

TSIA 2018 Fall TSW: The LAER Effective Company

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November 2018

As a first-time attendee of TSIA's flagship TSW event, it was incredible to see so many technology services leaders assembled in one spot at the same time. My colleagues and I reflected on TSW 18 and the numerous discussions at the conference, and took away the following highlights in driving to a "LAER Effective Company", the theme for TSW18:

1. Operational Roadmap to Maximize Renewal Rates

As companies continue to drive success with Subscriptions, the topic of how best to improve retention and renewal rates, is top of mind for many executives. Given the growing complexity of the average tech company's business mix (i.e. licenses, support & maintenance, subscriptions, cloud, etc.), there is increased awareness that maximizing renewal rates needs to be executed in a nuanced manner that reflects the dynamics of each line of business. More importantly, executives are seeking to put in place an operational roadmap that gets them on a path to achieving renewal rate targets. Such a roadmap should encompass driving the right customer engagement, ensuring sound renewal operational practices, motivate the right sales behaviors and ensure adequate policies and governance are in place to prevent risky deals.

2. Convergence of Post-Sales Services

My colleague Eric Pelander led a discussion with Tim Atkin, Chief Client Officer of Blackboard, to review our work on this topic. If the attendance at the session is any indication, there is indeed strong interest in optimizing the post-sales customer experience. Companies are increasingly evaluating the merits of organizing all post-sales services e.g. Professional Services, Customer Success, Customer Support and Renewals in an integrated manner under a single executive leader. Regardless of how post-sales services are organized, it is critical to ensure there is a shared understanding by all post-sales teams of the customer journey and the target customer outcomes, so the experience can be delivered seamlessly in an integrated manner.

3. Unifying Success and Support Offerings

I teamed up with Sowmya Srinivasan, Director of Strategy and Operations, Informatica to discuss our work together on designing Informatica's new Unified Success and Support offerings, one of the first of its kind in the industry. Gauging by the attendance levels and the lively Q&A during the discussion, the strategic role of post-sales offerings across the customer lifecycle is garnering more attention than ever before. In addition to directly driving revenue growth, Services offerings now play a pivotal role in shaping the customer experience and ultimately influencing renewals and expansions. Designing and pricing a unified services portfolio is a complex undertaking.

Considerations include selecting services and “features” across Customer Support, Training, Customer Success that are valuable to end users, structuring and pricing tiered offerings, developing a framework to migrate the existing base while ensuring minimal disruption, among others

4. Funding Models for Post-Sales Customer Experience

Not surprisingly, the topic of funding mechanisms for post-sales is top of mind for many leaders. As a way of managing investment allocations across the customer lifecycle, companies are increasingly supplementing sales investment measures such as Customer Acquisition Costs (CAC) with additional post-sales measures such as Customer Retention Costs (CRC) and Customer Expansion Costs (CEC). Benchmarks vary based on the company’s go-to market strategy and maturity, and the charter of post-sales. However, companies are using CRC, CEC, and CAC relative to each other to guide investments and resource allocations across the lifecycle.

These themes are very consistent with topics that Waterstone is assisting clients with. If you’d like to discuss any of these topics in more detail, please feel free to contact me at hselvanathan@waterstonegroup.com or 650-513-2528.