



# Why Customer Success Managers Are Your Most Important Hire of 2020

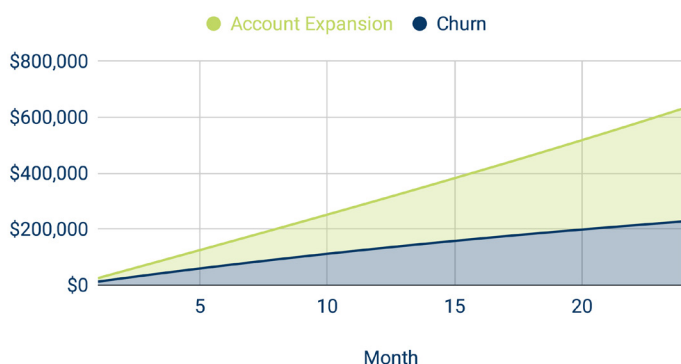
The valley's new **north star metric** in software is Churn. These days investors regard low churn as a more important indicator of company health than high growth. But most companies still struggle to have expansion outweigh churn.

Negative Churn, also known as Account Expansion, occurs when your revenue from existing customers outweighs what you lose through customer turnover. It's achieved by increasing product adoption or upselling current happy customers to generate more revenue per month than you are losing. These are examples of Account Expansion, which is the key to achieving Negative Churn. And having a robust customer success team is an essential part of it.

## The Power of Account Expansion

The value of Account Expansion lies in the fact that attracting a new customer costs upwards of 50% more than maintaining an existing relationship. Losing customers is inevitable but growing your current client revenue faster than you are losing it, is the real secret to exponential growth.

### Churn & Account Expansion



**Churn = New Customers - Lost Customers**

**Account Expansion = (Value of New Customers + Expansion Dollars) - Value of Lost Customers**

Ex. If a customer valued at \$1000/m leaves, but you upsell two existing clients to spend an additional \$600/m each for a total of \$1,200, you've achieved an Account Expansion of \$200/m.

Sounds good, right? The problem is that, without post-sale reps like Customer Success Managers (CSMs), your team is stacked with Account Executives. These are hand selected, competitive, successful account executives with a hunter mentality that you still need going after new business instead of working existing accounts.

Let's explore what a **Customer Success Manager (CSM)** could do for you.

## Customer Success Managers

**Customer Success Managers (CSM's)** are a relatively new addition to the traditional scaling model of a sales organization. Where traditionally, an Account Manager or Account Executive would manage the customer from the closing phase all the way through upselling and retention, the modern Customer Success Manager is a separate role. CSMs can focus on anything related to onboarding, implementation, training, support, and renewals — all to ensure customer retention and growth.

Additionally, CSMs are not held to a revenue quota. Instead, they're measured on retention, product adoption and usage, and client feedback. This shift gives your Account Managers or Account Executives more time to hunt business and allows your customers a consistent point of contact. Having a team member this integrated into a client's team provides you knowledge of technical problems and allows you to ensure new product adaptations are in line with your customers' needs and wants.

For example, a CSM can take on the following tasks with the understanding of your client that makes them feel like a partner instead of a budget line item.

- **Cross Selling** - By understanding how the customer's team works together, a CSM is able to make clear recommendations across the organization. For instance, a CSM who works closely with a sales operations manager is more authentically able to suggest demand generation or content marketing features. Pulling new teams from the same company onto your platform is the savviest way to increase your revenue per account. It is also the most difficult and often considered the most "sales-y" task a CSM performs, requiring a CSM with a consultative approach so they can remain a trusted advisor and not fall into the salesperson category.
- **Upselling and Upgrades** - CSMs who are helping to implement products and encourage product usage are more likely to best understand the moment when an upgrade is necessary. This keeps your client from wondering about or shopping around for a new platform. The cost associated with pulling their team off a system and transferring to a new system can seem astronomical, compared to an incremental upgrade when timed correctly.
- **Seat Expansion** - Providing your client with a CSM as a trusted onboarding resource allows them to save time training team members. Your client must then decide between the cost of one more seat on your platform with full training, support, and continuity across teams or continuing to use outdated methods that lack continuity.

Now - Where do you find these Customer Success Managers in a world of job boards?

## The Betts Solution

At **Betts** we take creating genuine relationships seriously. Our relationships with both you, our clients, and our candidates are what enable us to make CSM hires fit your culture and have passion for your product. Our average placement is 25 days (vs. industry average 60 days) reducing your time to hire. Using our recruiting service and leveraging our CSM network will help your organization scale faster, reduce churn, and improve shareholder value.