

PulseLocal Chicago Meetup Recap – Customer Success X.0

By James Kirwan
January 2019

Waterstone recently hosted the PulseLocal Chicago meetup at our downtown offices - it was a productive event featuring dozens of Customer Success (CS) professionals ranging from practitioners to leaders at tech companies. PulseLocal is the global network for the CS community with regional chapters connecting professionals to foster and grow the CS movement at the grassroots level.

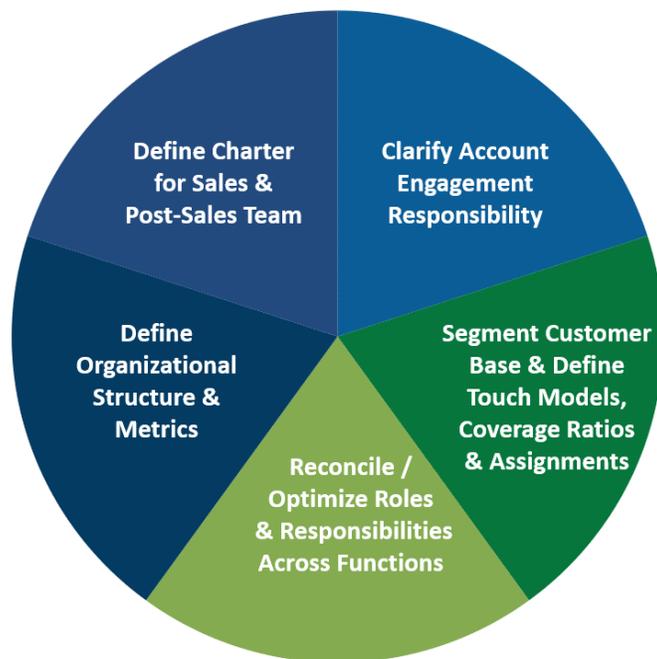
The theme of the meeting was “Customer Success X.0” focusing on the genesis of CS from a function struggling to justify investment to a cross-functional operating model garnering significant attention at the executive level. As the vision and mandate for CS continues to evolve, tech companies are wrestling with what the ideal CS operating model should look like.

Through group discussions and individual breakouts, three themes emerged around the Customer Success operating model:

- 1. CS groups’ focus is evolving.** During the days when CS functions were relatively uncommon and small, they typically focused on more tactical items such as tracking customer satisfaction, developing customer playbooks and monitoring product usage. Now that CS has become a prominent function within tech companies, the focus has expanded to more strategic topics such as maximizing net-retention, developing comprehensive customer health scores, and ensuring cross-functional alignment on a customer-focused mentality.
- 2. CS organization & alignment a topic for debate.** In most cases, the CS function is grouped with other post-sale functions including Professional Services and Support; however, companies are still struggling to answer several questions about how CS fits more broadly within the organization. These questions include: ‘Who is going to drive renewals?’ ‘Why can’t Support resources do this?’ ‘How and when should CS and Sales work together?’
- 3. Measuring & monetizing CS can be challenging.** As CS gains C-suite attention, companies are struggling to measure the success of the function, particularly demonstrating to executives the financial benefit generated (directly or indirectly) by CS to justify investment in the function. Some companies isolate the impact of CS by breaking down changes in the net-retention components the function influences (e.g. cancellations, price increases, account expansions). Many companies are now monetizing the CS function through tiered subscription models (e.g. ‘platinum’ customers have a named CSM).

It was fascinating to hear different perspectives on the CS operating model from participants at a wide range of companies. CS is clearly a rapidly evolving subject, and the best way for professionals to learn best practices is to discuss with their peers.

Waterstone had an opportunity at the session to share our latest perspective on best practices for the CS operating model. Across our portfolio of clients, Waterstone sees companies working hard to design and implement a CS operating model that not only enables an excellent customer experience, but also drives financial performance. Waterstone's approach for designing companies' operating models focuses on five key areas:



[Click here to learn more about Customer Success Operating Model Design.](#)