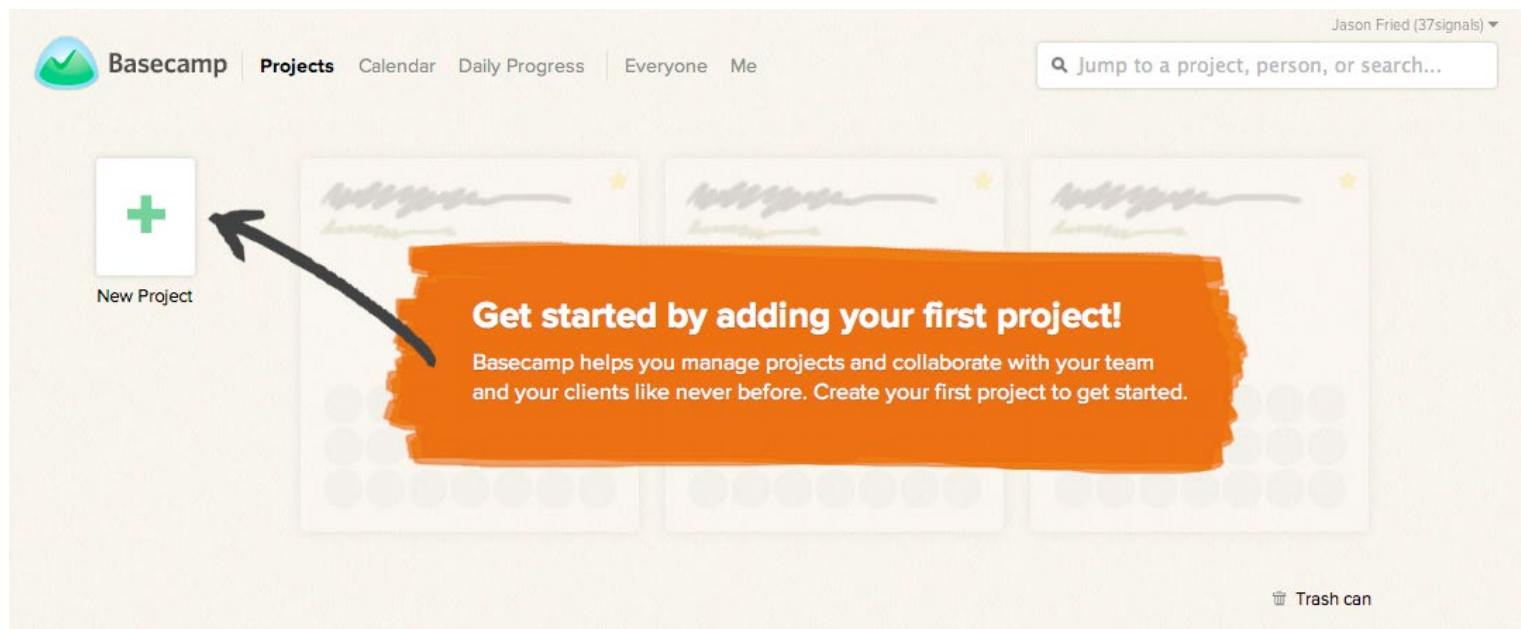
- **Reinforce the value of your product during the user's first session**

I say 'reinforce' because the user understands the value since the signed up in the first place. Go and look at the promises made on your landing page, and connect them to the actual user experience of your app. If your user doesn't understand the relationship between what they saw in your marketing material and the real thing, that's a big problem for you.

- **Design your app's empty state**

The empty state is what your user sees when there is no data to show. This could be because there's been an error, they've cleared out the example content, or simply haven't created anything yet.

Here's an example from [Basecamp](#):

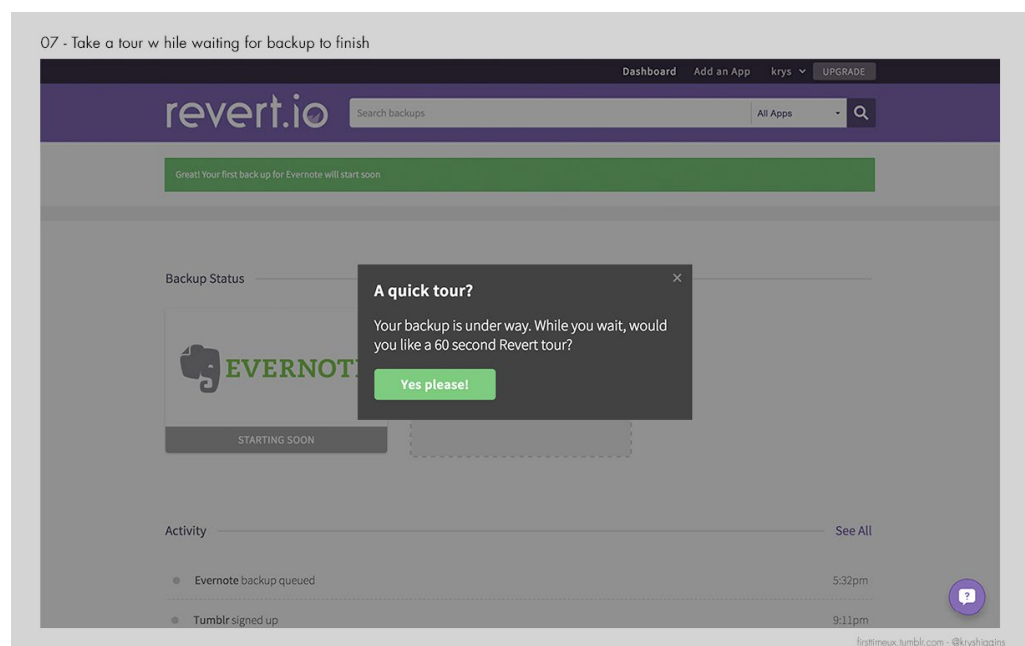


Make sure your empty states are helpful, not actually empty, and make sure they tell the user how to fill them up.

I've written a big article about exactly this, so if your users drop off after their first session, go here to read about a fix for this problem.

- **Clarify your app's features with an onboarding tour**

What's the first thing you expect to see when you start using a new app? It's probably an onboarding tour. A small box with several slides, each explaining a key element of the app and the benefits that come with it. Here's what it looks like:



While I'd bet a chunk of people skip them completely, it makes more sense to explain to users than to leave them to figure it out alone.

Your app's too young

At Process Street, we have an app a ton of users love. It's right for a lot of people, and many stick around for the long haul. We do, however, get the same feature requests over and over. Things like task-based assignment, forms, and [task-snoozing](#). We know that when we get those features built, we'll hook the kinds of users that previously churned because we didn't have the features they needed.

By keeping a close eye on what your users ask from you, you can reduce churn while building your product naturally. You can survey your users with a tool like Typeform, or keep a [Trello](#) board of features your users most want.

You're charging too much (but this kind of churn is great for your support staff)

[SaaS pricing](#) is an interesting topic there are far more arguments in favor of [raising](#) pricing than lowering it. But, with this said, high prices are a common reason for churn. How does this work?

Well, it's quite simple. Founder of WP Engine, [Jason Cohen](#) reported that the churn amongst users who bought his software with a coupon was [much higher](#).

Low prices attract unloyal customers. The kinds of people who choose

your platform because it's the cheapest, but still have a bunch of problems they think you should address or risk losing their \$5 bill on your doormat each month.

Low-quality customers wonder why the software doesn't do what they expected it to do because your more expensive competitor does it. They give your support team more **headaches** than any other group, and **you're better off without them**. That's what I'd call positive churn (ha).

Involuntary churn: it's not you, it's me

Involuntary churn is what happens when a user can't continue to use your product because of reasons out of their control. It's not worth dwelling on ways to stop this because it's not your fault, but understand that a lot of the time, users don't choose to quit.

1. Their boss decided to go with another product. (This could be related to your app's features, but it's a gatekeeper's choice, not your customer's).
2. They ran out of money (see 'You're charging too much' to realize it's not worth doing anything about that).
3. Their company went broke.

First steps for patching up your leaky product

The next 5 parts of this blog post series will be about reducing churn, so I'm not going to dive into a 10,000-word lecture just yet.

David Skok came out with a really interesting post on [lifetime value](#) on [ForEntrepreneurs](#) recently— while is something of a sidenote, it's going to be extremely important as part of your long-term customer success strategy. That's especially true when you consider how that a company with negative churn can have a customer lifetime value (LTV) of infinite. That sounds broken, right? David suggests a better way to handle it in [this great post](#).

By the end of the chapter, you'll have learned the fundamental aspects of customer success, how to reduce churn and how to provide the right support for your customers. The closing articles will be all about how to create and refine your own customer success process so you can train your team and launch into action with a foolproof strategy.

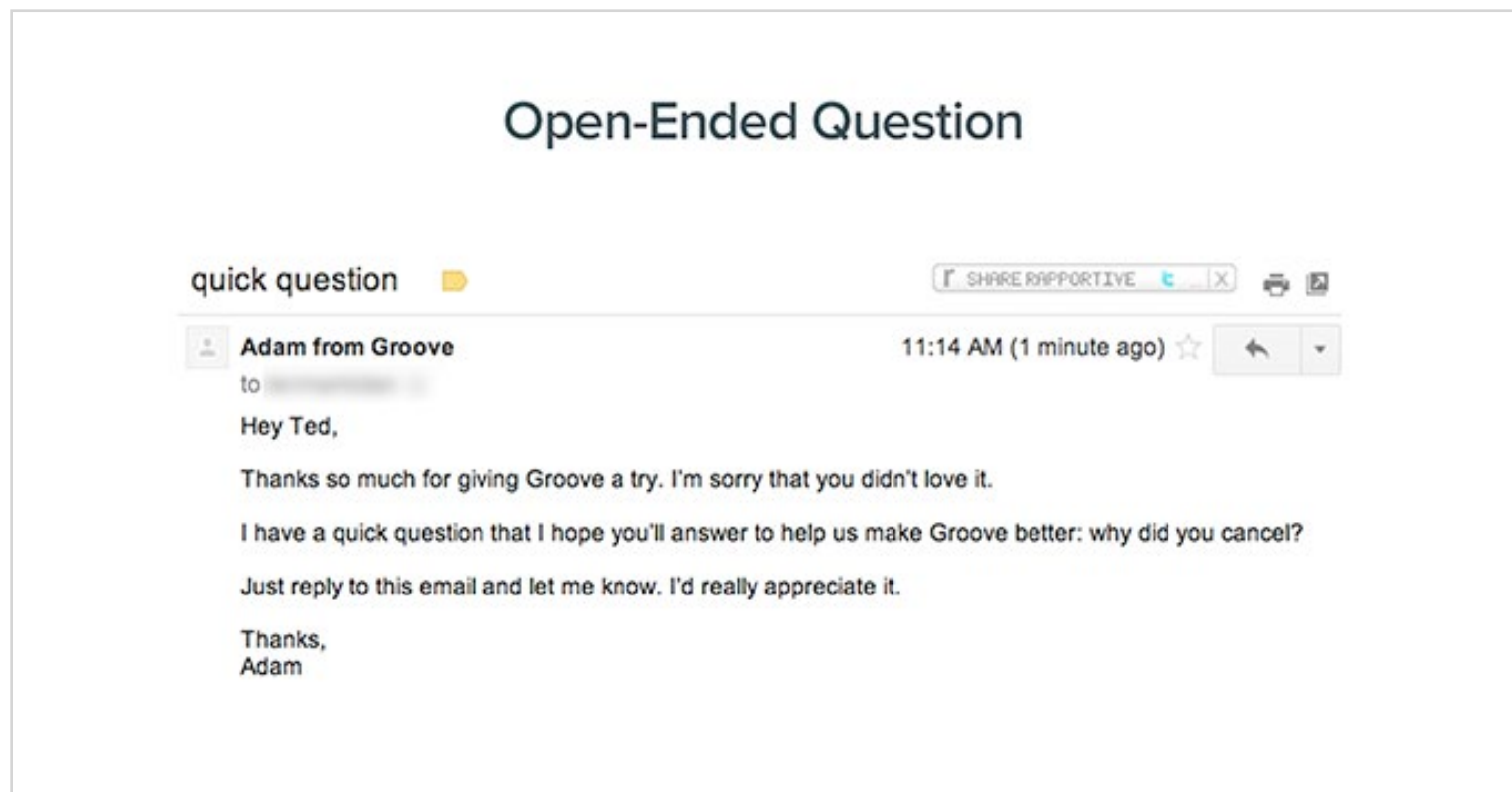
But for now, here are some prerequisites.

1. Gather customer feedback

This is *monumentally* important. For starters, it can be as simple as attaching a survey to your automated email that gets sent out when a customer cancels. See last chapter about [NPS surveys](#) to learn how

you can embed surveys in emails or set them up using something like Wufoo or Typeform.

While this is one way you could do it, [Groove recommends](#) asking an open-ending question like this:



2. Work out what your app's Aha! Moment is

As we saw at the start of the article, the journey from awareness to long-term use is a rocky one.

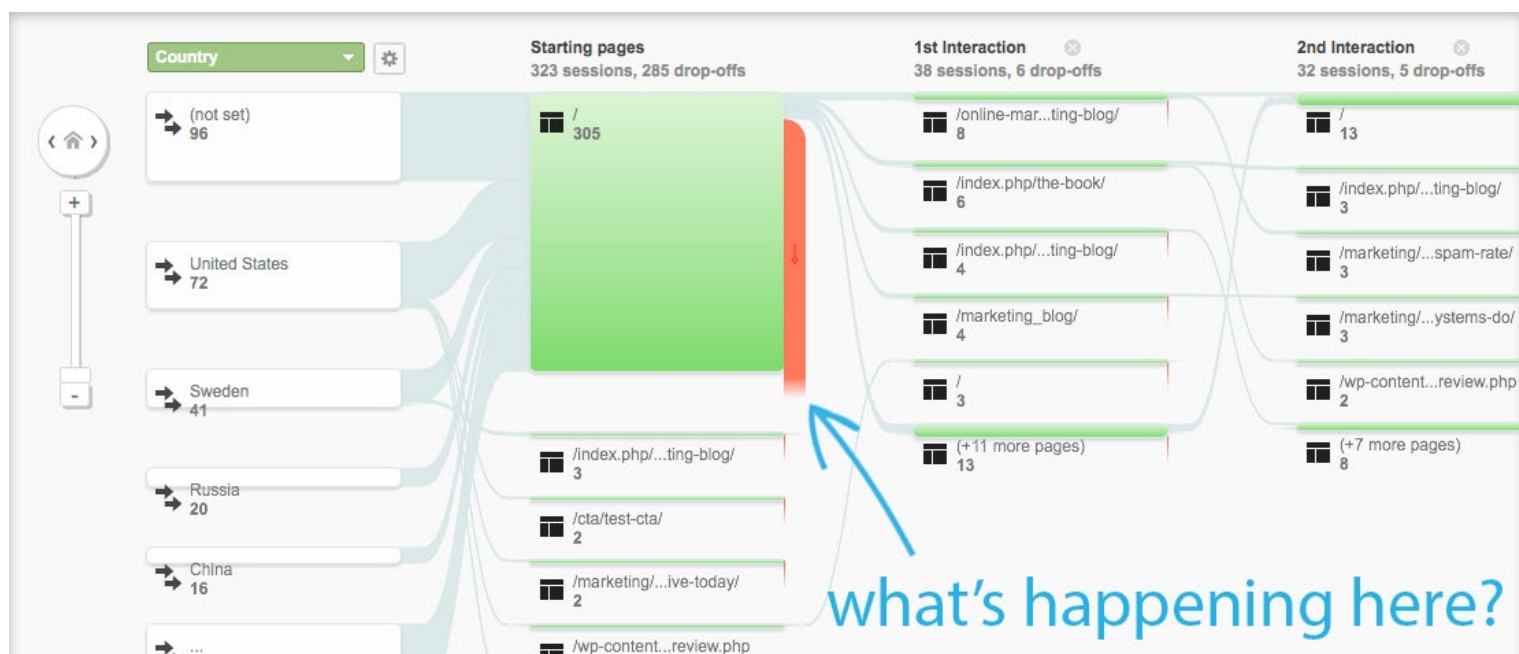
You need to get your user from their first few seconds inside your app to their moment of first value as quickly as you can. When I think about the ways you can do this, my brain boggles at how many different strategies there are.

One good way that straddles the UX and customer success disciplines is analyzing what today's power users did in your app when they signed up. For example, [Twitter's Josh Elman](#) found that the users who stuck around had a common trait:

“ It turned out that if you manually selected and followed at least 5-10 Twitter accounts in your first day on Twitter, you were much more likely to become a long term user, since you had chosen things that interested you. And if we helped someone you know follow you back, then even better. As we kept tweaking the features to focus on helping users achieve these things, our retention dramatically rose. ”

The same goes for Facebook. Its VP of growth, Chamath Palihapitiya, said that he noticed that repeat users had one thing in common: they had mostly [made 7 friends in 10 days](#).

What do your best customers all have in common? How did they start out with your app? Answer that, and you'll know what to emphasize during your app's first-time use.




Looking at user flow in [Google Analytics](#) can help you pinpoint the step with the most friction – where the majority of users drop off.

3. Start targeting the right kinds of customers

Let's take Process Street as an example again. Process Street isn't designed for a vertical, like HR teams or lawyers. It has a horizontal appeal. It works just as well for advertising agencies as it does for real estate agents, healthcare professionals, and retail executives.

But let's say we take a look at our data one day and find that from our best customers, 90% of them are marketing professionals. That means that there's something particularly appealing about our app to that segment, even if we don't know what it is.

 <p>Peter</p>	<p>Works as product manager for a mid-sized company.</p> <p>Is 35 years old, holds a marketing degree.</p> <p>Has got experience working as a product owner on software products with agile teams.</p> <p>Has had some Scrum training.</p>	<p>Has managed mature products successfully. Now faces the challenge of creating a brand-new product.</p> <p>Wants to leverage his agile knowledge but needs advice on creating innovative product using agile techniques.</p>
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So, what would we do? Probably get in touch with them for a start. Ask them what they like about Process Street – have a chat with them or send them a survey.

Then, we'd gear our marketing material towards marketing teams. We'd start writing content they'd be searching for, and maybe make a custom landing page targeting a keyword they'd come across. From the survey responses we'd get back we'd know which features are most important to them, and we would be able to emphasize them early on, develop them further and make the ultimate marketing operations tool.

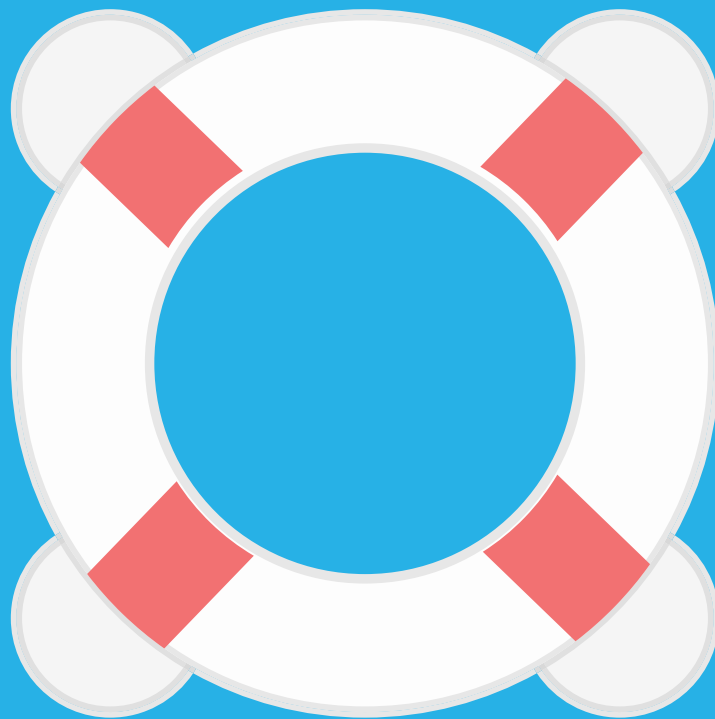
Maybe that would mean we'd not be so widely appealing, but remember the Seth Godin quote about crappiness?

Crappiness is what happens when you try to be the best product in the world for every customer. Being the go-to product for marketing teams is definitely sufferable and it's not like there's not enough money in that world.

If it means reducing churn, don't worry about going after what you thought was just a subset of your customers.

06.

A Smart Way to Manage SaaS Customer Support



A SaaS Owner's Guide to Managing Your Customer Support Process

While your blog is the external face and voice of your company, your support team is the internal one. According to [Jason Lemkin](#) of [SaaStr](#), SaaS companies – especially startups – should be using their company's product, even if the teams don't strictly 'need' to.

In Jason's [article](#), he recounts how PayPal president David Marcus ranted 'use our app or quit' to his employees. While it could be argued that David Marcus is being an angry egotist and going a little too far for an app that everyone may not have a use for, he says that the reason he wants everyone using it regularly is so that PayPal can 'get better, and better'.

That brings up an interesting issue – by putting every single employee on support in some capacity, you're tackling several problems at once. You're lightening the load of the dedicated support teams in busier times, teaching employees about the product they may well be advertising or marketing and gathering vital data from users on how the product could be improved.

Over the several past weeks, I've looked at the [definition of customer success](#), why it's [important](#) and how to [reduce churn](#). Now we're going

to get into the nuts and bolts of customer support for SaaS companies, including strategies, [workflows](#), and tips for getting set up.

Let's get started by looking more closely at the support model briefly described earlier.

Everyone should do customer support in your SaaS company

How product-focused is your SaaS company? Look at the individual teams and gauge how much engagement with your product would be necessary for them.

- Engineers built and tested it – they know their shit.
- Salespeople *should* have an intimate understanding of the product so they can be at their best when talking to prospects.
- Marketers also *should* know the product inside out (along with the target buyers) so they know how to position it.
- Customer support and customer success should be nothing short of power users. They need to know the answer to every question thrown their way.

Everyone else? Not so much.

**The whole company chips in
to improve the product,
train up employees and
have a backup support force.**

So, what's the solution? In order to **improve your product, train your employees and have a backup support force** if your help desk is overwhelmed, every employee should chip in.

At Process Street, we recently started dividing customer support between every single employee, with Peyton (our front end engineer and support manager) training each of us to train each other. Peyton trains Kate, Kate trains me, I train (the other) Ben, and so on.

By dividing support up between all of us and training each other, we can let Peyton get back to doing the job he was hired to do, avoid hiring a dedicated support team to manage the not-so-overwhelming volume of tickets and all learn to use the product better.

Even larger SaaS companies with dedicated support can benefit from this structure, but it's especially useful for startups which don't get enough tickets to call for hiring a specialist.

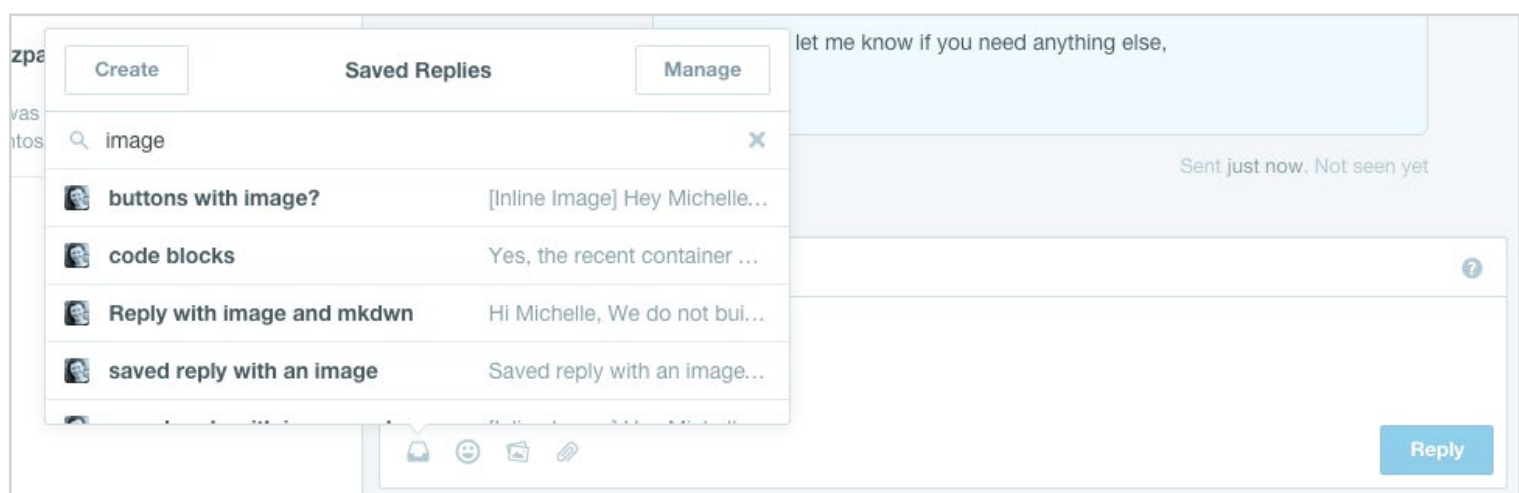
Develop a support procedure document that works for you

As you might have guessed from the product we sell, Process Street is super-focused on processes. Since getting support set up is a collaborative effort, and none of us have a solid background in support, we first collaborated around a shared document in our app to hash it out.

Here are the subheadings in our support procedure document:

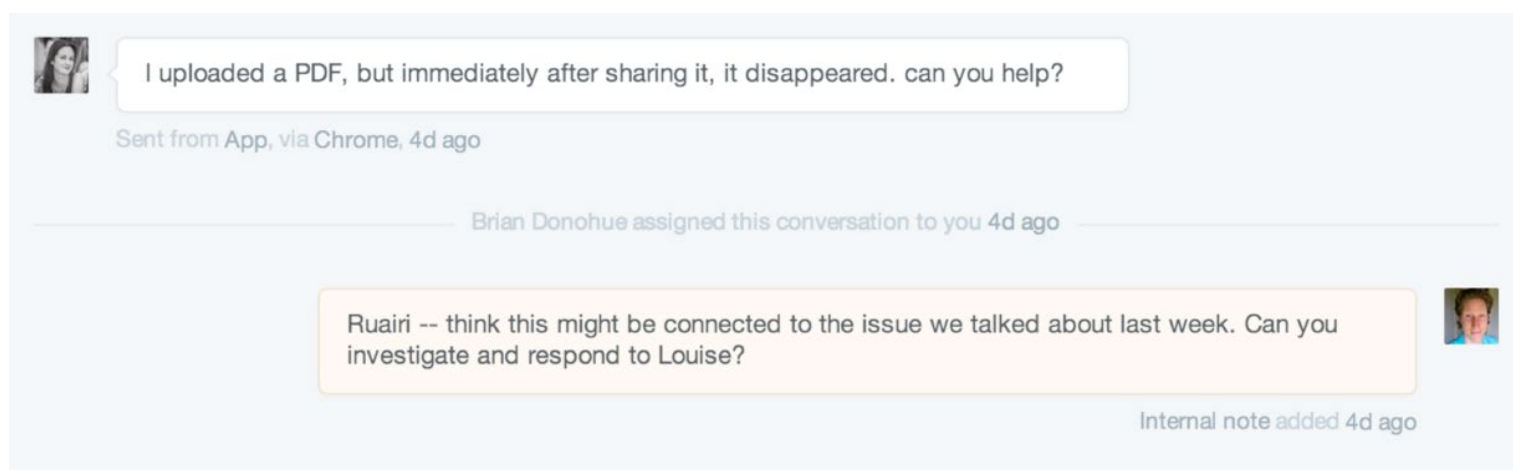
Scheduling: We decided to work in pairs over 1-week cycles since we have an equal number of employees in Europe and the US. For example, I cover support with Peyton this week. I answer tickets when he's asleep, and when it's time for me to clock off for the night, he covers support instead.

Saved replies: Support is an analytic job – by that I mean you have to analyze the tickets that come in and see if you can answer quickly with a saved reply or if it's too complex for that. Alongside the process document, we also gathered together our most answered questions and wrote saved replies for each of them then added them into Intercom.



Response time: What's your response time goal? Does this differ between free and premium users? Often, SaaS pricing works in a way that allows **paid users to get priority support** as part of the deal.

Answering tickets: Employees still being trained for support **don't reply directly to the ticket**. Instead, they go into Intercom as the first priority in the morning and look at the unassigned tickets. Then, tagging the person that's training them in a note (not a direct reply), they submit an answer for approval. This way, the trainee knows what is acceptable and what isn't before they get in direct contact with the customer.



The tone of voice: Process Street isn't Microsoft, a telecom service or a company that puts its customers through a labyrinthine trial to get a response from a support agent. We're a customer-centric startup with a **friendly, helpful tone** and a **drive to close the gap between our customers and ourselves**. That's reflected in how we talk to our customers, too. The process we put together outlines the important components of this including **useful phrases** and the **right attitude to take**.

Follow-up procedures: We always end our support tickets with a question. This helps us forge a better relationship with our customers because it provokes conversation. Looking at our Intercom history, I

can see that sometimes we even end up having a friendly chat with a customer after the ticket is resolved. Since we ask a question and want to form relationships and ensure the issue was resolved, **it's standard procedure to follow up with customers who haven't responded in 48 hours.** One follow-up is enough unless it's an important ticket from a user bringing in a lot of money. For those customers, we want to be extra sure that they're getting on well.

Ticket escalation: While engineers should be trained for support, it doesn't mean that support agents need to know how to fix coding issues in your app's backend. For bugs, the aim is to **gather as much information as possible and then escalate the ticket to an engineer for resolution ASAP.**

Feature requests: Feature requests make up a sizeable chunk of the support tickets we receive. For now, while we're still young and foolish, **we're tracking these on a Trello board with one card for each request.** We tag them according to their nature, which is UI request, UX request or technical request. Every 2 months, we compile a list of the most popular requests and push that to the engineering team to make it so.



Evaluation: At the end of the week, trainees evaluate themselves and are evaluated by their manager. Trainees answer:

1. What was the most popular issue people were having? Is it an outstanding bug?
2. During what periods of time did we receive multiple requests?
3. What are other patterns your notice?

Managers analyze:

1. Your average turnaround time on tickets
2. Your volume of tickets answered in a day
3. Conditions that affected inquiries coming in.

You can use these prompts to create your own procedure document and help to systemize your support operations and ease the support [employee onboarding process](#).

Create a support workflow (and make sure it gets followed)

Like I said before, we're [mad about processes](#). If we were a terrible stock photo, this is what we would look every time someone mentioned them.



We've seen first hand how processes help us and many other businesses increase their efficiency and reduce busy-work. Currently, we're drafting a support workflow which will eventually be set up in Process Street as a template for agents to run as a checklist for each conversation. Here's what it looks like, at a glance:

1. Check Intercom for unassigned issues.
2. If you're in training, leave them unassigned. If you're not, assign them to yourself.
3. Parse the inquiry and decide if the ticket can be answered with a saved reply or not.
4. If you don't understand the ticket, politely ask them for more information instead of telling the user that you don't get it.
5. Escalate any UI/UX/technical bugs to the engineering team.
6. If it's not a bug or a ticket that can be answered with a saved response, write a response as a note, tag your support

manager and suggest it as an addition to your collection of saved responses.

7. Always finish conversations with ‘did that help?’, ‘was that clear?’ or another direct question.
8. If the customer becomes frustrated, immediately tag your support manager in a note and mention them in the support Slack channel.
9. If the customer has a complex issue, you have provided an answer but they ‘saw’ the message and have not responded, send a follow-up after 24 hours.
10. If the customer does not respond at all after 5 days, even after ‘seeing’ the message, close the ticket.

Process documents will always be evolving as you change your other systems, tools or workflows, so keep in mind that they are never set in stone. For more pointers on writing process documents, see this article on [business writing tips](#).

Segment your support tickets to keep engaged with the customer

As our support process evolved, we found we needed to segment support tickets according to the request and the team that should be dealing with it. Right now, we divide tickets into 3 groups so we can track and act on them more easily:

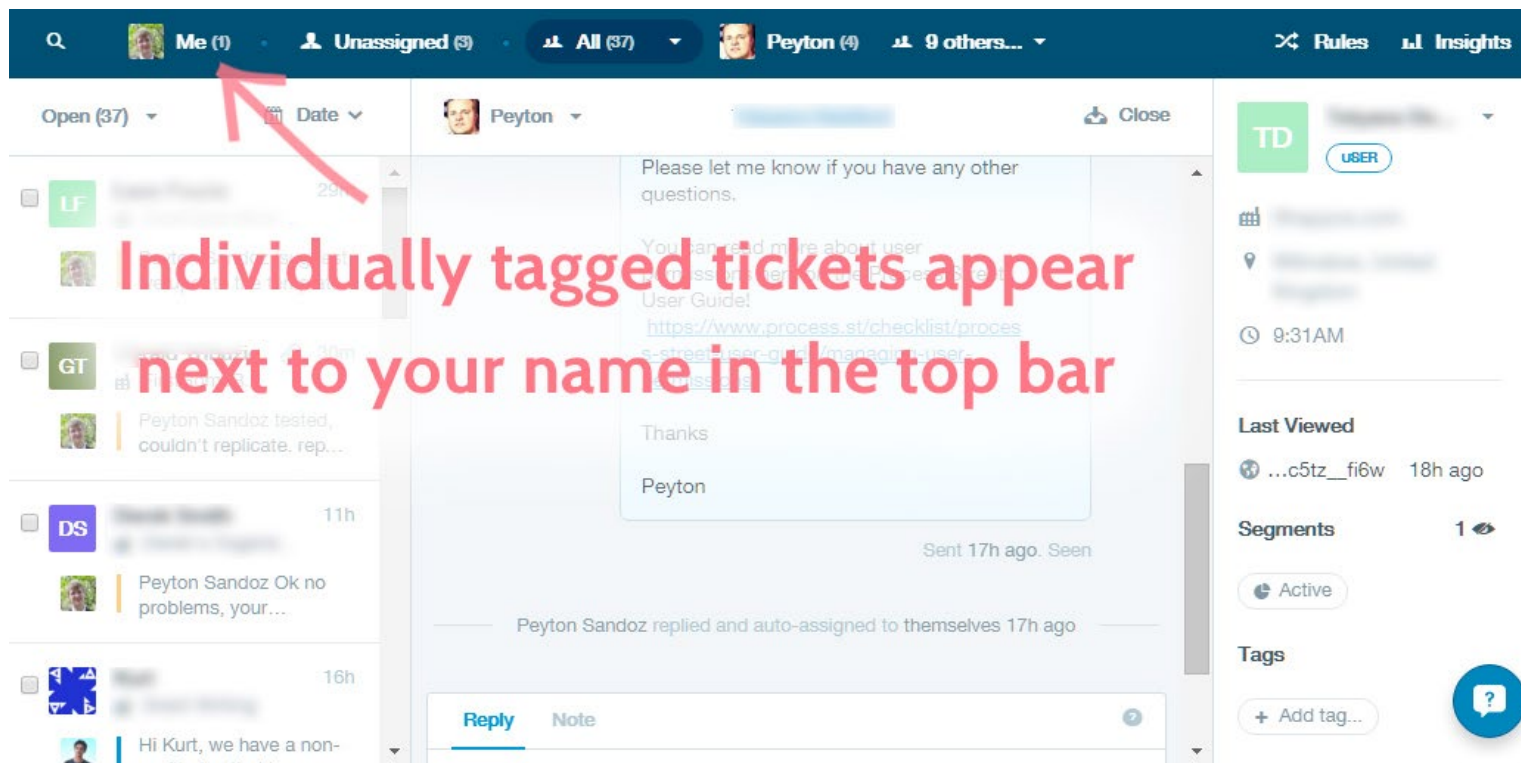
Marketing: Marketing requests are tickets relating to guest posts submissions for our blog, featured writer requests or other marketing operations tickets.

Development: Tickets grouped into Development are bug reports and feature requests. We individually contact customers who request features or report bugs to let them know that the feature has been built or the bug has been fixed. For non-urgent items, we process these each week. This might mean adding features to the Trello board, or sending out 'hey, we fixed it!' emails.

Sales: People who are interested in buying, request pricing or want to know more about discounts are segmented into our Sales group. By keeping all of our interested buyers in one place, it's easy to follow up with them and get them booked in for a demo. We only tag tickets with Sales if they require a follow-up email.

Unassigned: The Unassigned group is for tickets which need action, haven't been answered yet or need processing by whoever is being trained at the time. New support staff being trained don't assign tickets to themselves or reply, they leave a note tagging a manager and keep the ticket unassigned.

Individual assignment: When you reply to a ticket in Intercom, it automatically is assigned to you. If a manager has assigned a ticket to an individual, it's taken care of with top priority. We keep tickets assigned to us if we're personally testing a bug report or having a more in-depth conversation with a customer. Also, we assign tickets to team members who can answer the question with their specialized knowledge.



Create a recurring checklist to run for each ticket

We've found that the best way to train new support agents is to have them run a customer support process checklist each time they reply to a ticket.

Peyton recently put together this checklist guide which helps us to:

1. Determine the type of ticket
2. Write a quality response
3. Escalate it if needed
4. Categorize it properly

It's important to note that support (and most other processes) are always evolving. We're still a young company and this is our first attempt at what I'm sure will be a long and ever-changing customer support process.

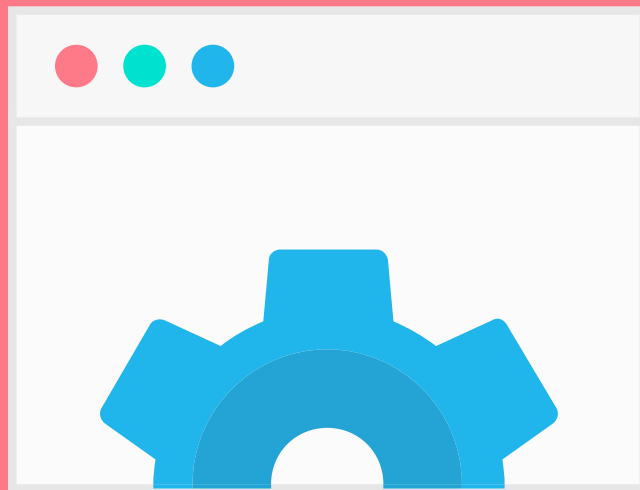
How to start this customer support process for every employee

The first step to implementing company-wide support is to find the person in your organization with the most grounding in support, managerial experience and who is in a position to devote some time to training someone else. This might be someone on the product team who has an intimate knowledge of the app but isn't constantly fixing backend bugs or furiously building new features.

The idea is to have them train just one other person to do the job well enough so they could a third support agent in the same way. I couldn't find a buzzword for this, but I guess if I had to create one whilst shuddering at the thought of it, it'd be 'viral training'.

The training should include the manager introducing the trainee to the procedure document and workflow, then reviewing each support ticket before it goes out. In Intercom, this is done by adding a note and tagging the manager.

07. Enhance Your SaaS User Experience



Improving Your SaaS User Experience

for Customer Success

I've talked at length in the past about the user onboarding process, the difficulties of [first-time use](#) and how [empty states](#) can solve some of these problems.

While this is all well and good when you're trying to tackle user drop-off after the first session, what about the later stages?

Assuming that everything else has clicked into place for your user and they've made it all the way up to the purchase, you must have made a good first impression! Unfortunately, it'll be all for nothing if your app is hard to use, awkward, inflexible or disappointing over the long term, or if your premium plan's onboarding isn't tight.

Post-sale UX optimization isn't something I've looked at before, or even heard about. But writing a guide about SaaS customer success is not a small task and UX is definitely a big deal, especially because good UX makes it easy for Customer Success to do their job.

In fact, a good SaaS user experience takes the weight off [customer support](#), too. Overall, you don't want to put a barrier between your users and your app and most importantly for revenue, you don't want to put a barrier between your *paying* users and your app.

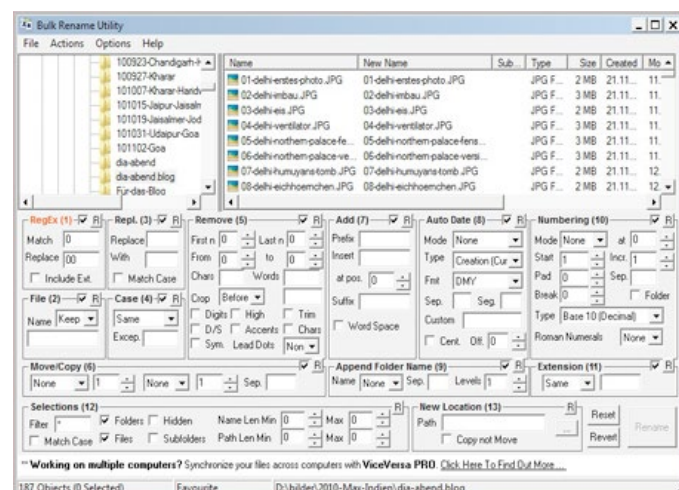
Here are some SaaS user experience optimization pointers to think about which will make the lives of your **Customer Success** team easier.

Don't create a disconnect between the product and the packaging

Expectation



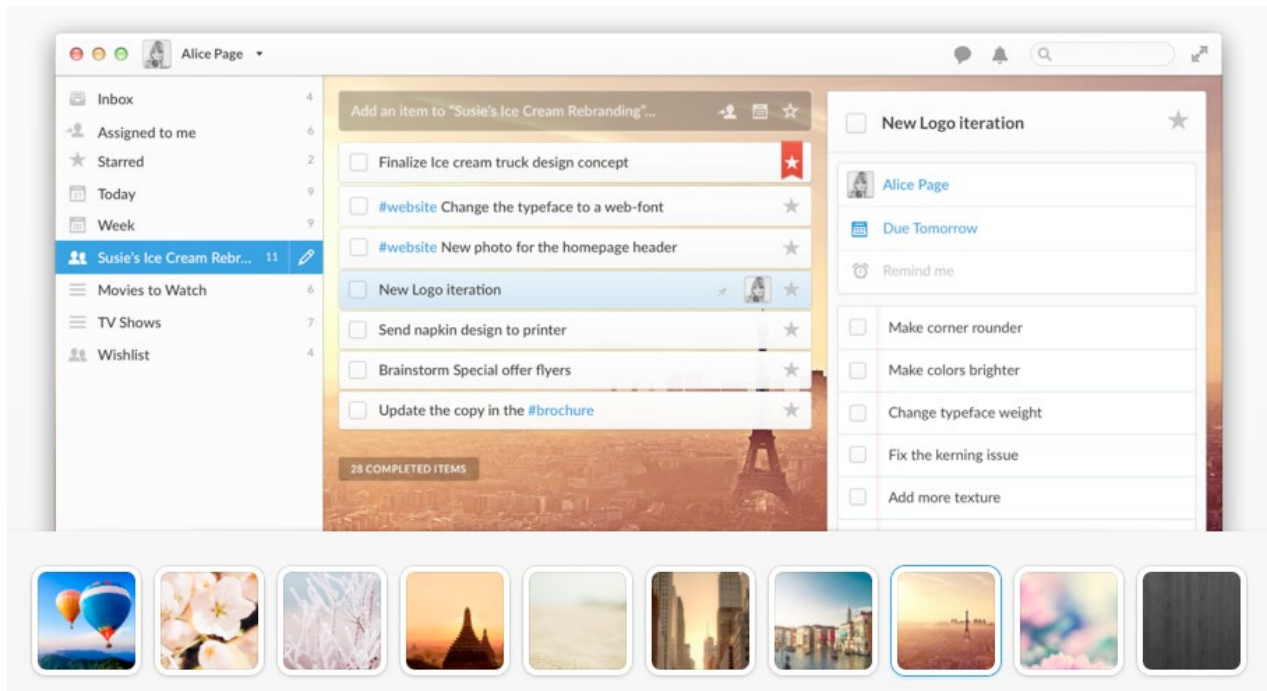
Reality



I'd bet that the disconnect between product and packaging – or marketing material and in-app experience – is a huge reason for drop-off both in the early usage stages and when upgrading. Since premium versions of products will often have new features and your landing pages will emphasize these features as incentives to become a paying customer, it's important not to overplay it.

While the image above is an extreme example, we've all experienced something similarly disappointing. The solution is to be honest – it might be that you're getting conversions based on your features, not your

design. But when the design doesn't match expectations, users can feel cheated – especially if you made the paid version look infinitely cooler.



A neat trick some apps implement, such as [WorkFlowy](#) and [Wunderlist](#) (above) – both of which have subscription pricing structures – is to offer visual personalization of the app in the premium version. This gives the user ownership over their design, and makes them feel like it's 'their' product.

Design for the full, unrestricted app

SaaS is extremely young, but UX as a thing people care about or speak about is even younger. It wasn't until around 2002 that it was even in public discourse, with the publication of [The Elements of User Experience](#).

What I'm getting at is that SaaS and UX should have grown up together, hand in hand. That's because the nature of SaaS is that when you buy

a product (unless you buy the most expensive edition) you only see a fraction of it.

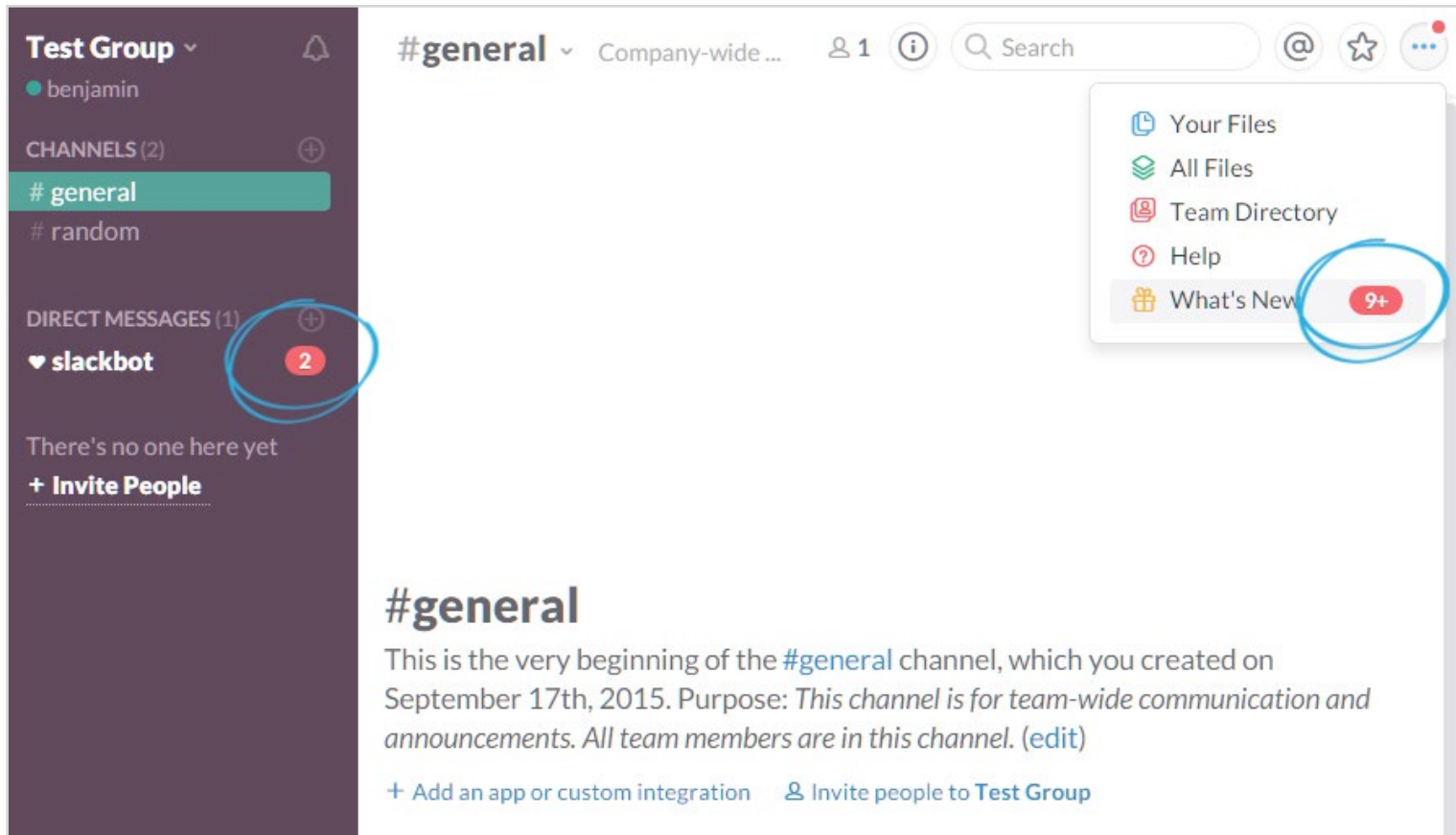
When a user upgrades, parts of the app which were previously hidden reveal themselves. The user will need re-onboarding with these elements in mind or could get [buyer's remorse](#).

Since this guide looks at concierge onboarding (otherwise known as high-touch onboarding), you're probably going to be giving 1 on 1 demos of these features instead of in-app, self-service tours. With that in mind, you still want to make sure that the transition isn't jarring, overwhelming or hard to commit to memory after the demo (see the next tip for more help with that).

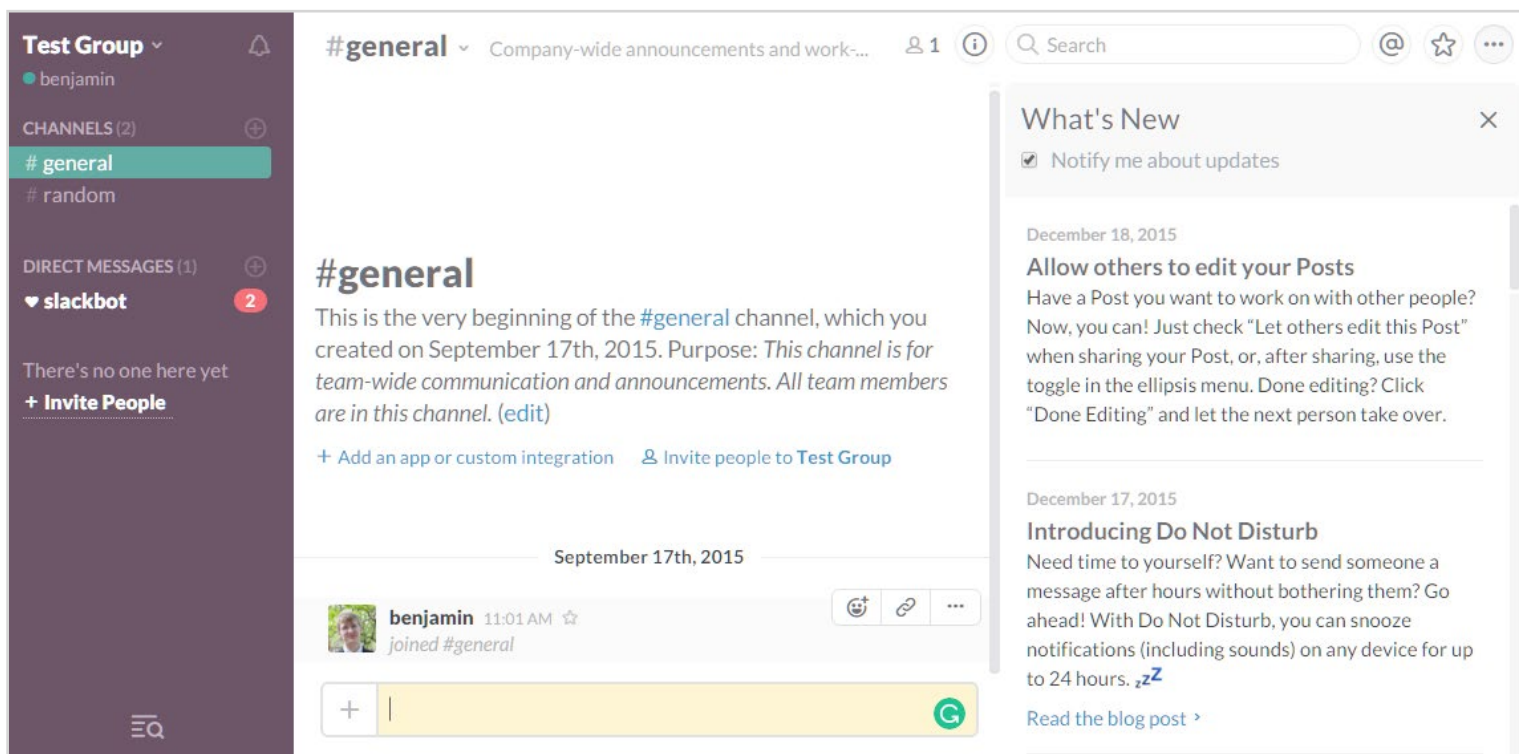
This [post on UX tools](#) from Usability Geek starts out with tools that help with research and includes app like [UsabilityTools](#), [Woopra](#), and [Usabilla](#). These tools are designed to monitor usage and collect user feedback, which is great for a more self-service approach. However, a big benefit for you when working closely with customers is being there to hear feedback first hand and have a dialog with your users.

Use little hints to introduce new features

As I've looked at before, [Slack](#) is fantastic at getting users onboarded – not only during the first session but also for new features. While Slack certainly has a customer success team helping its big customers set the app up properly, it helps every user to get a subtle note about new features.



Slackbot pops up in direct messages during the first run, but the What's New notifications appear as new features are introduced. Inside the menu, here's what it looks like:



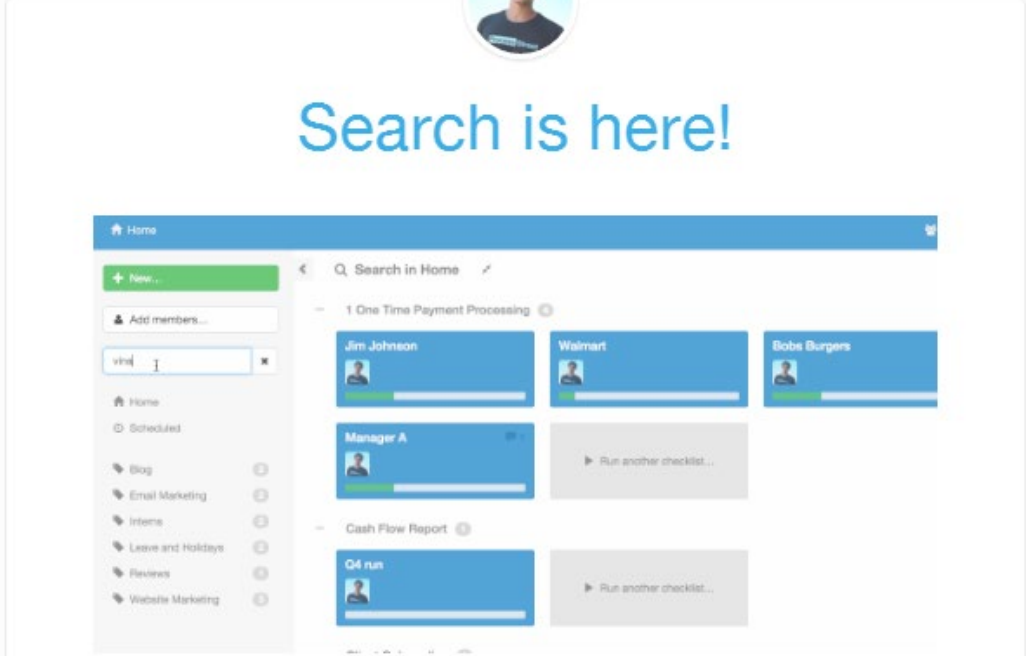
Slack has a whole host of in-app and external help material, including a huge database of support articles and feature announcements on their

blog. Onboarding existing customers with new features is a process of making users aware and having information available on several channels.

At Process Street, we send out emails announcing the features so we can alert existing customers to the cool stuff incoming and reactivate users that are in danger of [churning out](#).

Additionally, for regular app users, we have a popup conversation box powered by [Intercom](#) to announce the feature and see if users have any questions.

Here's our latest announcement for Search, appearing in the app's support area:



The screenshot shows a user profile at the top with the text "Search is here!" in large blue letters. Below this is a dashboard interface. On the left is a sidebar menu with options: Home, Add members..., a search bar containing "vini", and a list of categories: Home, Scheduled, Blog, Email Marketing, Intents, Leave and Holidays, Reviews, and Website Marketing. The main content area has a search bar "Search in Home" and displays a grid of items under the heading "1 One Time Payment Processing". The items include "Jim Johnson", "Walmart", "Bobs Burgers", "Manager A", and "Cash Flow Report". Each item has a progress bar and a "Run another checklist..." button. Below the dashboard, there is a text block stating "You can now search templates and checklists straight from the dashboard." followed by "Try searching for:" and a bulleted list: "Templates", "Checklists (blue cards)", and "Users (who are working on checklists)". At the bottom is a button that says "Give it a try now!"

You can now search templates and checklists straight from the dashboard.

Try searching for:

- Templates
- Checklists (blue cards)
- Users (who are working on checklists)

Give it a try now!

Throw a party for your successful user

If a user has grasped a concept, made a leap in learning your product or just completed the action you can strongly link to conversions, it's time to celebrate.

[Samuel Hulick's](#) Help Scout post on [user onboarding mistakes](#) points out how that MailChimp's success screen that it shows when you've sent an email is an actual high-five – which is what it should feel like when a user succeeds with your app.



High fives!

**Your campaign is in the
send queue and will go out shortly.**

Now, we know that for SaaS products with several thousand users, things like 1 on 1 contact for everyone isn't possible. Even though it won't

scale, being directly in touch with your high-value customers is vital.

Even though it won't scale, being directly in touch with your high-value customers is vital.

For example, you could call or email high-value users directly to let them know you saw they reached some kind of milestone with a new feature and see if they need any more help.

Alternately, if it looks like they got stuck while playing with it, call to see if you can offer a helping hand.

What's the link between SaaS user experience and customer success?

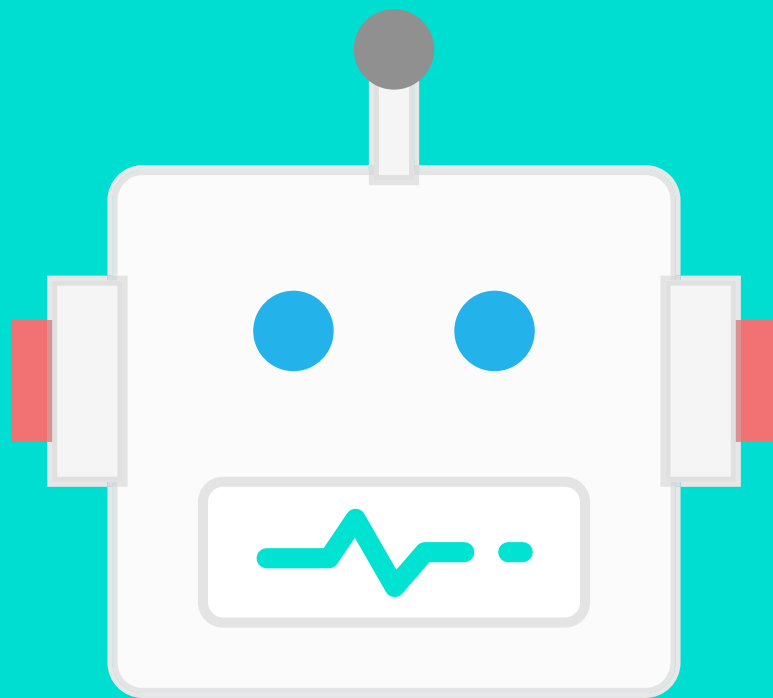
The idea behind improving user experience with customer success in mind is this:

1. If you can make it easier for your customers to interact with your app, they will achieve success more quickly, firmly and... long-lastingly.
2. Users should be primed for success from the moment they discover your app. This means that they should know what to expect by reading your [copy](#) and seeing your screenshots. It means they should have great interactions with the sales team who should try and teach the users about every feature they'll need.

3. User experience – how it feels to use your app – should be optimized to make sure your users want to stick around, learn the new features, interact with your customer success and [support staff](#)

We're getting close to the end of our customer success guide for SaaS companies! With the chapters so far, I've gone through the prerequisites for setting up customer success. Now, we're going to look at automation, and setting up a process.

08. How (and When) to Automate Your Customer Success Process



How (and When) to Automate Your Customer Success Process

Customer Success isn't something you do once or someone you hire to make magic happen. Unfortunately for those who are shy of putting in the effort, it's a *process*.

A **customer success** process should include many of the functions we've talked about so far in this guide, such as **customer support** and **NPS surveys**, but also routine 'check-ups' on the health of your customer base.

There is, however, some good news about this. Since customer success is a process, it means a few things:

1. Part of it can be automated.
2. It can be rationalized and broken down into steps.
3. It's easy to train a group of people to execute it.
4. It's easily tracked and documented.

What does a customer success process look like, exactly?

In this final sprint of our guide, I'll be telling you exactly that.

This week, we'll look at the ingredients of a watertight process and how to set it up.

Next week, we'll study how to refine and optimize processes, and in the last part of the customer success guide, we'll look at something just as important as starting: keeping it up.

But now, let's start with what a customer success process might include.

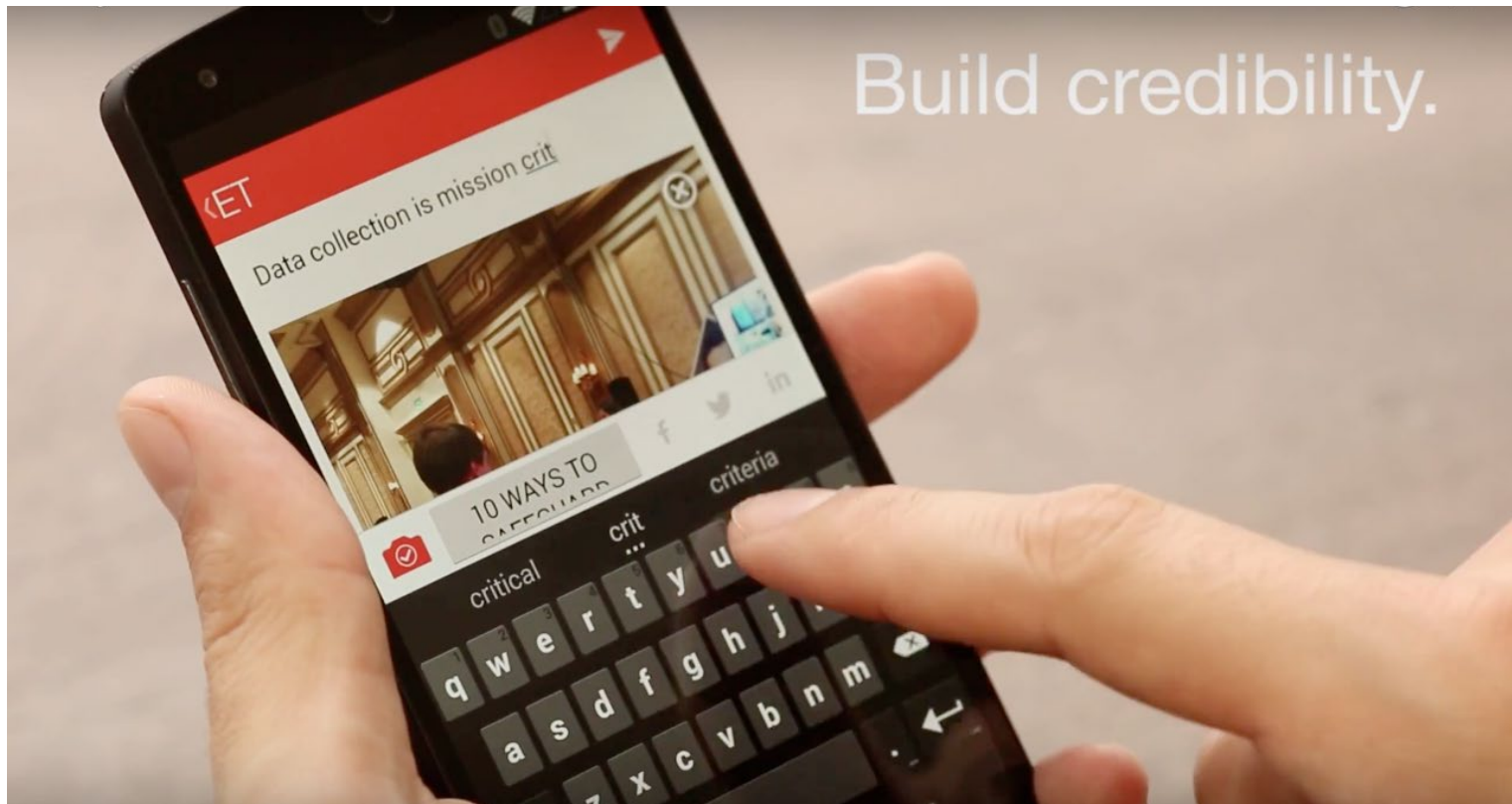
What's in a Customer Success process?

Obviously, in the eye-rolling and unhelpful words of me, all the time: your customer success process depends on your business.

I'm saying that because I can't promise to cover everything with this guide and to encourage you to go look at what your product lends itself to and what it needs.

Maybe it's a mostly self-service SaaS product like Trello, where Customer Success may only be brought in for huge enterprise setups.

But maybe you have a product that needs the high-touch approach of concierge onboarding. Companies like [DoubleDutch](#) – who create custom apps for industry events – have no choice but to work closely with customers.



DoubleDutch has developed a highly effective Customer Success process which allows them to give every customer as much care and attention as they require and deliver high-quality apps on a tight schedule.

Chances are, you fall somewhere between the two categories of self-service and high-touch. It might be possible for customers to use your service whilst never interacting with a human, whilst also possible(and sometimes necessary) for customers to get a little more guidance.

From what I've learned from the processes in place here at Process Street, my interview with [Aaron Lapierre](#) (Vice President of Client Services at DoubleDutch) and research from companies like [Totango](#), [Zendesk](#) and [Zapier](#), I've put together a list of systems and events which can come together to form the customer success process.

- Kick-off call
- Data gathering
- Webinar training
- Training articles

- Follow-up sequences
- NPS surveys
- Feedback loops
- Customer support
- Ensuring renewal

As you can see, some of these events or systems can be fully automated (follow-up sequences) while some need human interaction to work (kick-off calls).

Figuring out which it would be possible to automate and which will need a person or team assigned to is the first thing to do.

Kick-off call

The kick-off call is the first phone call made post-sale. The salesperson hands off to the designated Customer Success rep who calls the customer to find out more about their situation.

For a complex product (like an analytics platform, for example), this helps the Customer Success reps figure out how the product can be set up and implemented for the customer.

For DoubleDutch, the kick-off call is focused on letting the customer know the process and familiarizing them with what's going to happen next.

As the first point of contact between a customer and someone who isn't trying to sell something, it's a time where the customer feels valued and looked after.



When Zapier was just starting out, CEO Wade Foster would **personally call customers** and hack together custom integrations for the apps they needed to connect whilst still on the phone. Zapier used the kick-off call as a way to impress customers, secure deals and spread the word that their company is willing to go the extra mile for their customers.

Data gathering

The data gathering process is something which can be automated and might be partially complete before the Customer Success process starts. Depending on what your staff do pre-sale, the marketing or sales team may have already gathered data that can help Customer Success learn more about the company they'll be working with.

Depending on what your staff do pre-sale, the marketing or sales team may have already gathered data that can help Customer Success learn more about the company they'll be working with.

Professor of marketing at Baylor university, [Jeff Tanner](#), says that [the biggest mistake](#) in the data gathering process is “asking for too much at one time and overwhelming your customers”.

Webinar training

We know that webinars generate leads. At least, if you don't run them yourself you can tell by the invitations in your inbox every week.

What's not so well-known, however, is how they can be used to nurture, train and engage existing customers.

SaaS company [Rainmaker](#) – who offer a marketing platform for digital entrepreneurs – use webinars at every stage of the customer journey, from awareness through the success process.

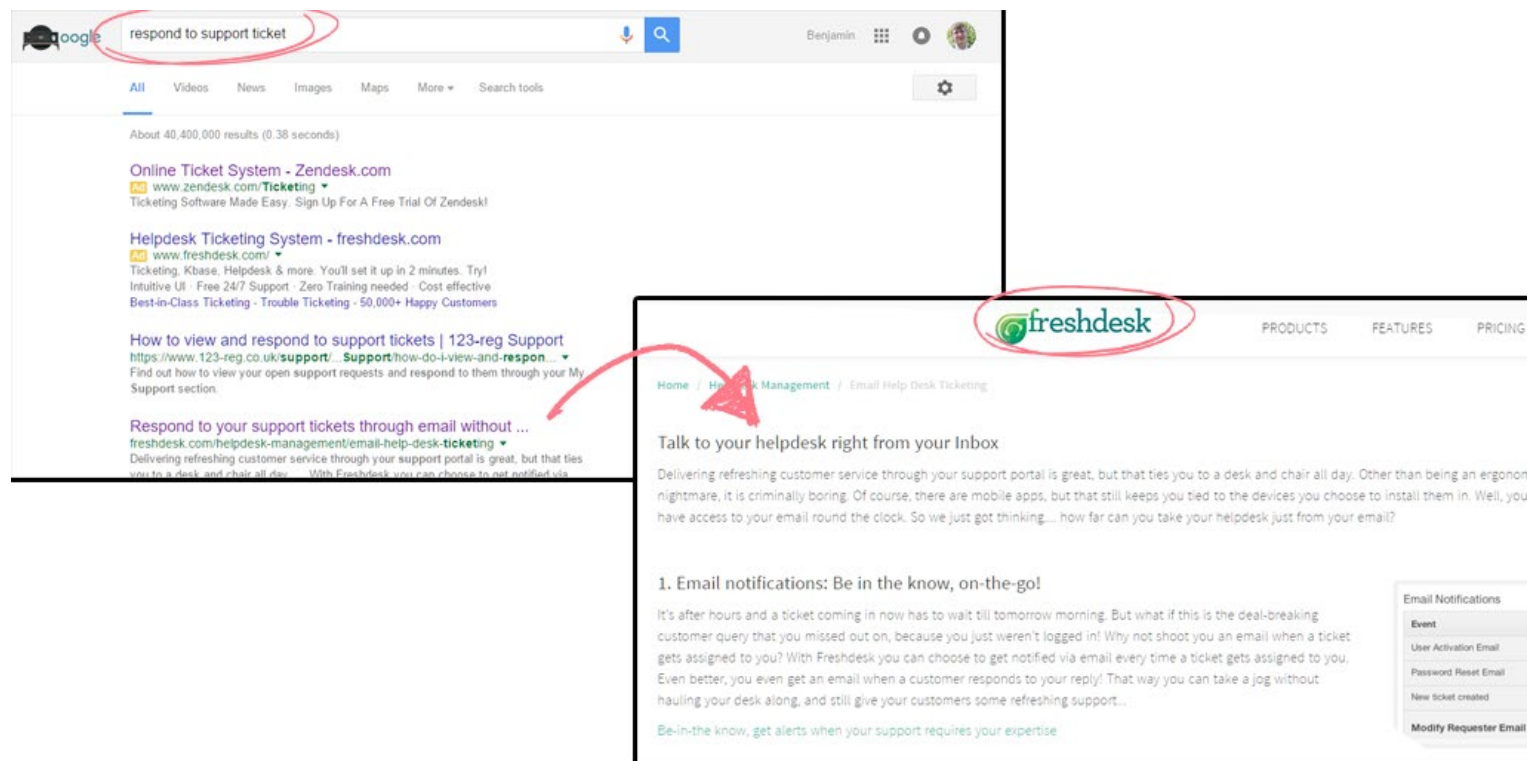
[CopyBlogger](#), a company part of the Rainmaker platform, use their webinars to promote Rainmaker and generate leads for their membership program, Authority.

This loop of lead generation, customer education, and engagement has proven to be a powerful tactic for Rainmaker, who use a variety of cross-medium channels such as podcasts, written content, infographics and more – all with the customer success and lead generation process built in.

Training articles

Just like webinars, your written content serves more than one purpose. As well as being [effective lead generation](#), it's also there as a source

of passive customer support and a tool for customer success agents. Teams can link customers to training articles for more information while explaining 1 on 1 the idea behind it. It's better to have a reference, which is why we have the Process Street User Guide as well as working closely with our customers.



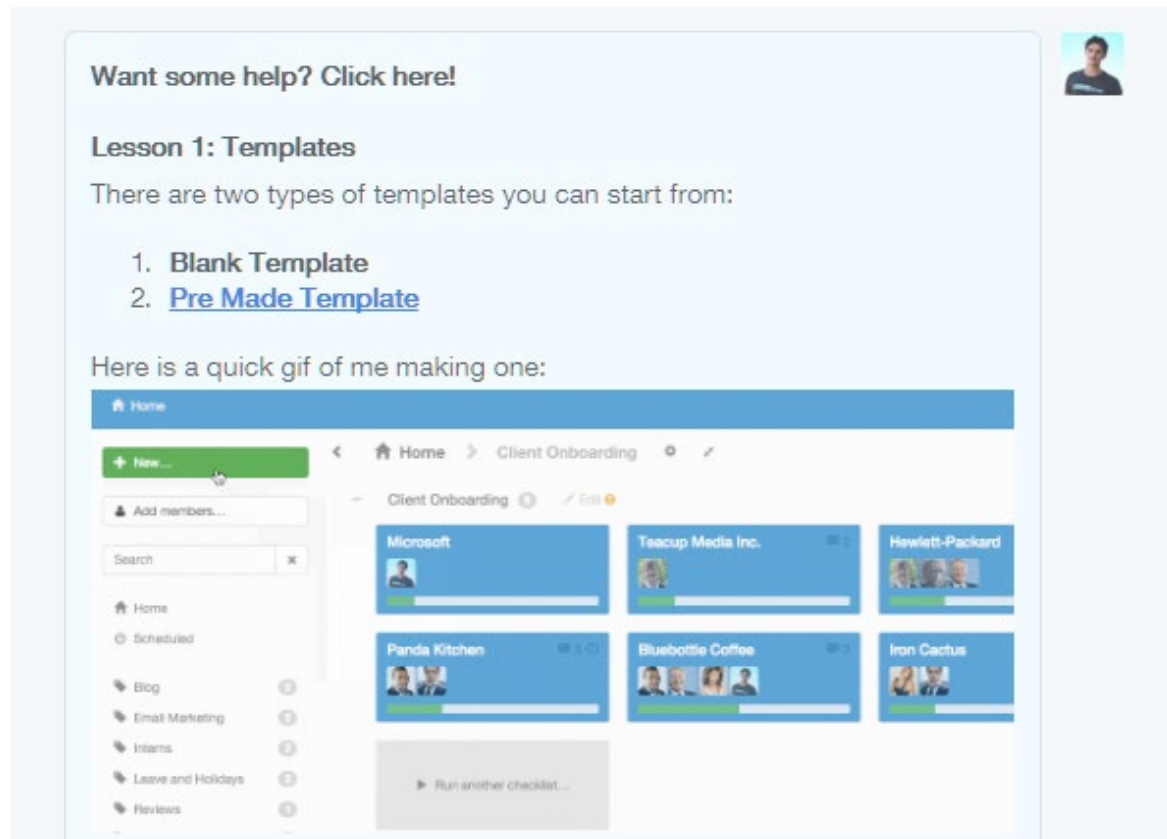
For written content like FAQs, there's a third benefit which is **SEO**. Many SaaS companies keyword optimize their support docs and bring in customers seeking to solve a problem but not knowing which app does the job.

Follow-up sequences

There are many, *many* products that help you automate series of emails – MailChimp, **Rebump** and **YesWare** to name a few. If you use any kind of software for email marketing or sales as it is, you've likely got the power to automate emails based on events.

For example, a new high-ticket customer could get sent an email automatically (with you CC'd) that gets them to arrange a walkthrough

session, and then it's up to you to engage them. For big deals, it makes sense to take a hands-on approach with each customer, but that's not always possible for *every* user. For your lower ticket users, you can automate a string of follow-ups which teach the product, all based on events and activity.



For a guide on how to create event-based automated emails using MailChimp, click [here](#).

Net Promotor Surveys

There's no reason NPS surveys can't be 100% automated. Like above, the surveys can be sent using an email marketing automation program like MailChimp, with a string of follow-ups. As recommended by Zendesk:

“ After you’ve sent your first NPS survey, chances are you’ll want to send follow-up surveys in order to track changes in your NPS over time. Plan to send follow-up surveys on a regular schedule, controlling for events like product launches or website downtime, which can bias your NPS score. ” – Zendesk

The best time to trigger an NPS survey is a short time after an interaction. This might be a purchase, upgrade or a support ticket.

We value your Opinion!

How likely are you to
recommend us to your colleagues?

High Likely

Somewhat Likely

Neutral

Somewhat Unlikely

High Unlikely

To find out more about the topic, check [my previous chapter](#) on calculating customer happiness with [NPS surveys](#).

Feedback loops

According to [Client Heartbeat](#), a Customer Feedback Loop is ‘a system that you use to gather feedback, learn from feedback and make changes to your products and service based on the feedback’.

So, how do you make sure to respond, track and act on the feedback your customers give you?

From NPS surveys to testimonials, there are a lot of ways to gather information about customer satisfaction. For SaaS companies with a high-touch approach to customer success, agents are likely building a relationship with the customer. That means that it’s easy for them to simply *ask*:

“How are you finding all of this? Are you getting set up well enough? Is there anything we could be handling better for you?”

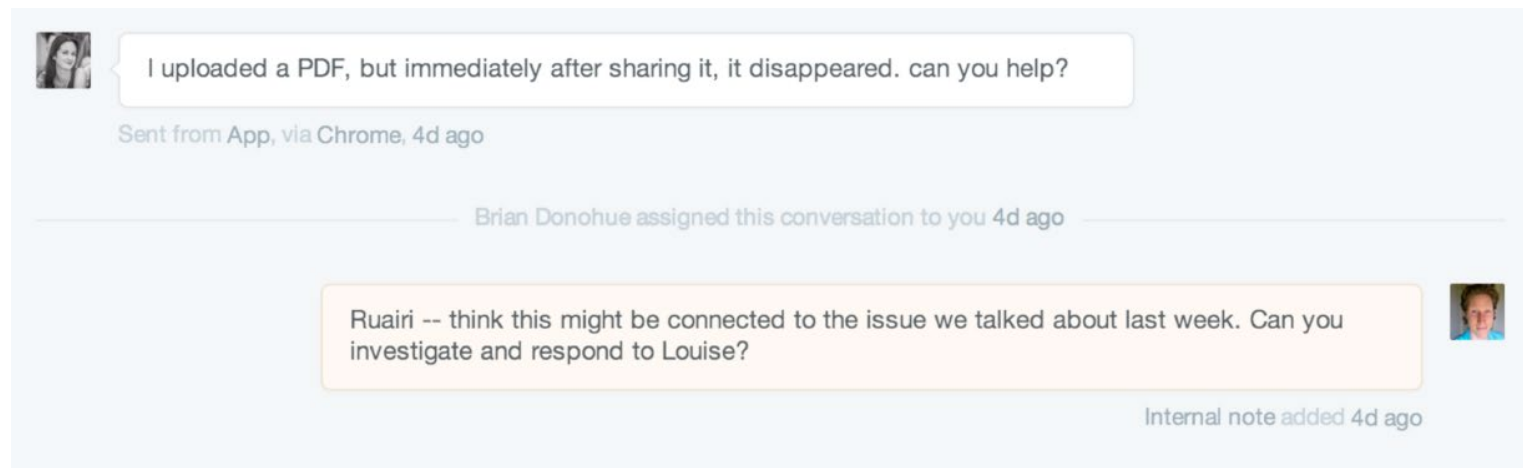
Again, there will be a difference in how you interact with high and low-ticket customers. For that reason, you’ll want to get systems in place which automatically gather feedback and index it.

Customer support

I already talked about the [customer support process](#) for SaaS companies a couple weeks back, and detailed how we do it. For us, not a single part of that is automated. We make sure that we’re reading and responding to every ticket that comes our way, and we’re working to make the system more efficient by changing the way we work.

Support is a time-consuming function for companies, especially large

ones which deal with a lot of customer requests. If you want to give tailored responses to customers, the best way to automate some of the process is by providing a quality FAQ and selection of help articles and make support a last resort.



Find out about our support process and get tips from how a small SaaS company manages support (without a dedicated department) by clicking [here](#).

Ensuring renewals

Every day is an opportunity for a customer to [churn out](#) – or fail to renew their subscription. While much of this is in the hands of the product team to ensure the ‘stickiness’ of the app, there are some things customer success can make sure they do (both automated and non-automated) to help [reduce churn](#).

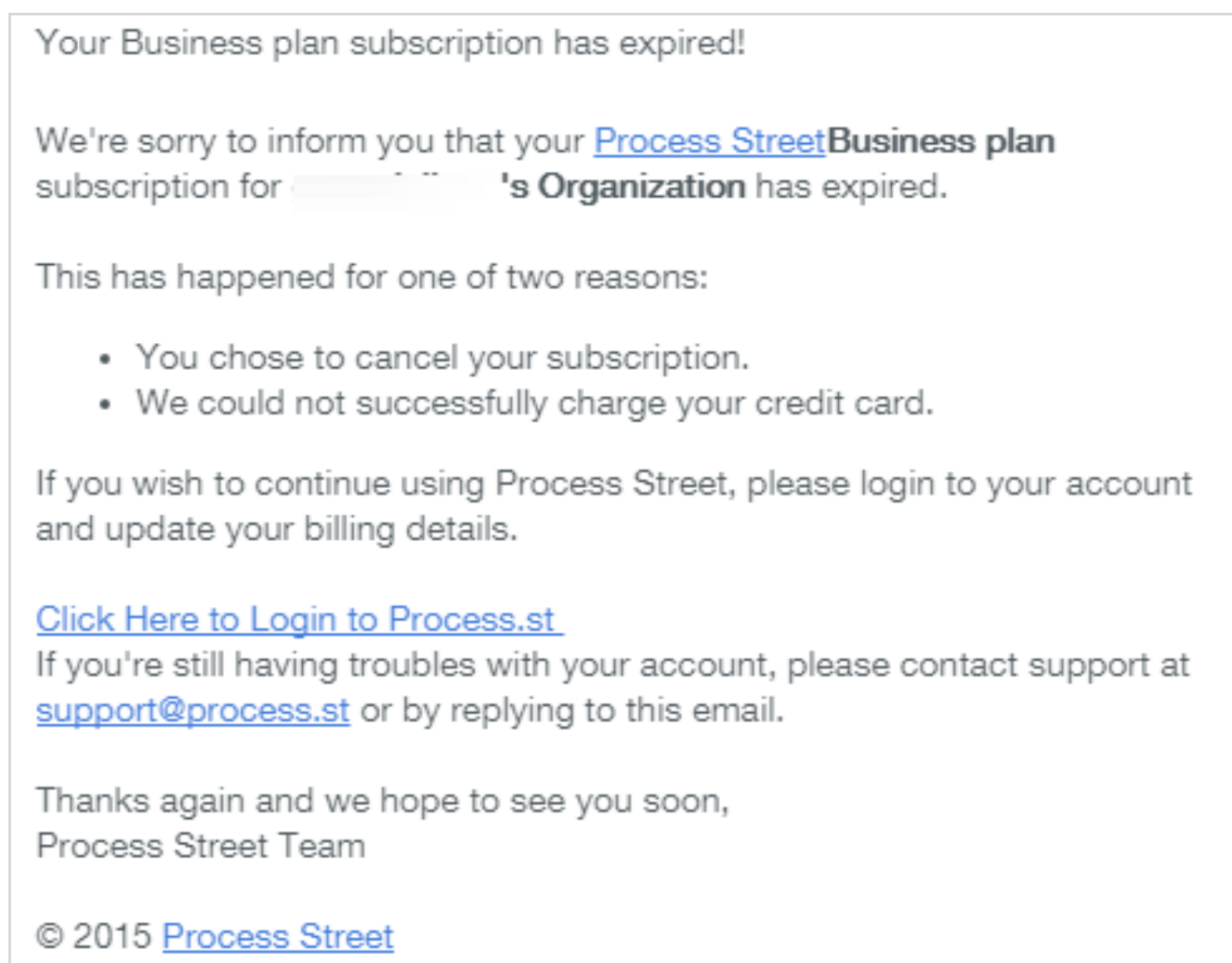
One reason behind churn that’s worth protecting yourself against is expired payment methods. This is when the customer’s card is declined, most likely because they have switched their main card or changed banks.

According to [Chargebee](#), ‘the single largest contributing factor to

payment processing errors is having an expired credit card on file.' How do you protect yourself against this kind of churn?

Well, as Lincoln Murphy said, there's a right way and a wrong way. The wrong way is that a customer is billed, the card is flagged as expired, then a member of staff tries to contact the customer to get their new details.

The right way is to have an automated alert set up which sends an email to the customer telling them their card has expired and sends them to a page where they can input the new details. Here's a look at the simple email we send here at Process Street:



If you want to create your own version and run it every time you get a high-value customer, create a Process Street account to get started.

09. What do Customer Success Managers Actually do all day?



14 SaaS Companies Reveal Their Customer Success Process

People with ‘Customer Success’ in their job title haven’t been around [for very long](#). They’re kind of like Sales, but not focused on selling. They’re a bit like [support](#), but don’t deal with just any old tyre-kicker.

For products like a t-shirt, there’s no need to make sure customers get success. If they bought it, wear it and like it, that’s enough. SaaS, on the other hand, can be complex stuff. Customers are at risk of giving up on things they don’t understand, can’t figure out how to implement or can’t get the rest of their team using.

Customer Success teams are so vital for the health of SaaS companies because, like [Lua’s Jason Krigfeld](#) says:



“ We don’t sell boxes anymore. We sell services ”

That puts the customer in a position of power, and thanks to the death of [vendor lock-ins](#), every day is an opportunity for cancelation.

What do Customer Success teams actually do?

On a business level, the job of a Customer Success team is to reduce the company's churn rate (amount of cancelations over a period of time).

How is that done?

When searching around for the step-by-step guide, it would seem the answer is 'in top-secret conditions'. While it's understandable that it could be the secret sauce of companies with high-value customers, the lack of content in the area is startling. This said, one thing's for sure:

The days of shelfware are over. SaaS companies don't sell boxes because modern customers won't buy them. Customers buy results, and it's the job of the tool *plus* the guidance to get them.

When it comes to [Customer Success for SaaS companies](#), it's a young field and a lot of businesses are only just starting to get to grips with it. So, let's take a look at what I found when I interviewed the Customer Success Managers from 12 SaaS companies with the question: 'What's your customer success process?'

Here's what the Customer Success process looks like...

There's a lot of variation in the specifics depending on the company, but there's a definite structure.

1. **Customer Success launches into action the day a payment is received or free-trial secured** – anywhere between 5-60 minutes after signup. It depends on how 'qualified' (read: rich) the customer is and whether you're wooing enterprises or startups.
2. Next up is the 'what do you want?' stage, known as **requirements gathering**. Basically, this is getting on the phone and collating the hard facts of the matter from the decision-makers of the company. Stuff like 'What problem are you solving? What do you want to use our app for? When is the event?'
3. **Figure out who the decision-makers are** – this will help the app spread around the organization by getting managers to onboard their team. That equals more users and money for you, but also success for their organization.
4. **Find how they currently solve the problem** – Tools, processes, systems used before they decided to go with your service. Link the features of your app to the problems they're having, be tailored and specific – make sure that they not only get their desired outcome but that you are able to communicate and demonstrate how you've done that for them.
5. **Send training material** (custom PDF documents, videos) and schedule live webinar training, if necessary.
6. **Stay in touch pro-actively**, with early regular check-ins

and event-based outreach later down the line. Analyze the effectiveness with automated metrics, manual checks and surveys.

7. Send an NPS survey, evaluate and keep an 'open door'. Be the first point of contact when any questions or issues come up.

Stickiness: how Customer Success makes your company more money

Since the purpose of having a customer success process is to **reduce churn**, SaaS companies have to reassure their customers that they've made the right choice and **guide them to first value** as quickly as possible.

This means linking product features to desired outcomes and showing the customer an overview of what will happen and when.

Ambition takes a self-service approach to adoption by keeping a huge range of help center content available on its site, whereas Lua actually creates customer material for each client, whether that's PDFs, videos or training webinars.



The ‘stickiness’ of an app can be a tough thing to perfect, but some apps are better suited at permeating a company than others because they are an ‘all or nothing’ system. Take Lua, for example – either everyone in a team, department or company is using the same messaging platform or no one can communicate properly.

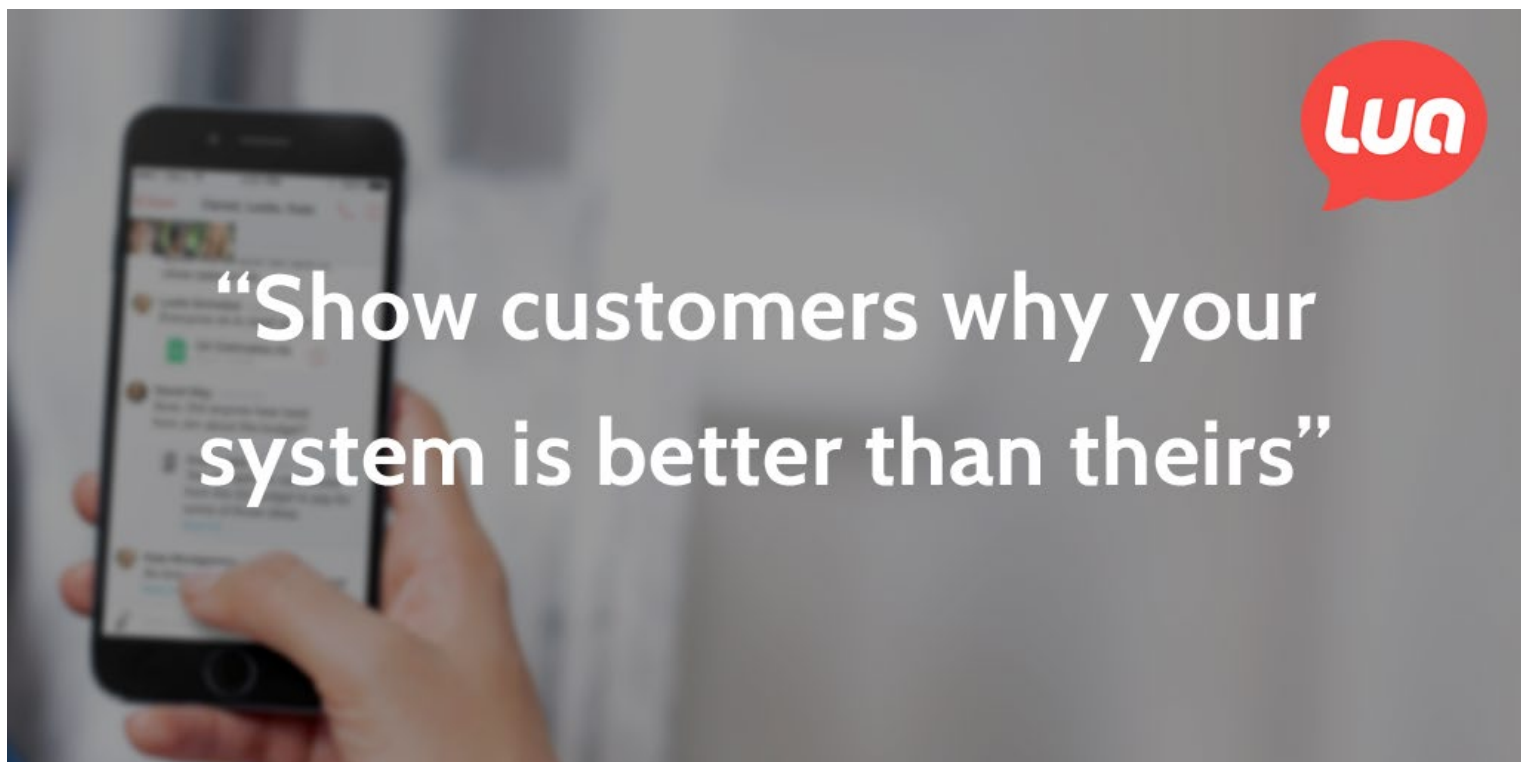
While this is harder to set up, once it is perpetuated by customers who love it, the spread and influence is viral, as employees miss out on their messages by not being part of the system. This makes it harder to remove, too.

By working closely with team project managers, adoption can be a natural, internal process rather than something forced from the outside. “The last thing someone wants is to be surprised by an app”, says Jason Krigsfeld, Client Success Manager at Lua. That’s why it’s important to manage expectations right from the start (before your customer is even a lead).

Make training material easy to digest. The days instruction manuals are long gone, and Customer Success teams don’t want to bring that back. By using the same principles of readability you’d use in your marketing,

you're more likely to get customers to engage and understand the product. That's things like infographics, text in short chunks, videos.

'Infiltrate' the organization by working closely with managers to spread the product. Lua helps the Project Manager write an email explaining what the app is, giving some social proof and asking them to make an account and get the app, etc.



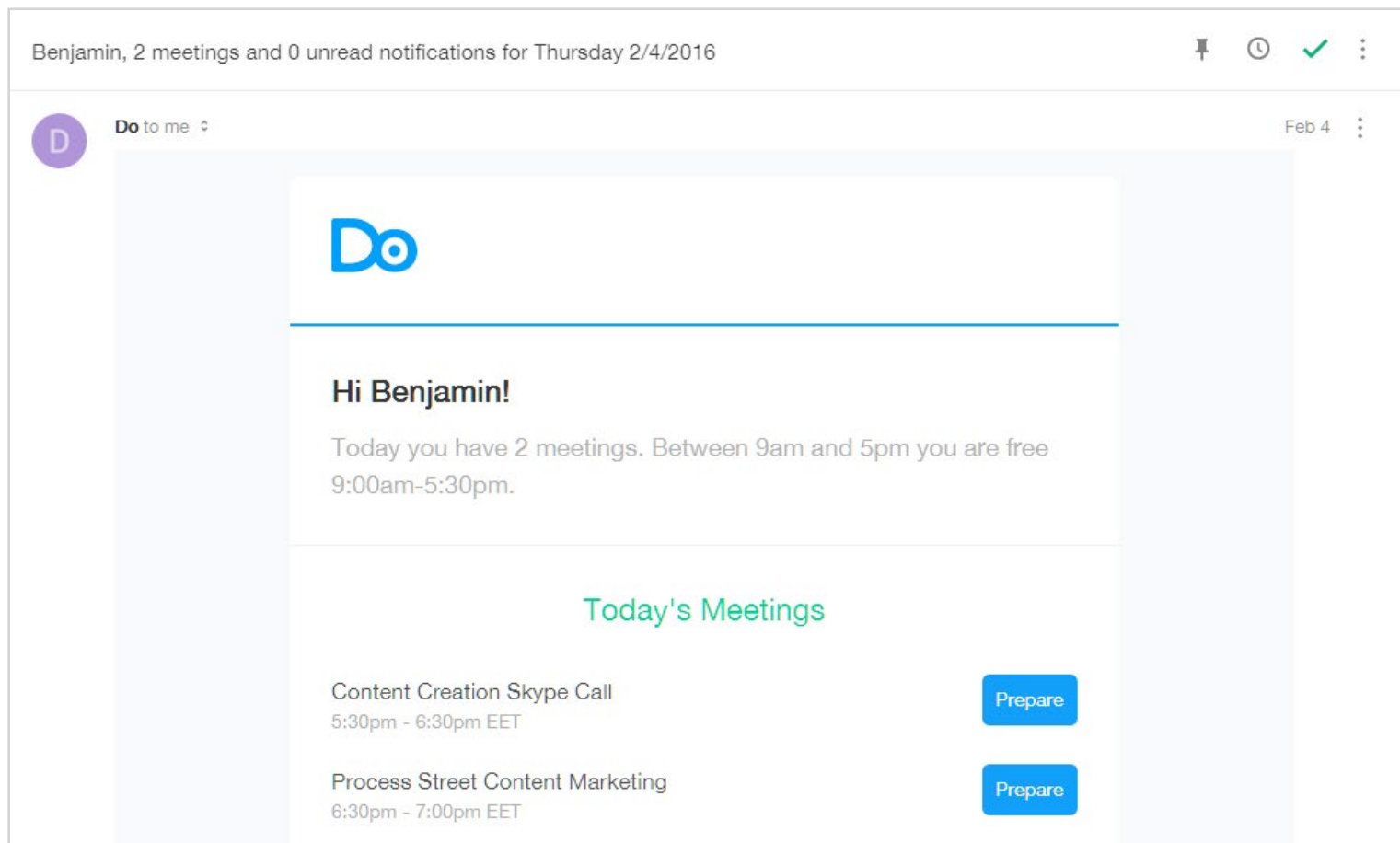
Let's look at some more ideas from [Do](#), [Chargify](#) and [Chameleon](#) to reduce churn and increase customer happiness.

Build stickiness into your process

What makes an app sticky? How do you make sure that it's simply not an option to switch to another product or revert back to the good old ways?

Do communicate every day

Do recommend converting customers into power users slowly and gently, by offering help and demonstrating the value of your product. CEO [Jason Shah](#) says to sow the seeds of success early by ensuring the customer feels totally comfortable when migrating over from their existing system.



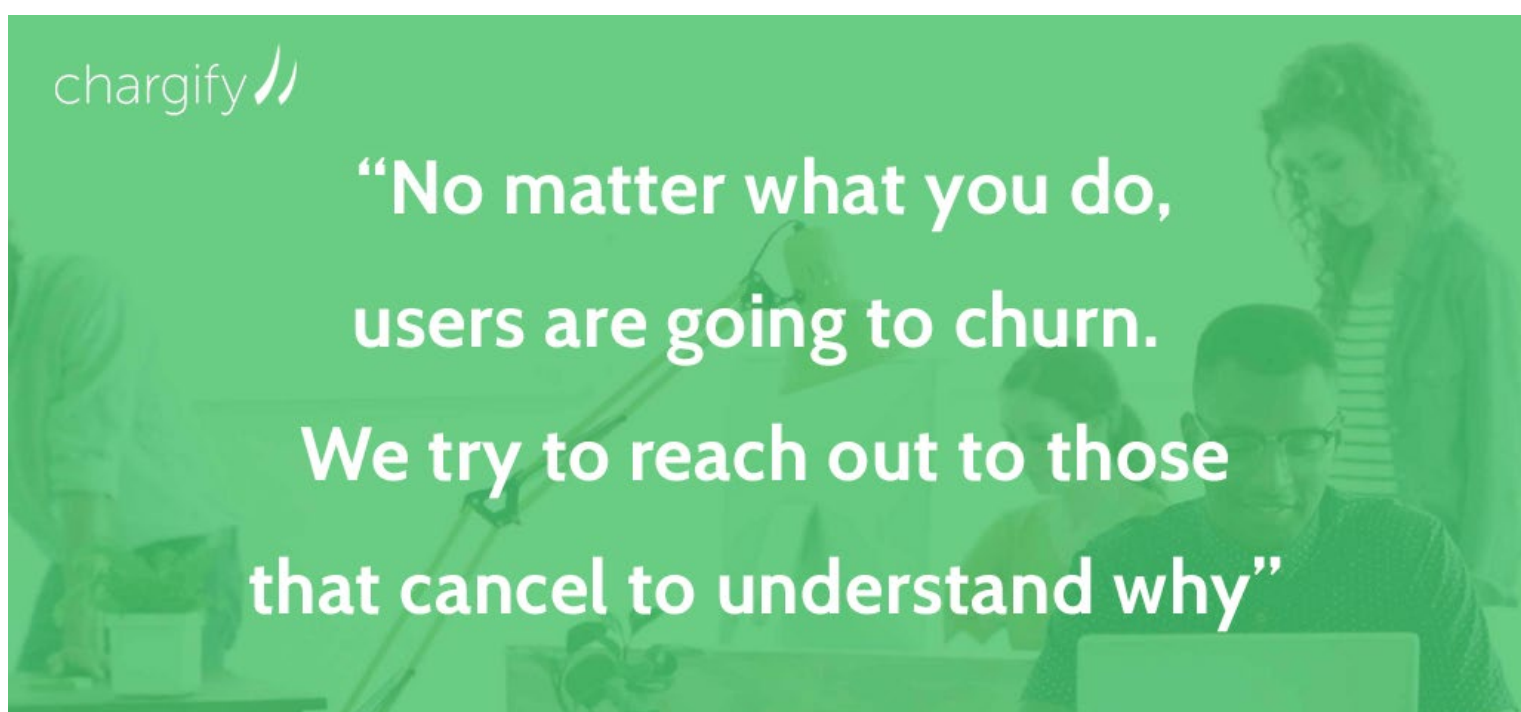
Tip: Be on the top of your customer's mind by staying visible, keeping open communication and taking any opportunity to demonstrate value.

Chargify catch customers before they have chance to churn

Adam Feber from Chargify says they have recently set up a new system to catch at-risk customers:

“ We are starting to identify red flag metrics that should warrant outreach from our customer success team. Some of these flags include accounts that are past due (and not responding to our dunning notifications), accounts that could save money by upgrading (currently paying overages), accounts where activity has dropped off, etc. The goal is to reach out and re-engage with these customers before they churn. ”

Chargify's software is all about making sure SaaS companies get their due payments, so they are uniquely informed about it. They do, however, realize that churn happens and you can make the best out of a bad situation.

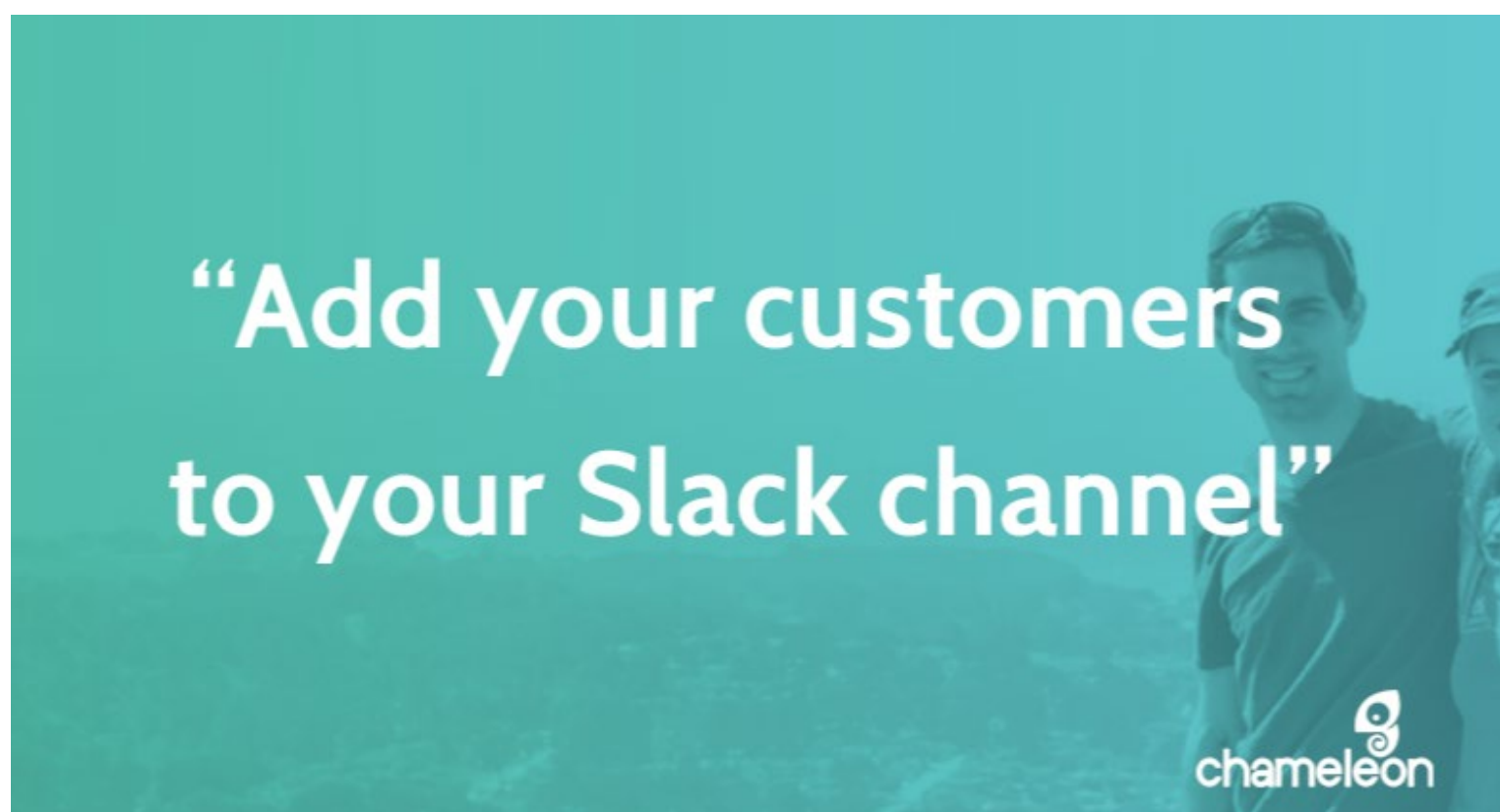


Tip: Always follow up with users who cancel their subscription. Even if you can't get them to come back, you can find out how to improve your product and its stickiness.

Chameleon add customers to a Slack channel for direct communication

Still in private beta, Chameleon is in the early stages of setting up a true customer success process with dedicated staff. Right now, the CEO [Pulkit Agrawal](#) adds customers to the company [Slack](#) group so they can have a chat with the whole team. This helps customers form a close relationship with the founders, reduces the amount of support tickets and speeds up adoption.

Since Chameleon is software that lives inside SaaS platforms and helps with [user onboarding](#), Pulkit takes a typically UX-based view toward customer success which involves taking your customer from discovery to their ‘Aha! Moment’ in a few easy steps.



Tip: Users are less likely to give up on something they feel a personal connection to. By adding them to your company’s Slack channel and talking to them like friends, you can make deeper connections and find out what they (and everyone like them) wants from your product.

Here are some unique approaches to Customer Success

While a generic process is a good jumping-off point, everyone's take is different when it comes to 'what makes a happy customer'.

Lua acts as a go-between for departments that refuse to talk to each other

At Lua, there isn't a hand-off between Sales and Customer Success. The two departments work interchangeably and coordinate the whole process.

The push to adopt comes from Lua's customer success team but is communicated by the client-side Project Manager. Lua helps the customer's project manager write an email to their department explaining what Lua is, which teams use it, and how it will improve communication. Jason says:

“ Sometimes my job involves helping people from different departments communicate who aren't communicating because they can't stand each other. It goes beyond tech. ”

DoubleDutch teaches its customers Marketing 101

[DoubleDutch's Customer Success process](#) has a short life-span and a definite end point. That's because it creates apps for events, and when the event is over, the app is no longer useful. Essentially, the apps are disposable yet the customer relationships are the main asset because they could buy event apps year after year.

Similar to Lua, DoubleDutch's product (the app created for the event) isn't something that is any use if it's just being used by 3 people. It needs to be common ground for event attendees and enhance the experience.

The secondary challenge, after creating the app, is getting customers at the event to adopt it. The way they do this by teaching their customers 'Marketing 101' – clear event signage, email drip campaigns, etc. A recent reorganization of the Client Services department into Implementation and Customer Success means that the most technical side of the process can be left to Implementation while Customer Success focuses on ensuring event attendees will actually use the app.

Ambition celebrates customer's successes publicly

Taking a look at Ambition, reward system doesn't just automatically praise great sales teams with their favorite [Ambition Anthems](#). The Customer Success team themselves reach out to record sales people and congratulate them for hitting high-scores. [Travis Truett](#) says:

“ We recognize awesome user performance on Ambition, publicly. Just last week, one of our clients, Fitzmark, notified us of a new user high score on Ambition, breaking 600. We broadcast that new “Ambition Score” record on social media to provide additional public recognition for that user and for Fitzmark. ”

What happens when the process is over?

Communication dies down

While the job of Customer Success reps is never truly over, the relationship between them and their customers generally dies down after onboarding.

[Alex Bakula-Davis](#) from [Proven](#) says it depends on the customer's engagement with the app, and that engagement dictates when the process is over. There are automated processes in place that tag users as 'at-risk' and notify Customer Success to get in touch because of reasons like low applicants, posting issues and not using features.

The length of the process ranges between 7-30 days, depending on how much implementation the app needs or whether there's a natural usage lifecycle.

The fact that the customer's success often depends on an open line of communication, so while the initial 'buzz' of client onboarding dies down after implementation, the relationship between the customer's decision-maker and the success rep is maintained.

Analysis comes into focus

Directly after implementation is the time where success reps start looking at use data and making sure that it indicates the customer is using and understanding the software.

Jason from Lua says that he will always send a survey after 2 weeks, both to collect specific information about that customer, and to evaluate their customer success process as a whole.

[Thierry Schellenbach](#) from [Stream](#), an app that helps you build activity feeds, handles post-success free accounts support tickets with [StackOverflow](#) – an SEO tactic and a way to get support agents for free – while paid accounts are checked in with regularly and more closely analyzed.

A common characteristic between all interviewed companies is an [NPS survey](#), which asks customers to rate their own satisfaction on a scale of 1-10.

Companies might have several automated processes running alongside manual check-ins, ensuring that communication is tailored to the

customer's situation but also doesn't take an overwhelming amount of time or is accidentally missed.

Stay on the lookout for upsell opportunities

Part of the beauty of having a dedicated Customer Success team is that you establish an open line of communication with your customers and have someone who is directly responsible for the health of an account. While sales teams would traditionally be checking in with customers to offer them upgrades, using a dedicated team leaves Sales to focus on closing deals with new customers.

By analyzing the client's workflow, Customer Success managers can get an idea of the account usage and offer a higher package at the right time, or access to an add-on that will make the customer's life easier. SaaS API ad server [Adzerk](#) says the process can stretch on for over a year because the Customer Success is in tune with the growth of their clients:

“ “We try to establish ways to grow the relationship and that's when Customer Success and Sales work together to identify add ons, new tiers and areas where clients can upgrade to help them use more of our tools to grow. ” ”

– [Alejandro Sanchez](#), Adzerk

10 quick Customer Success tips

Processes are all well and good, but the point of this piece is so you can take and adapt the ideas being used by successful SaaS companies and adapt them for your own business. In the spirit of giving you some useful, bite-sized tips to think about, I asked each SaaS company I talked with to give me a tip they've learned along the way. Here they are:

Trackin

I found that the easier the process is, the higher conversion rate you'll get. Fill out as much as you can for your customers in order to get them to do what you want. – [Trackin](#)

Chameleon

Have a clear activation “aha” moment and help customers get there in a few easy steps.

Do

Rather than guessing and throwing stuff at the wall to see what sticks, it's imperative to talk to your users every single day to find out what their needs are. And through that, you're able to build a product that

truly appeals to your users and their circumstances, rather than forcing them to adopt something they may not even want in the first place.

Stream

The customers on our free plan post their questions on StackOverflow. That works well and it's great for SEO.

Signpost

Companies that deliver the most value have nothing to hide from their customers, and in any instance where performance isn't delivered, they will take that head on and fix the problems instead of hiding it. – [Signpost](#)

Kinvey

The process is kept very fluid. Maintaining flexibility and agility are the keys to making sure the solution (and customer) is successful. – [Kinvey](#)

Proven

Always contact customers for a reason. No one likes to get the “I'm just checking in to see how things are going” call. Reach out with value, such as a new guide to using the product, or suggestions for how they can get more of what they need.

Immediately

Think about UX design. Your product should be easy enough to use to not require much documentation or support. – [Immediately](#)

Lua

Within the first 48 hours, onboarding is the most important because churn is highest during that time.

Evercontact

No matter how desperate you are for customers, don't hesitate to let users know immediately when you can tell that you probably cannot meet their needs. – [Evercontact](#)

And finally, remember what you're selling

The way your customer success process looks will be a lot different to these SaaS companies, but hopefully this has given you an overview of what it could look like. The important thing to realize is that having a set process means you can replicate the great results over and over again, create loyal customers and act upon how they use your software.

After all, you're not selling boxes, t-shirts or legacy software with huge restrictions. You're selling SaaS. And in this age, the customer's in charge.

**The Complete Guide to
Customer Success for SaaS Companies**
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