

# CUSTOMER SUCCESS

## A BUSINESS DEVELOPMENT PERSPECTIVE



LATVIV

Keeping the Spark Alive™





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## CUSTOMER SUCCESS IS MORE IMPORTANT THAN EVER

Corporate customers looking for information technology solutions are bombarded with options. As the cost of development, selling, implementing, and supporting new software drops significantly on public cloud installations, more players enter the field. Increased competition means companies get a constant stream of new vendors trying to uproot existing solutions with their shiny new offerings.

Because there is so much choice and competition, companies can easily switch vendors at the slightest hint of subpar performance or dissatisfaction. Plus, influential customer sponsors tend to take their favorite software solutions with them when they move from one company to another. This puts existing vendor relationships in greater jeopardy when new management moves in.

In this cutthroat environment, the role of the customer success (CS) function has become more important than ever. The onus to provide quality, consistency, speed, and performance is now entirely on software vendors like you, spearheaded by the CS team.

## THE ECONOMICS OF SOFTWARE AS A SERVICE (SaaS) DEPLOYMENTS

In today's cloud-based, annual software-as-a-service (SaaS)

pricing model, vendors collect roughly one third of the software license in the first year. Squeezing finances further, many customers insist that the license period begin after the software is implemented. So, to get the relationship going, software vendor must not only satisfactorily set up and roll out the implementation at a discounted price, but also ensure that it provides meaningful benefits throughout the lifespan of the application.

From a profit-and-loss standpoint, software vendors selling SaaS solutions make little to no money in the first year, given the narrow margin or under cost implementation fees. And projects may require rework in the first year on the vendor's dime, further cutting into first-year earnings. The returns usually come in the second and third deployment years, when support, hosting, and processing costs are minimal, and healthy license fees provide profitable returns.

## REALIZING VALUE AND BROADCASTING VALUE



*The supreme goal of a CS team is to make their customers successful, based on the customers' benchmarks. Customer goals could include revenue growth, cost reduction, risk mitigation, or a combination of other similar benefits.*

The customer's goal behind every purchase, and all subsequent implementation, rollout, and adoption activities,

is meeting their desired outcomes.

Once you as a vendor have collected evidence to validate the value your customer has realized, you need to broadcast that value to their stakeholders and end users with communication pieces created in collaboration with your marketing department.

You should share these communication pieces with other customers and prospects to differentiate yourself from the competition.

## CUSTOMER SPONSOR ENGAGEMENT HELPING YOUR “CHAMPIONS” COMMUNICATE YOUR VALUE

Your internal customer “champions” need clear and concise “talk tracks” they can use to justify their company’s continued investment in your solution. Chief Financial Officers (CFO) and other leadership will inevitably ask for this justification—probably right around renewal time.

Since they’re usually pressed for time, your sponsors will most likely lean on you to provide this information. It will be your job to work with them to create streamlined and appealing presentations they can use to present your case to their higher-ups.

To start this process, your customer success leads should first work with readily available data in your own system to extrapolate realized business value. Second, they should request customers to provide information retained in customer end third-party systems including Customer Relationship Management (CRM), Enterprise Risk Management (ERP), Human Resources (HR), or Risk Management solutions. Bottomline impact on revenue, cost, or risk mitigation will help support your value narrative. Third, your CS team should send out adoption assessment questionnaires in the form of value surveys. The data and responses collected become a goldmine for sales and marketing teams. Typically, the customers who are having the most success with your solution will be the most eager to share their results.

However, identifying quantifiable, hard-cost savings, productivity gains, revenue gains, or risk mitigation benefits is hard. Customers may not be willing to share vital data for various reasons, including privacy, data security, coordination

challenges, and time constraints.

Your CS team should use a combination of real and extrapolated quantitative and qualitative data to create a prospective, hypothesized value talk track. They should go with whatever data they can get, and then validate it with the customer.



*A vendors’ failure to demonstrate value can result in premature terminations or affect incremental license revenue.*

## MAINTAINING CUSTOMER RELATIONSHIPS THROUGH QUARTERLY BUSINESS REVIEWS (QBR)

A Quarterly Business Review, or QBR, is a discussion meeting that a CS team has with customers every quarter. The typical agenda checks the alignment of desired outcomes with results and explores new ways to boost the client’s business growth. In-implementation accounts should be given time for adoption before scheduling QBR meetings.

Value discussions are an essential agenda item for QBRs. To make customer’s time worthwhile, CS teams should add insights, industry perspectives, data, and analysis from other customers’ use experiences. They should share product roadmaps, which are often of interest to customers, to show the type of investments you’re making in research, development, and resource augmentation.

The key is to make the customers feel that they learned something from the interaction, both about their implementation and about their industry. Your product marketing group should constantly update the CS team’s arsenal of useful information with new industry perspectives, new tools, and product extensions.

## WORKING WITH YOUR PRODUCT MARKETING TEAM TO BOOST CS EFFORTS

To constantly and consistently deliver your company’s value message to customers, your CS team needs a steady stream of new marketing and sales collateral and new customer success stories.





This ensures customer champions always have something new to show their bosses to justify your continued business. Your product marketing team and CS teams should work closely to plan a calendar of collateral production.

Successful CS efforts, driven by high quality marketing materials and communication, can help your company with these key goals:

## Customer Retention

A key goal of the CS team is to maintain or increase your company's customer retention rates. If customer usage drops off and they decline to renew the annual license contracts, that hurts renewal rates—and earnings.

Maintaining high renewal rates is of utmost importance, because profit margins increase significantly in the second and third years of subscription.

Your CS team should identify your company's key strategic customers, pay them extra attention, and work to retain them at any cost. These "cornerstone" customers help define your product's identity. They're also a key source of sales referrals, marketable success stories, and of course, revenue.

Your product marketing team should work with these marquee customers to create success stories and case studies.

And your sales and product management teams should pay close attention to these clients' feedback, as it can yield

valuable information that can be used to improve your product.

## Incremental License Revenue

The critical difference between hardware and software businesses is the higher cost of manufacturing an additional machine vs. offering another user license.

While producing new machines is expensive, the cost of providing an additional software license is almost nothing.

Software business investors get particularly excited when vendors sell additional user licenses, since the additional license revenue almost entirely (subtracting for sales commissions) contributes to the company's bottom line.

Your CS teams should continuously work to sell additional licenses with minimal extra implementation or installation costs.

That said, customers will still expect you to deliver additional value over and above previously set expectations. CS teams can help customers find other uses or applications of the same product. Like how a swiss knife fulfills multiple needs, a product should cater to various user profiles and be useful for carrying out a variety of tasks. Through ongoing research and conversations with customers, CS teams can help your company explore, document, productize and market new innovative uses. Of course, your product marketing team should think through these new use cases and support them by working software solutions, before rolling out new communications.

## Upsell and Cross-Sell

These two terms are almost always used together in sales conversations. Mostly, they respectively refer to selling higher-end products and selling other related products to an existing customer.

Large software vendors usually offer a wide portfolio of software products, providing ample opportunities to map their many capabilities to their customer's wide and growing needs.

Because of their deep client relationships, your CS team is usually among the first team to spot upsell and cross-sell opportunities.

Once the CS team identifies an opportunity, your technical staff can map appropriate solutions to the customers' emerging needs.

Later, your product marketing can productize and market the new application to the broader customer audience.

## LATVIV CAN HELP YOU TELL NEW BUSINESS CASE STORIES

The Latviv leadership team has a solid background in product marketing, customer success, and value selling. Latviv offers customer success software, services, and training, in addition to the development of related marketing and sales collateral. Our resources have copywriting and design expertise to compose appealing case studies, infographics, and sales presentations built on customers'

success metrics and analysis.

Latviv has experience with deployment of value, adoption feedback, and assessment surveys, in addition to conducting detailed implementation audits. Latviv resources provide materials that make it easier for sales representatives to sell, for marketers to generate leads, and for customer success professionals to handle QBR meetings.

Latviv CS dashboards and offerings can be built on top of existing third-party CS solutions, or onto Latviv's own platform. Our expertise lies in customer-facing designs that appeal to users' aesthetic tastes while offering meaningful data exposure. Senior executives look for summary views, tailored analysis, expected, and realized value. CS team members look for consistency, accuracy, and thoroughness when interacting with all customers. Latviv solutions cater to these needs.

We're experts at turning complex stories into streamlined and professionally designed collateral pieces. We partner with our clients to make this time- and resource-intensive process as efficient and cost effective as possible.

The truth about software solutions is usually that when they're "out of sight," they're "out of mind." This can be especially unfortunate if they are working and creating value as they should be!

That's why it's vitally important to regularly remind your customers of the value you provide. Latviv's technology-based solution helps you stay visible to your customers, and constantly keep your brand and your products at the top of their minds.







## ABOUT LATVIV

Latviv is a provider of customer success management solutions and services, available as a cloud deployment option.

Latviv's solutions increase customer retention rates, boost upsell, cross-sell, and new license revenue, and help engage with prospects, with appealing customer success results.

## Reliability and Better Security

The Latviv platform rides on the Google Cloud. Google provides cloud services reliably due to its experience operating its core services like Google Search. Security controls in the Google Cloud isolate and better protect data by various methods such as compartmentalization. The Google Cloud Platform meets the most stringent data security and data center reliability standards like SSAE16 and ISO27001, a level of protection that few corporate data centers can match.



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