HOW TO CREATE A CUSTOMER SUCCESS PLAN

A step-by-step guide to delivering on expectations and ensuring success
How to Create a Customer Success Plan

How well does your organization know each customer? And how can you tell what constitutes “success” for a particular customer?

Your departments almost certainly have access to go-live status reports, net promoter scores, and number of open cases. They may also know adoption metrics and module usage—and all this information can be consolidated and subsequently ranked as good or bad.

Your company may go even further, transforming this data into a “customer health score”—a formula that weights the importance of each parameter and creates an overall satisfaction index.

But do these techniques give you the ability to define and identify customer success for each individual customer? The reality is that they don’t.

Why? Because not all customers are the same—especially in the world of B2B, where customer expectations vary widely. The definition of “success” will be differ from customer to customer, with an endless number of ways to calculate and measure it, and it will also change over time. Even within a single category such as nonprofits, it’s easy to imagine how success might vary for a school vs. a hospital vs. a charitable foundation, for example.

For some customers, success might be defined purely by return on investment. For example, can the CFO see a 5x return? For other customers, success might rely on some specific milestone, such as whether a deployment timeframe meets a critical project need. For other customers, success is more about ease of doing business—is a system easy to use, and is support easy to engage?

Given this variability, a standardized customer health score is always going to be incomplete—and, ultimately, inefficient—as a guide for delivering customer success. That’s why customer success teams need to move beyond these standardized health score formulas and into customer success planning.

Once you know each customer’s expectations, you can serve them in a way that ensures customer success. From the earliest stages of the customer lifecycle, the Customer Success Plan needs to be created, communicated and executed—so you can deliver on those expectations and create customers for life.
What Is a Customer Success Plan?

A Customer Success Plan is clear statement of “what” and “how” you will deliver value throughout the customer lifecycle. The Customer Success Plan is built by understanding expectations—both your customer’s and your own.

Customers can have all sorts of expectations. They might expect a product to be operational within a certain time frame, to have gained a certain number of active users, or even just to have produced good value for the company. Internally, a company might have expectations around the number of hours required to complete onboarding, for example, or how closely customers will adhere to standards.

The Customer Success Plan takes all these expectations and ensures that the tasks, deliverables and outcomes all combine to meet them. An effective Customer Success Plan mitigates potential problems with onboarding, adoption and operations, and it provides everyone with a big-picture perspective.

The plan becomes the customer success manager’s key tool for aligning resources—because it makes sure that you’re running the right plays for the right customer at the right time.

Why Create a Customer Success Plan?

A Customer Success Plan provides you with a clear definition of how to create customer value and operate efficiently—two objectives that are critical to success in the subscription economy.

The customer’s expectations drive the plan, so you never lose sight of your target. A Customer Success Plan provides consistency throughout the customer journey, so that everyone’s focus remains the same: meeting the customer’s expectations—from opportunity to onboarding to adoption and delivery.

Creating a Customer Success Plan also helps you identify exceptions early. Exceptions are simply expectations that cannot be met with normal operations, for example, a customer expects that onboarding will be completed in half the time normally allocated. Identifying exceptions is one key to eliminating firefighting.

The most common argument against developing and documenting a Customer Success Plan is “we do not have the time and resources to do this.” But those who have embraced customer success planning confirm the substantial benefits of reduced work and expense.

Typically, customer success teams can spend 20% to 30% of their time firefighting issues. By executing a Customer Success Plan, 50% of that time can be reclaimed and the remaining 10% to 15% can be transformed into proactive exceptions management.

In this way, customer success planning reduces the cost of firefighting, while also improving revenue retention and growth by creating more time for proactive customer interaction. And, ultimately, that’s how you create satisfied customers for life.
Who is involved in creating the Customer Success Plan?

You need to involve the individuals who have the most knowledge of customer expectations: sales, professional services and—of course—the customer. You should also involve the individuals in various departments who will have to deliver on the plan, to ensure team member buy-in. Once the plan is created, ask everyone to review the plan to communicate direction and collect final feedback.

When should a Customer Success Plan be created?

Initially, you should create the Customer Success Plan during the acquisition stage—but ideally, you should update the plan (or create a new one, if needed) at each stage in the customer lifecycle: acquisition, onboarding, adoption and ongoing delivery.

How is the Customer Success Plan used?

Use the Customer Success Plan to:

**Verify that each expectation is being addressed.** As you develop your Customer Success Plan, you will identify processes that contribute to meeting expectations. You should identify at least one process that ensures delivery for every priority customer expectation.

**Address potential exceptions.** You will probably identify expectations that are not handled by your routine onboarding, adoption and delivery processes. These are exceptions, and you’ll plan to address these issues with specialized tasks and deliverables.

**Communicate priorities and evaluation criteria.** The Customer Success Plan is a clear description of what constitutes success and how to measure it. The collective team should have little question about what and how to deliver.

**Align with your customer on the definition of success.** The Customer Success Plan clearly specifies metrics and goals to provide a definition of success. The definition of customer success becomes explicit and shareable with your customer to gain alignment.

**Score customer success.** The Customer Success Plan defines the metrics and collection of performance data for tracking the success of each customer individually. Moving beyond a formulaic health score provides the most accurate success monitoring and management.
Steps to Creating a Customer Success Plan

Expectations form the nucleus of your Customer Success Plan. Together, they help you identify processes, tasks and deliverables to ensure customer success.

Each item in the Customer Success Plan includes:

<table>
<thead>
<tr>
<th>IDENTIFY EXPECTATION</th>
<th>MAP PROCESSES</th>
<th>DEFINE METRIC</th>
<th>QUANTIFY GOAL</th>
<th>ESTABLISH SCHEDULE</th>
<th>ASSIGN RESPONSIBILITY</th>
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</table>

Identify Expectations

Clearly identifying a customer’s expectations is the difference between creating a customer for life and firefighting to sustain the relationship.

If your focus is helping customers leverage your products to be more successful, you need to understand what they expect—and you need to keep that aligned with your own expectations. A good Customer Success Plan balances the expectations of both the customer and your company.

As you identify expectations, be sure to capture both stated and unstated ones—and don’t assume that you know what the customer wants. These expectations will be gathered from both internal team members, such as sales, but also from external sources, such as the customer stakeholder, user and partners.

Along with understanding an expectation, you also need to understand its priority. Expectations and priorities should both be documented at this point.

EXAMPLE EXPECTATIONS:

<table>
<thead>
<tr>
<th>CUSTOMER EXPECTATIONS</th>
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<tbody>
<tr>
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Map Processes to Meet Expectations

Your next step is to map the processes that will meet each expectation. Some of the expectations will be addressed by your standard onboarding, adoption and delivery processes. Other expectations will need to be addressed by modified processes. Knowing in advance how expectations will be met allows for proactive resourcing and execution.

If an expectation does not have an associated existing process, this represents an exception. We’ll cover those in more detail later.

EXAMPLE

<table>
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For Each Expectation, Define a Metric

A metric is the empirical measurement that tells you whether you are meeting the expectation. Realistic metrics for each expectation are critical.

Some expectations are not easily measured, but you still need to track your progress against them. For example, a customer might expect users to find the product intuitive to use. One way to measure that would be to look for indicators that users are adopting the solution quickly and finding its necessary features. Metrics for “Intuitiveness” might include loyalty and feature coverage.

Choosing the right metric is imperative, because team members will focus their efforts on meeting it—and the wrong metric may lead to misguided efforts. For example, if onboarding is measured based on training hours delivered, there might be a temptation to deliver a one-size-fits-all training program rather than persona-based training to match actual needs.

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For Each Metric, Quantify a Goal

A goal tells you whether you are performing at an acceptable level. It answers the question, “To what degree?”

Goals must be realistic. Do not set extraordinary goals with the hope of achieving something close. That is not customer success. Instead, your goals should inform the team and customer of what, specifically, constitutes acceptable performance. Goals are a concrete feedback tool.

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For Each Expectation, Assign Responsibility

When you assign responsibility for an expectation, you are identifying the individuals or cross-functional teams to monitor and ensure attainment of the goal. Along the way, these people collect and maintain any process-related data.

They make sure that processes are working and that defined goals are being met.

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<td>Cindy Grygiel</td>
</tr>
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</table>

For Each Goal, Establish a Schedule

Knowing when an expectation must be met is as important as knowing what the expectation is. Just like the goal, the schedule must be realistic. Unrealistic schedules will only result in poor quality deliverables and burned-out staff. Realistic schedules agreed to both internally and externally result in better resource utilization and better customer satisfaction.
Identify Exceptions that Require Customer Success Management

Defining exceptions follows a similar procedure as defining expectations but requires additional detail on processes. Because exceptions are non-standard customer expectations, they don’t have standard processes to ensure they are dealt with appropriately. Exceptions are also likely to cost more to implement, because they are out of the norm and more likely to be overlooked. Identifying exceptions allows a team to monitor and manage them proactively.

Once you identify and prioritize exceptions, you must identify the custom tasks and deliverables to address them. Then, you must assign a metric, goal, schedule and responsibility to each expectation.

Create Customer Success Plan Templates

Customer success managers who create plans are significantly more productive than those who don’t—so you should make planning easy with templates. A library of plan templates can drive best practices into action and provide the following operational benefits:

- Remove barriers to plan creation for individual customer success managers
- Reduce time and effort needed to create Customer Success Plans
- Create consistency in plan structure for communication and reporting
- Ensure quality is designed into the Customer Success Plan

Templates also drive cultural benefits:

- By creating a plan, the customer success manager takes ownership of his customer and customer portfolio
- The planning process drives big-picture creative thinking for the customer success manager and broader team
- Planning forces the customer success manager to examine what has worked and what hasn’t
- Sharing the plan and progress to the team is a powerful, efficient way of communicating customer success
Operationalize Your Plans

A Customer Success Plan identifies the customer expectations and exceptions that need to be addressed. The plan defines metrics, goals and responsibilities. Next, you need to leverage customer success management technology to operationalize your plans. The right customer success management solution provides the tools and infrastructure for creating, maintaining and executing the Customer Success Plans.

Communicate Your Plan and Progress

Communication of the Customer Success Plan is critical to commitment and execution. When defining your communication program, be certain you know your audience and develop communication strategies to meet their needs. Tailor information content and detail to their level, knowledge and experience. Make sure the medium is appropriate, as executives may prefer verbal briefings and others a simple email.

Avoid a common mistake: do not forget to include feedback opportunities in your communication program. Build in question-and-answer sessions and/or surveys, because feedback will help you know when you need to make changes to your Customer Success Plan.

Constantly Monitor Whether Customer Expectations Are Being Met

Remember to have periodic reviews that capture customer perceptions as to whether expectations have been met. This step is in addition to the communications program. Your metrics might tell you one story, but it’s incomplete without your customers’ perceptions. To gather perceptions, you may employ a survey, QBR, or any number of checkpoints to stay in synch.

Implement a Customer Success Recognition Program

Be sure to define a customer success recognition program. Too often, we focus on the heroic firefighters and forget to recognize thoughtful planning and work well done. Recognizing customer success managers provides incentive to build and execute great plans. This can also boost morale and create a more productive work environment.

Accelerate Customer Success

Customer Success by ServiceSource streamlines and optimizes customer onboarding, adoption and retention. Customer-specific Playbooks ensure you run the right play at the right time with the right customer. Unlike other approaches to customer success, Customer Success by ServiceSource enables both health scoring and customer success planning. While health scoring formulas surface customer issues in high-volume, standardized products and services, customer success planning provides the tools and infrastructure for success monitoring and management across customers with diverse expectations and requirements.
Conclusion

There are as many different definitions for success as there are customers. You can’t expect a standardized customer health score to capture all of the subtleties and variations. To deliver customer success throughout the customer lifecycle, you need to move beyond standardized formulas and into customer success planning. A carefully considered and effectively executed Customer Success Plan will help you deliver on expectations, manage exceptions, and create customers for life.

To learn more about how customer success planning drives greater revenue growth, contact ServiceSource today.
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