

AJ (Adam Joseph): Can you give us some background on LogicMonitor and your role?

RG (Russell Gray): I have been at LogicMonitor for almost two years; we are a SaaS based performance monitoring tool for IT infrastructure and we try to give our customers that “single pane of glass” view into their IT stack whether that be for on premise, the cloud or a hybrid infrastructure (which is more common nowadays).

Our Customers range from small SaaS companies to very large enterprise multinational organisations with data centres all over the world. We give these clients the ability to manage those data centres in that integrated infrastructure from any place that they can get an internet connection.

AJ: Can you explain about the make-up of your Customer Success Team?

RG: Sure! We have a growing team here of about 12 people on our Customer Success Team. Currently we have people based in our Santa Barbara office and also in Austin and London. We service our clients in a variety of ways from high-touch models for our enterprise level customers to one-to-many or more automated models for our smaller, starter-type customers.

AJ: You have transitioned your team from a reactive Account Management type model to one that is based on proactive Customer Success; how did you go about doing this?

RG: When I started at LogicMonitor the team was called the “Accounts Team” and their job titles were “Account Managers”. I was hired towards a vision towards converting that team into a Customer Success function. We ultimately changed people’s job titles so that they are now called “Customer Success Managers” and it’s a Customer Success group. **The first thing I did when I started was to meet with each person on the team and ask them three simple questions which were “when you’re dealing with your territory and your customer base, how do you know who to reach out to, how do you know when to reach out to them and how do you know what to reach out to them about?”**.

Not surprisingly, what I received was a bunch of answers that were non-standard, ad-hoc and heavily reactive. What this told me was the result of this kind of mind-set was that you fall back into reactive ways of working. Anyone who has worked with a base of customers knows that you have 20% of your base that is the most vocal; they might not be your most strategic partners or biggest advocates but if you’re not careful in a reactive framework you can spend most of your time just servicing a part of your territory. You’ll feel very busy and having meaningful conversations but there will be a large part of your territory that you’re not reaching. That is what was needed to change; how could we make sure that reaching our entire customer base in a more streamlined and standardised fashion?

We did this in the first part by defining a set of activities that the team would have to do each week, month and quarter. These were very simple things; the first action was to ensure that we had a standardised implementation process. We wanted to define what the implementation period would be and for us that's about ninety days from when a customer first signs with LogicMonitor. We wanted to define what a Customer Success implementation looks like so we came up with a measure of defining what their initial problem was or why they purchased and our goal was to get them to that initial moment of value within that first ninety days. Then we had to build frameworks to track and report on that implementation activity.

We went through all of those processes for several months and we immediately saw movement in the needle; most churn or issues that customers had can be tracked all the way back to the implementation phase as that period is absolutely critical. We then layered on some additional activities as well such as business reviews, campaigns and product updates but what we were really trying to do was to give the team a framework to say this is what you need to do for your territory, this is what you need to do to be successful and if you fulfil all of these activities, then you will be on your way towards really having that level of proactive engagement that we need with our customer base.

AJ: Is the Customer Success model that you have now the same as when you rolled it out or has it evolved over time?

RG: We always iterate; on our team "change" is the normal – we are always pushing what we do and trying to revise and get better. However, I would say that the core of what we rolled out (at the beginning) does still remain. It has morphed a little bit, we went from a sense of a set of activities to now defining an experience for our customers and trying to layer those activities into that experience.

What that means is if you sign an enterprise/pro/starter level agreement with LogicMonitor that should mean something, there should be a level of engagement and contact that you receive from the company and Customer Success specifically. We've "flipped it on its head" a little bit and said instead of having set activities that you have to perform, now what we are going to do it say "*well, if you have an enterprise customer, this is what you as a Customer Success Manager are responsible for delivering to that customer*". The same base activities, the same tracking but we are just defining it from an experience at the customer level.

AJ: As well as changing to a Customer Success model, you also needed to ensure that your team had a proactive mind-set, how tough was this to do?

RG: What I tried to do with our team was to socialise our topics long before they became requirements. We started talking about these for several months before we put them into place so the team knew what they were and that they were coming. We also had the added benefit that some of the people had been around for a long time and some that we had just hired so we had that mix of entrenchment from the old methods of working and people that were new and looking to see how they were going to start their career at LogicMonitor and look after their territory.

The biggest thing we dealt with was trying to change the mind-set that these are not things we had to do in addition to the work that you have already been doing – this is the job, this is the core of what a Customer Success Manager and team should be doing. If you are doing a lot of things that aren't these types of activities or engagements then we need to figure out how them into the proper channels within the business (e.g. Professional Services, 24 x 7 Support). We needed to start leveraging these groups more so that we can be more proactive.

AJ: How supportive were your senior leadership team about the change to a proactive Customer Success model and what advice to you have to anyone about how to build a case for this?

RG: I was very fortunate that when I joined LogicMonitor I had a lot of discussions with our founder and CEO and I had their full support. They were fully behind trying to find someone to change the team from reactive Account Management to a proactive Customer Success team. I was fortunate to start with their support and this permeated down through other senior executives, our Product and Finance departments as well. I was really set up for success here which is great.

If you're starting out and you're trying to change the mind-set of your business, what I would say is that your customer base is your most strategic asset that a company has – particularly a SaaS company – your customer base and the relationship that you have with them is really the most valuable thing that your company has. I would frame the conversation in that regard as what you are trying to do is deepen those relationships, understand your customers more, and give them the experience that they expect.

The second thing (and something we have been doing recently) is once that you have reached that level of being able to define what your experience is and what your customers will receive that really is a differentiator in a competitive landscape. We use this as part of our Sales process to attract new customers. If you put yourself in the shoes of a potential buyer they are going to be responsible for the ultimate success of the tool that they are recommending. Showcasing and giving them the support that they are going to receive through implementation and on-boarding (and then right on through their lifecycle with your product) is a pretty powerful message for them to receive and they will feel a lot more comfortable about recommending a purchase. This has really helped us get the support of the Sales leaders as well as other members of the executive team.

AJ: What key metrics are you tracking to understand the impact that your Customer Success team are having?

RG: **Metrics are really important and like most SaaS companies we strive to be a data-driven business. We want as many decisions as possible to be informed by specific data.** We started with the activities and then we needed to define “the win”, how do we know when someone needs something from us or when we need to reach out about something. This really comes down to their usage and the data points that we can identify.

We talked to people that had used our product such as our customers, Founder and Head of Product and made some assumptions about the parts of our product that we believe would indicate success. We identified five or six of those data-points and then we proceeded to validate them by back-testing. We do have a very low churn rate at LogicMonitor and of course, we have had some customers who have left us so we compared customers that we retained verses those that had cancelled on these specific data points - that was pretty interesting!

The other thing we stumbled upon was the notion of customers that had grown organically with us – those that had grown their commitment to us or grown their usage. We identified that was really a clear indicator of success. Customers might “hang around”, and might not be using your tool ideally but they are getting something out of it so we keep their custom (hopefully we don’t have too many of those). This tells us that straight retention might not be as valuable then customers who have grown over time. That is a real indicator that their having success with your product so when we back-tested these customers who had grown verses those that had declined or cancelled, that’s when we really began to show some light on what kind of metrics were important.

For us, and to specifically answer your question, those were things like the amount of their commitment that their using (*e.g. they purchased a certain amount of LogicMonitor – how much of that are they using?*); we found some inciteful data points within that alone. We also have different features within our product (*e.g. are they using alerts correctly, are they logging in every day, are they using a variety of our features or just one?*). It's been very inciteful to layer on that data and see how we can turn it into action.

AJ: Did you also track customer satisfaction ratings through measures such as NPS (Net Promoter Score) and combine it with your internal metrics to create a health-score?

RG: Yes, that's exactly what we did. **If you think about customer usage data, it is somewhat objective and empirically measured data. We also needed to capture the subjective and we have a couple of ways that we do that. The first way is a very simple notion of a customer being marked "At Risk" by their Customer Success Manager. This could be for any reason (e.g. something that they saw in the news about a potential acquisition, something in an email that didn't seem quite right, financial changes, etc).**

In addition, we do Customer Satisfaction surveys which each customer receives once a year and that asks how we are doing from a Customer Success standpoint (*e.g. how often are we contacting them, how do they rate the quality of the information that they receive, etc*). Finally, we do a NPS survey which each customer receives twice a year from us.

These data points are then folded into what we call a "Sentiment Rating", and we put thresholds on it (i.e. green / yellow / red) and all of that is put into the larger customer health-score. This way we have the objective data points plus the subjective feedback that we are getting from the "Sentiment", and then we then use Gainsight to harness all that data and calculate the health-score.

AJ: Can you tell us more about your decision to bring in a Customer Success technology (i.e. Gainsight) and the advantages that it has brought?

RG: Prior to my arrival and in my first few months at LogicMonitor what we had identified was that everything was being done off-line and in a variety of different formats. We were using independent survey sites (e.g. SurveyMonkey, GetFeedback) or Google Docs, spreadsheets or Jira. We thought about using Salesforce but it isn't really geared for this, it can do part of it, but not all of it.

We then evaluated Customer Success tools and then ultimately settled on Gainsight. What that was about was aggregating all of this information direct from our product, our UI and customer surveys and then turning it into insights and action ultimately. Gainsight is really set up to do just that. You take all of the data points and feed it into the tool and then you can build your health-scores, alerts and custom-built reports/dashboards. For us it was really the right decision to have one central place that we can feed all of this data into and then have the team review it.

AJ: How difficult a job was it to get ready for Gainsight and ensure that it could be implemented successfully?

RG: You do need buy-in from other areas such as Engineering, your Salesforce Admin, and Finance. There are a lot of different departments that you will need data from so you will need their buy-in and support.

I will say that it is a complex deployment; it takes several months to the better part of a year to get it fully up and running and get everything configured but what we were doing was putting some foundation in here and have it as the backbone of our Customer Success programme for years to come so it was very much worth the effort. I do think however that that you do have to get a point where you have enough data, you know where it is and it is organised enough to be ready for a deployment like this.

AJ: What do you think the future holds for Customer Success at LogicMonitor and more widely as a discipline?

RG: My hope and vision is for Customer Success at LogicMonitor and in general where it is heading as a discipline, is that we are being asked to do more with less; in other words, we are going to keep signing customers at a rapid rate however we won't be able to add headcount at the same rate. We need to standardise and automate everywhere we can and that will be more manageable on our team but also will create a better experience for our customers as well. That's the balance that we have to weigh very carefully.

Beyond that, **what we're really trying to get towards is Customer Success really being that window into your customer base, how their using your application and the value that their getting, such that we can that begin to inform Product/Marketing decisions and guide Sales on their process. I think that we have only begin to scratch the surface on Customer Success as a strategic advisory discipline within an organisation and I'd really like to see that grow over the next couple of years.**