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The Global Channel Ecosystem

Secure Your Annual Renewals

A step-by-step guide using a proven Customer Success strategy

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The increasing focus on Customer Success initiatives we are seeing in companies who operate either annual renewals or monthly subscriptions, gives more weight to the need to manage each customer’s life cycle through a carefully structured and robust strategy.

”

- Jim Stockwell

Introduction

Step-by-Step Guide

Thanks for downloading our latest e-Book.

In this document, I'll cover some proven strategies for implementing a customer success program that focuses on each phase of the customer life cycle starting from the beginning of the customer journey and ending in the ultimate testament of his or her customer's experience - the renewal.

For the purposes of this document, this strategy has been applied in the context of annual contract renewal, however the same methods and approaches can be adopted for a monthly renewal using the same time frames.

Customer Success Program

The Customer Success phenomenon, which has largely been driven by the Software-as-a-Service organizations provides a mechanism and framework to manage the customer experience or life cycle through a single function. Customer Success teams eliminate the challenges previously faced by organizations trying to implement Customer Life Cycle programs, where the activities have been managed across multiple silos such as Sales, Customer Service, Marketing and Support with little to no common processes. These situations have resulted in confusion for both employees and customers, leading to increased customer churn, productivity loss and ultimately decreased revenue.

What's in a Customer Success Program?

A Customer Success program can be defined by implementing a framework developed by TSIA, called LAER or Land, Adopt, Expand and Renew[1].

This framework promotes the idea that once a customer "Lands", the organization needs to focus on how well the product or service is adopted, which provided adoption is successful, is then followed by an opportunity to expand or extend the offering. Over the course of a year, coordinated and frequent touchpoints have occurred between the customer and seller so that once it comes time to start the renewal discussion, the customer feels that he or she has had a positive customer experience, reducing any barriers to renewing the contract.

1. TSIA: The State of Expand Selling

Customer Success Framework

Below is a graphic of our customer success framework that covers some key topics, discussions and options open to a Customer Success representative (CSR) (or Renewal Specialist) during five phases over an annual period. More detail on each phase can be found in subsequent sections.

Land	Adopt	Expand	Renew (start)	Renew (complete)
Month **0**	Month **3**	Month **6**	Month **9**	Month **12**
Thank customer	Check expectations	Perform customer health-check	Confirm pricing	Check PO status
Cleanse data	Resolve concerns	Tailor promotions & cross sell	Develop closure plan	Supply chain not changed
Confirm client contact	Promote upgrade services	Plan for renewal	Confirm ongoing client contact	Maintain relationship with client contact

Phase 1: Assuring implementation and adoption

This phase occurs at point of initial purchase when the process of developing the relationship commences.

Land
Month **0**
Thank customer
Cleanse data
Confirm client contact

Thank customer

The CSR engages the customer with a "Customer Care" call. The customer is firstly thanked for investing in the vendor's technology and an assurance the CSR will be responsible for ensuring the customer is successful with the vendor's technology.

Validate customer contact record

This engagement can then be used as an opportunity to validate and populate customers success records e.g. identify who the correct primary contact is or if needed the site information for SLA service coverage. Throughout the call, the CSR would articulate the vendors' business proposition and relevant marketing messages as is relevant to the customer's environment.

Help overcome buyers remorse

This direct contact early in the post-sales cycle can be useful in overcoming any postpurchase dissonance (or buyer's remorse) by reinforcing the value the vendor brings to the customer through its product or service support offerings and assuring the customer the vendor is there to make them successful.

Focus on customer care

While there may be an opportunity to "upgrade" a customer's service or warranty provisions, upselling should not be a focus of the call. In the case that new sales opportunities are identified, these can be easily passed on to the relevant internal employee or channel partner.

Phase 2: Adoption and expansion

This phase occurs at month 3 of the annual cycle, during which time the customer has had sufficient time to use the product and will likely have formed an opinion.

Confirm product is meeting expectations

First thing the CSR does during this second call is confirm that the products is performing at the expected level and that any outstanding technical inquiries have been or are being dealt with. The CSR should be prepared for any support questions by reviewing ahead of time the information from the relevant systems (e.g. Installed Base Management, Customer Resource Management or Help Desk platforms).

Present additional services

If all technical concerns have been appropriately managed, the CSR can use the rest of the call to present the seller's additional products or services. These may be in the form of extra modules, system enhancement, education or consultancy service offerings as well as possible support upgrades. This engagement will also ensure that any changes in contact data, product and/or support performance and client perceptions are updated.

Phase 3: Expansion

This phase occurs at month 6 of the annual cycle, which should be structured around specific marketing activities or promotions.

Perform customer health-check

By now, the customer has experienced the product for around 6 months and will be weighing up its business impact versus the investment made. Customer care questions will confirm that the customer is satisfied with how the product and service support is progressing inside their business, including how it is helping him or her meet the customer's business goals. This gives the CSR a good indication of the customer's propensity to renew.

Expand

Month
6

Perform customer health-check

Tailor promotions & cross sell

Plan for renewal

Offer tailored marketing promotions

Based on the customer's reactions and feedback, the CSR can use the opportunity to advise him or her of any product enhancements, upgrades etc. and promote any specific marketing activity that would be appropriate such as tailored product promotions targeting how the customer uses and engages with the product.

"It's important to maintain relationship momentum during this phase."

Renewal Planning

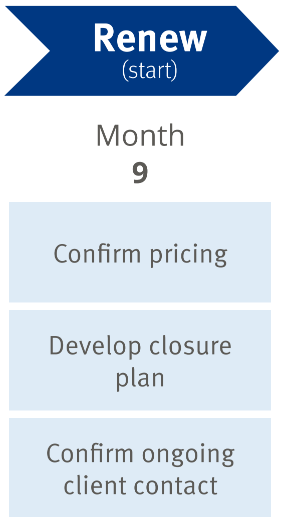
The final part of this engagement will be to confirm who the primary contact is for the renewal and remind him or her to start planning for the renewal in the next few months. This gives the customer plenty of time to prepare budgets and also for the vendor to correct any outstanding issues that could potentially affect the renewal. Any new information on contacts and process is updated.

Phase 4: Begin renewal process

This phase occurs at month 9 of the annual cycle with follow-ups at various times during the subsequent three months.

Confirm pricing

The renewal process commences nine months from the date of product purchase. At this point, relevant pricing for renewal items should be provided to the customer. Given the frequency of touchpoints the customer has had with the CSR over the course of the year, the relationship should be in a place where the customer is an advocate for the vendor, and will positively support the renewal process.



Develop closure plan

The CSR discusses a closure plan with the customer, covering timeframes, relevant approvals and sign-offs.

Continue monitoring customer-health

In addition, the CSR should continue to monitor the status of support and technical inquiries to ensure resolution times are meeting the customer’s expectations or negotiated SLAs.

Phase 5: Complete renewal process

This phase occurs at month 12 of the annual cycle, with a new cycle starting.

Renew
(complete)

Month
12

Check PO status

Supply chain not changed

Maintain relationship with client contact

Complete renewal paperwork including PO status & delivery procedure (if required)

Assuming all the previous phases have gone to plan and the customer has been satisfied throughout the year, by the twelfth month, the renewal paperwork should all be completed and a delivery or execution plan in process.

Maintain relationship with customer

The CSR would contact the customer to thank the customer for the renewal and check that the renewal process has no outstanding issues. The CSR would yet again confirm if there have been any changes in client details to ensure an ongoing relationship with the operational or purchasing contacts are valid. If technology is used, an automatic “Thank you” with a Customer Service Questionnaire or rating system included should be issued from the CSR and the renewals life cycle repeats.

Applying Customer Success Through a Channel Sales Model

The above strategy has been designed to operate both in a direct sales model and also a 1 or 2 tier channel model. In the case that you have channel partners managing your end customers, vendors can include training on specifically designed "customer success programs" through their traditional partner programs.

Information and Training is Key!

The main barrier faced in these scenarios is having relevant and validated information to provide coordinated touchpoints with customers. This means it's important they are aware of the education, support and other consultancy options that will help them conduct these calls either your behalf or in support of your efforts. Motivating without dictating is key to successful outcomes in this case.

Customer Success Programs Technology Support

There's no doubt that investing in Customer Success programs can be time consuming, resource intensive and very expensive. While there are elements of these programs where person-to-person contact is essential, there is definitely opportunity to streamline many of the administrative tasks using a technology solution.

Remove Non-Value Added Tasks

Creating notifications and tasks to follow up on each and every renewal is an overwhelming task for anyone. By automating these non-value added administrative tasks, the focus of your CSR or Channel Partner CSR is on identifying and supporting his or her needs as well as resolving any technical or other issues for the customer during each interaction.

The more time spent on the customer, the more positive the customer experience will be. This will ultimately determine the impact your customer success programs will have on minimizing productivity loss, reducing churn and increasing revenue.

To learn more about deploying a customer success program in your organization, contact us at iasset.com and speak to one of our experienced consulting team.

After all they do this for customers very similar to you every day and can add significant value on a much shorter time scale than attempting to implement the processes discussed above on your own.

About the Author

Jim Stockwell

Jim Stockwell has over 28 years' experience in developing and implementing annuity and renewal sales programs for vendors, distributors and resellers across the IT industry. He was founding member of Aspire Technology developing annuity sales technology platforms. He has worked for Datapoint Corporation, Morse, Aspire Technology, Concentrix and is now a member of the executive leadership team at iasset.com.

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