SUCCESS MEASUREMENT TOOLS

LATVIV

Keeping the Spark Alive ™

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Project goals are tied to expectations either preconceived or set by vendor sales teams. For context, sales conversations are largely driven around what customers exactly want and or the possibility of implementing differentiating and innovative solutions that customers have not thought about yet. Vendor's marketing and sales teams collectively capture customer contacts' imagination and motivate them to make the purchase decision. "Art of the possible", "project vision" and other similar terms are used to describe these goals leveraging vendor's capabilities, during the courtship period between the vendor and the customer.

To build a sustainable foundation between the two parties, it is important that first vendors only communicate what is possible, is well thought through and is tested with vendor's products. Unrealistic ideas will either fall on deaf ears or cause heart burn later during implementations, affecting the relationship irreparably. Second, all portrayed possibilities should be captured clearly, realistically, and adequately as project goals with all supporting documentation. CSMs responsibility is to start here and work towards shaping the desired outcomes. They need to ensure that this vision or promised outcome is realized during implementations and is monitored post rollout on an ongoing basis.

This eBook will focus on measuring progress after the project moves into onboarding phase and beyond. Collected success metrics outlined here will and should influence CSM team's compensation. Senior level customer personnel (such as sponsors) will accordingly review and compensate performance of the operational customer end personnel (such as project coordinators and champions).

CUSTOMER SATISFACTION RATINGS: NET PROMOTER SCORE (NPS) OR EQUIVALENTS

Management terms from Harvard Business Review and other publications have influenced corporate world's thinking for a long time. Customer satisfaction scores, net promoter scores and other variations have evolved or morphed into one form or other. As former caretaker of customer success departments, Latviv's team focuses on the objective behind these scores:

- What actions can I take with this information?
- Can I prioritize my customer accounts meaningfully so that I can focus my energies on the ones that are at most risk?
- For the ones that are at risk, is it worth the effort to retain these customers?
- Are they the right customers given my company's capabilities and the current or expected revenue from the customer?
- Are the scores a true reflection of my company's capabilities?
- What is the likelihood that the formula used to calculate the score is accurate and comprehensive enough to provide me the desired information?
- Am I getting blindsided by using this score?
- Finally, is it worth the effort to analyze everything quantitatively, when a combination of discrete qualitative groupings combined with descriptive information can do a better job?

Our general recommendation is to build customer prioritization or segmentation models specific for your situation. To support sorting and filtering, create groupings such as by:

- Revenue from customer (less than 1 Million, 1-5 Million)
- Company size (enterprise/medium/low)
- Deployment status options could be: Starting Implementation (Just signed contract), Under Implementation or Deployed
- Risk status options could be: Failing Implementation, Feature Gaps, Customer Resource Constraint, Vendor Resource Constraint, Unusable Interface, Lack of Interest from Users, Withholding Payment, Competitive Solution

You could provide weights to each category and compute aggregate scores if management prefers, however be aware of the risks as outlined above. Companies with large number of customers may find it worthwhile to segment their customers using these scores and to distribute the accounts by seniority to customer success staff. Likewise, companies with limited management bandwidth could establish thresholds, and escalate attention to senior executives when overall scores deviate from expected norms.

KEY PERFORMANCE INDICATORS (KPIS)

Indicators are a potent tool for large organizations to track and manage the health of the company. They are used to prioritize attention, allocate and compensate resources. Indicators typically fall under two groupings: leading vs. lagging and performance vs. risk indicators. For instance, the increase in the number of users is a performance metric, whereas increase in the number of support cases is a risk metric. Performance metrics reveal improving trend when scores are higher, whereas risk metrics show improving trends when scores go lower.

Indicators are designed to have thresholds, to auto notify indicator watchers when values go above or below designated thresholds. Customer success software platforms automate this capability, making it easier for company management to watch for trends and be notified when both desired and undesired outcomes occur.

An indicator metric in isolation may not be a good reflection of its intent. Increase in number of support cases could reflect deteriorating quality of software if the number of customers and users are the same. Whereas the same increase in the context of a simultaneous increase in customers and users, may not be a deteriorating condition necessarily. A skilled business analyst will be better able to interpret indicator metrics in the larger scheme of events.

Leading indicators forewarn occurrence of an event before it occurs and therefore have a predictive element in their definition. As example, a reduced number of weekly user logins over a multi month period could indicate that the customer is not seeing value in the product implementation and may sooner or later decide to not renew the software license agreement. Lagging indicators on the other hand reflect a deteriorating situation explicitly. Dropping revenue numbers of an organization is a lagging indicator and simply conveys the fact that the business is not doing well. Management teams are therefore more interested in leading indicators because they allow them to act before it is too late.

A few of the many indicators that are applicable for customer success departments are:

- number of user logins,
- number of support tickets,
- periodic usage of product features,
- system response times,
- # of survey responses,
- # of positive survey responses,
- # of contract renewals,
- # of multiyear renewals,
- # of open upsell opportunities,
- # of open cross sell opportunities,
- # of realized upsell and likewise cross sell deals,
- revenue increase,
- cost reduction,
- time to implement product,
- time to onboard users and
- escalations to management across customers

RED FLAGS

In addition to the quantitative factors represented by customer satisfaction, NPS and indicator metrics, qualitative information is equally important, if not more, to ensure continued success of the customer in context of company's products and continued revenue stream. Customer success professionals are advised to watch for:

- attrition of customer resources involved with the project,
- ongoing budget allocation pertaining to the vendor's product,
- customer's financial health,
- reputation, or
- significant risks applicable to the customer's industry

Each one of these events can have a potent impact on the health of the project. Customer facing resources such as customer support, implementation and sales teams should always be on the lookout for such developments in every interaction with the customer. Vendors should provide appropriate forums to disseminate this information across all customer facing resources.

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.

The Latviv Difference

Latviv's SAAS platform passes the multi-tenant architecture cost savings to its clients, with an appealing pricing strategy. Latviv's scalable architecture and unique design make it easy to support its multiple client implementations on the same server instance. Each of Latviv's clients can, in turn, manage an unlimited number of their customers and engagements.

Latviv provides a rapid jump start through prebuilt content, relationships–of system elements outlined above–story tracks for working with all stakeholders, templates, and customer setup examples. System users can copy relevant content, update for their situation, and start using the system.

The platform uses an advanced decoupling framework to create a Lego block paradigm that Latviv users can use to create graphs, and capture disparate metrics, joined together in user-determined dashboard views. With this highly flexible approach, users can create and articulate stories the way they want and link references to them to any system element.

Ask for a demo or better still, ask for free access. See it to believe it!

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