

# Case Study

## Leading Culture-Driven Transformation at Twilio Segment

### Background

In early 2024, Twilio Segment was under immense pressure. Following an operational review and vocal investor scrutiny, the business faced a potential divestiture. Yet Twilio's board doubled down, committing to improve Segment's **operating margin from -28% to breakeven by Q2 2025**.

Beneath the financial headlines lay a deeper issue: organizational drift. Renewal rates had fallen to **71%**, GRR was in the **mid-70s**, and NRR hovered around **85%**. Internally, the Customer Success team had lost its way—lacking leadership, identity, and purpose. The team had not had consistent executive direction since mid-2023.

### Objective

My twofold mission was clear but aggressive:

- Dramatically improve customer retention and expansion metrics (Renewal, GRR, NRR)
- Reduce OpEx by 19% within four quarters

To succeed, I recognized that Segment's eroding performance was as much a people problem as a product one. Reversing the trend would require strong, empathetic leadership - driving organizational renewal from the inside out.

### Leadership Vision and Strategy

I knew the only sustainable way to dramatically improve customer retention while reducing OpEx was to **rebuild the culture**, realign the vision, and empower the team.

To start, I worked with my leadership team to co-create a compelling future state for Customer Success:

- We articulated a new **North Star** focused on outcomes, trust, and partnership
- We set **operating principles** grounded in clarity, collaboration, and accountability
- We positioned CSMs not just as support resources, but as strategic growth partners

I ensured this vision was shared broadly—not just top-down. I involved ICs in design sessions and brought Sales and Services leaders into alignment early and often.

**Impact:** Repositioned Customer Success as a strategic growth engine—unifying the team around a renewed mission and clarifying how we win together.

## Culture Rebuild and Engagement

The real turning point came when we put the team in the driver's seat. In my third week, I hosted a post-sales offsite with leaders from CS, Services, Support, and Ops. Through a hands-on exercise, we:

- Inventoried all tasks the CSMs were performing
- Mapped them by **impact and effort** to separate high-value work from noise
- Identified opportunities to **automate, eliminate, or reassign** low-value tasks

From there, we launched grassroots **workstreams**—voluntary, cross-functional groups tasked with redesigning our:

- RACI model
- CSM competency matrix
- Segment-specific engagement playbooks
- Tool consolidation and automation strategy

We invited top-performing CSMs to co-lead these workstreams, creating a culture of shared ownership and pride.

**Impact:** Employee Net Promotor Score, or eNPS, rose from **42% to 86%** in two quarters. CSMs became invested co-architects of their future, and change took hold faster as a result.

## Cross-Functional Alignment and Systems Change

Driving change in Customer Success alone wouldn't have been enough. We built tight interlocks across:

- **Sales:** Co-owned expansion plans and renewal forecasting
- **Support & Services:** Clarified accountability via a refreshed RACI
- **Operations:** Launched a "One System of Record" initiative to unify tools and workflows

This cross-functional momentum helped us:

- Reduce duplication and handoff friction
- Improve data and account visibility for execs and ICs alike
- Standardize how we measure and manage customer health

**Impact:** Customer engagement became more consistent, predictable, and measurable—unlocking better forecasting and stronger partnerships across the go-to-market motion.

## Leading Through Change

We faced two rounds of reductions—one in July and one in October—totaling **15% of team** headcount. To maintain morale and performance:

- I communicated **proactively and with empathy**, framing the "why" clearly
- We adjusted scaled thresholds from **\$100K to \$150K ACV** to balance loads
- We maintained service levels by reinforcing playbooks and tooling

Despite the reductions, retention improved. The team's commitment and clarity allowed us to do more with less.

**Impact:** Reduced **OpEx by 19%** (including changes I made to remainder of my organization) without damaging customer experience. Demonstrated that **disciplined execution and transparent leadership**

can coexist.

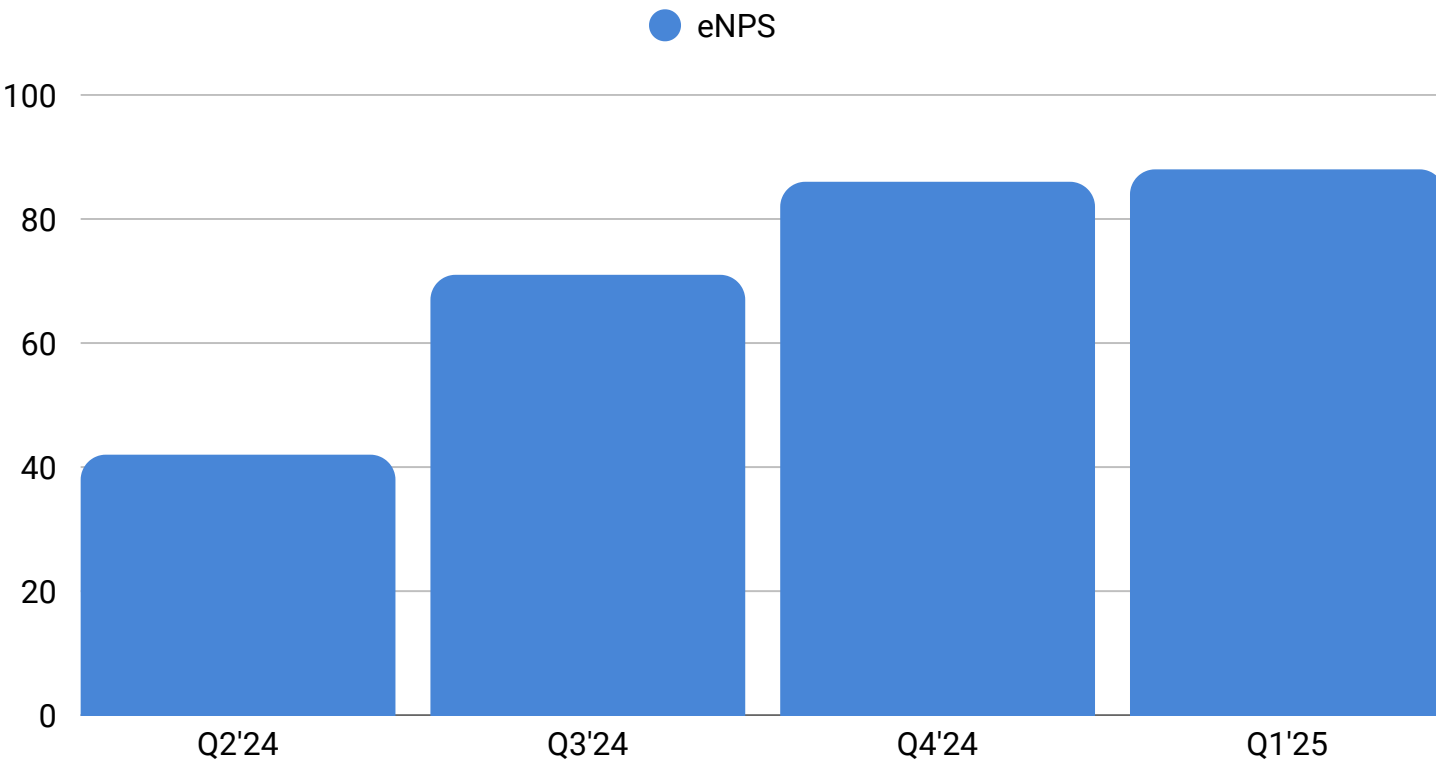
## Conclusion

This wasn't just a retention fix—it was a leadership journey. We built a culture of clarity, accountability, and ownership, and proved that Customer Success can be:

- A strategic lever for growth
- A catalyst for cultural change
- A model of cross-functional excellence

By integrating cultural renewal with operational strategy, we achieved performance gains that exceeded expectations - and laid the foundation for durable growth.

- **Renewal Rates:** Increased from 71% → 82% (Q1 2024 to Q1 2025); pacing to 84% in Q2
- **GRR:** Rose from 75% to 82%
- **NRR:** Reached **97%**, with **enterprise NRR at 101%**
- **Operating Margin:** Despite my organization accounting for 14% of Segment's headcount, I contributed 32% of the OpEx reduction needed to hit breakeven
- **eNPS:** Grew from 42% → 88% (Q2'24 to Q1 2025)



## Employee Net Promoter Score in Customer Success