AJ (Adam Joseph): How did you get started in Customer Success?

PM (Perry Monaco): You know it was as a result of the relationships that I've built up over the course of my career and a whole bunch of luck. I started the third version of my career in the recruitment industry and was working for a number of years in a fully commissioned role in the agency space. Ultimately, I was looking to transition out of that sort of full-time commission based role and into something that was a little bit different.

I started doing some self-reflection as to what I really enjoy doing and took stock of the skill sets that I wanted to emphasise in my next role and then started reaching out to my network. Ultimately I found someone who worked at LinkedIn who was willing to listen to me and not expecting to find a role, but more to just be able to find someone who was willing to listen. This mutual progression between LinkedIn and myself along this continuum has gotten us to this point now where we are a pretty large Customer Success organisation.

I've been with the organisation for almost 7 years and Customer Success has been around for essentially that long. **We didn't call ourselves "Customer Success" as it wasn't really a "thing" that we were aware of at that point in time, but it was an organic element to what we knew we needed to do in order to grow the business**. So as we started to figure things out from a Customer Success perspective, the industry sort of matured along with us and there were things that we were doing exceptionally well and there was things that we know we're learning as we went from other people in the industry. It's really funny to sort of be in this position now where Customer Successes is just this crazy industry that is growing and trying to find its place, but also does some exceptionally exciting things. It all sort of happened by accident for me really.

AJ: Do your Customer Success processes follow the same model for every country/region or is there some variance based on local culture?

PM: The global leadership for Customer Success within Talent Solutions (the division that I'm in at LinkedIn), is getting together next week in Chicago. One of the points on the agenda is to come to an agreement as to what areas of the business are going to be consistent and what aspects can be slightly altered for various reasons *(e.g. maturity of a particular market, physical location, culture, customer expectation, etc.)* so it's an interesting question.

I would argue that there are more consistencies than inconsistencies, certainly in the way in which we determine whether a CSM is performing well. Everyone has the same compensation plan and measured to the same KPIs. So yes, I think for the most part, we're pretty consistent but there's always areas for opportunity there. I think one of the biggest reasons why you want to be consistent as a Customer Success organisation is that invariably not only are customers going to shift between segments but individuals within those organisations are also going to shift.

If you're a customer at "Company A" receiving a certain level of partnership and then you move to "Company B" and it's completely different for no real reason other than you just have a different CSM then that's a big problem. You can explain away the differences if you move from a very large spend company to a smaller spend company as I think that's an easier conversation to have. However, if you're not performing consistently across different segments or across different regions as much as possible, then that shift of your customer base is going to impact you negatively down the road.

AJ: The responsibilities of a CSM can vary greatly from one company to another – for example, it can be depend on the size, maturity of a business and the type of customers that they serve. Overall, do you believe that this variance is helpful or harmful do the Customer Success cause?

PM: It's interesting there are so many different variations of what a Customer Success Manager does in different companies. They can be the primary customer facing individual and thus be the first point of contact for everything such as Support, Account Management and Finance. I believe that this works in some organisations as they have to be lean and mean, because that's the way in which they have to operate.

I believe that what a mature organisation (or one that has their sights set on exponential growth) has to envision what scalability looks like. My biggest cautionary tone to a lot of newer organisations is that yes, I understand the need to be scrappy and to be flexible and to have the role grow and shrink day over day but if you don't focus on that concept of how are we going to scale when we have 40 customers now versus 4000 customers in a couple of years, you're going to cause a lot of disruption to both your customer base but also to the CSM itself.

If you don't figure out ways in which you can scale very early on, it's really difficult to put the genie back in the bottle when you're doing customised one-on-one on boarding for every single customer or every single user. I believe that's one area where organisations can really capitalise right from the get-go as if they invest in some sort of scaled learning opportunity for their customers that then something becomes part of the culture of your Customer Success organisation. That is something that you're able to replicate as you continue to grow. **Scalability is something that you know organisations really have to make sure that they invest in early on**.

AJ: When should companies focus their CSMs on tasks/responsibilities that are specifically based around proactively increasing customer value rather than being the primary customer contact for a broader range of responsibilities?

PM: **The one thing that I like to mention all the time is that we should not be delighting our customers. I don't think that that is the best route to achieving the goals of Customer Success and ultimately the growth of your business**. To me delighting your customer is like thinking about those initial first few dates with someone; you can go out for dinner, for movie and a coffee, laugh, have a great time and enjoy each other's company and look forward to the next date. However, at some point in time you realise that there's not a romantic connection and it probably doesn't make sense to carry the relationship forward. So you know you've been delighted (and you have delighted) but there's no long-term play. If you focus only on the "delight" aspect of the relationship then that's what you're going to get. You're going to get someone who's delighted but not someone who's willing to invest in the long-term play. This really involves digging deeper and understanding what their values are, what it is that they're ultimately trying to achieve, what their overall business goals are and why it is that your solution will help them close that gap.

We shouldn't focus on delighting the customer but focus on that long-term play. That ability that we have to form a long term relationship with the customer and become a true partner solving a business problem - especially if your solution is not mission critical. I don't have the benefit of working in an organisation where our solution is mission critical for our customers. With that in mind, we really have to focus on the business problem that we can help solve. Delighting the customers is something that should happen organically along the way. However, if you're in a good relationship where your business problems are being solved, you don't necessarily have to even like the person that you're dealing with. You don't know how many people out there don't necessarily love the SaaS solution (or any solution) that they have but it works well for them so they stick with it. You know that's not an ideal scenario because you do want that delight aspect but ultimately it's not something that you should focus on and that's where I think a lot of companies fall-down. They focus on those delighting the customer aspect and while it should be part of the overall relationship, it's not something that should be the primary focus. **Ultimately you should be focused on solving that business problem for the customer and the delight aspect will come along**.

AJ: Do you have any advice for any CSMs who have a large base of accounts and trying to deliver Customer Success at scale?

PM: I come from "both worlds" in the past; when I first started at LinkedIn, every customer in Canada was mine. As my career evolved, I moved into our global accounts program and that was a much smaller concentration of customers but they were large multinationals and so they had a pretty big presence with our solution. **I believe that the key recipe for success for a CSM is the ability to prioritise**. One of the things I like to say is that the customer who is reaching out to you is ultimately not the one you want to be speaking with. Yes, you want to work with them and solve their problem but they're already engaged with you. **If you are spending all of your time with those customers that are reaching out to you proactively then how many customers are you actually leaving behind that are not reaching out to you - that's a harder nut to crack**. They're probably not reaching out to you for a specific reason; they're disengaged or unhappy and don't know how to use your solution.

For a CSM who has a larger book (of accounts), you've got to spend the majority of your time being proactive versus reactive when it comes to engagement with your customers. You need to be able to take stock of what they're doing (or not doing) and then proactively engage them. Find out what the business problem is that you're there to help them solve and then putting a plan in place to get them to the point where they are engaged. **So for me it's all about being as proactive as possible and being able to prioritise your book of business so that you're in control, you're reaching out more often to the people that you want to speak to versus the customers that want to speak to you and controlling your agenda**.

AJ: How important is not to be overly reliant on internal metrics to assess customer health but to also add a layer of contextual information as well?

PM: It is so important to add context to your own data. **Data should help you set your agenda for the day however the human element that you are able to add in is so crucial**. I'll give you a specific example; in our world it's an extreme one but you know usually extremes are what's best to illustrate a point. We offer a solution to our customers that helps them recruit passive talent and so ultimately, the simplest metrics that we have, tells us whether a customer is logging in to LinkedIn Recruiter or not.

We know that if you're logging in, typically that is going to be a good sign for renewal. There are also advanced metrics that show patterns and types of usage. If we just focus on those metrics we can find customers who have not logged in for an entire quarter. For anyone inside (or outside) of Customer Success, this would normally be considered "code red" and the alarm bells would start ringing.

However, that might not necessarily be the case because in our initial conversation (and all subsequent ones) with our customer, we're going to ask them "*when are your priority hiring times, and when do you foresee that you're going to need this type of recruitment effort?*". They may tell us that all of their recruitment is done in the very first quarter of the year because of the way in which their business is structured. So instead of wasting your time calling that customer in September saying "*hey, why haven't you logged in for the last four months?*", we would be able to interpret the data and know that this customer is okay with not having any log-ins.

That is something that can be more difficult to do as you continue to scale for a CSM that has a larger book of business. **However, it's so important to be able to document that type of context in a centralised location that everyone have access to so that you can add the context to the data and be able to move on to something else that's going to be a little bit more effective in terms of the use of your time**.

AJ: It can also work the other way around; customers who seem to be regularly using a solution so everything looks good from a metrics/health-score perspective, but they still end up churning or downgrading.

PM: **Exactly – Be flexible, never take for granted that your customer is going to be a customer tomorrow. You don't want to live in a state of panic or a state of extreme anxiety but at the same time you never want to rest on your laurels either.** Every call that my CSMs have with customers should also involve a discovery element that looks into the context of why a question is asked as well as answering it outright. This helps uncover upgrade opportunities or add-ons, whatever the case may be. **I think that this goes back to delighting the customer, they ask a question and our immediate response is the need to make that customer happy and solve the problem. However, let's take a deep breath first find out why they're even asking the question and then solve the problem and then try and figure out ways in which we can use that information for assistance in the future**.

AJ: How can Customer Success be seen as more than just a churn mitigation department but also as a platform for growth and opportunities as well?

PM: I struggle with this question all of the time because the way that our CSMs are compensated is based on the level of engagement that our customers have with our solution and that's it. It's a very clear, focused way of compensating our CSMs which then in turn, very clearly focuses them on the activities that we know are going to help lead to a reduction in churn (or if you want to look at it more positively lead to higher retention rates).

We do not formally track or compensate CSMs on any add-ons. I come from an environment where CSMs do not own the renewal, they partner with a Sales person who is in charge of that commercial relationship. However I think that there would be some benefit to tracking the add-on opportunities that a CSM brings to the table. I believe it does add value that our Sales teams will more immediately recognise then saying, "*Hey, I got 100% of my new users to log in and engage with the tool this past week*". I don't know if Sales fully recognises how important and how difficult that can be, especially in a non-mission critical solution that we have. The hesitation is that if we put a ranking or a leader board that says a particular CSM has brought in this amount of opportunity, it then gets CSMs to focus on yet another task that takes them away from some of the churn-related activities that we know they should be focused on.

And yes, while growing a customer is the best way to eliminate churn, it does potentially take your eye off of the other customers that are that are not engaging because you want to be at the top of that stack rank. So whilst I'm not sure where I land on that quite yet, I do know that I would love to have a more formal mechanism (even if it's not public) to be able to recognise which of my CSMs are better at bringing in opportunities versus ones that are not.

AJ: In my experience, any bonus or commission plan should reflect the best practice nature of the role so it's vital that it is tied to the behaviours that are going to lead to your success.

PM: **I cannot emphasise the importance enough of having a compensation plan that is directly tied to the activities that you want your CSM to be performing**. If they own the renewal, then certainly there needs to be what percentage of renewals did you close, how much growth opportunity did you bring in - of course. Certainly you know in our space (where we don't own the renewal), having our compensation directly tied to activity based KPIs, versus a renewal that they don't own and therefore can't control, to me is just such a big win for us in terms of being able to manage our CSMs to the activities that we want them to perform.