

UserIQ

The Complete Guide to Customer Growth:

Driving Value Throughout the Customer Journey

How a Proactive Customer Growth Strategy Impacts Adoption, Retention, Expansion, and Advocacy

#CustomerGrowth

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01 Introduction

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[Research from Influitive in 2016](#) found that leads from referrals are more likely to convert, have a faster time to close, and show higher lifetime value. However, less than 30% of potential promoters become advocates. That's a huge missed opportunity considering those advocates can spring companies into increased growth in revenue, customer count, and valuation.

A New Era in B2B SaaS

Sophisticated marketing automation tools have done an excellent job at the top of the funnel to create a seamless journey from prospect to buyer, but they leave off once that purchase is made.

Now, especially for recurring revenue businesses, the challenge becomes moving customers beyond the initial purchase point through the customer journey from adoption to advocacy. The customer journey is just as important as (if not more important than) the buyer journey and exposes new opportunities for growth long after the sales and marketing funnel ends.

That means SaaS businesses have to find new ways to communicate with their customers. In this hourglass-shaped pipeline (see Image 1: *The Buyer to Customer Journey*), once a buyer becomes a customer, they begin to move through the adoption, retention, expansion and advocacy stages. A closed deal is an open door to plant what Jason Lemkin and Aaron Ross call "[seeds](#)," or word-of-mouth leads, a function that customer success teams are uniquely positioned to capitalize on. This movement from adoption to advocacy is what we call "customer growth" and it's the key to unlocking a new stream of revenue for recurring revenue businesses.

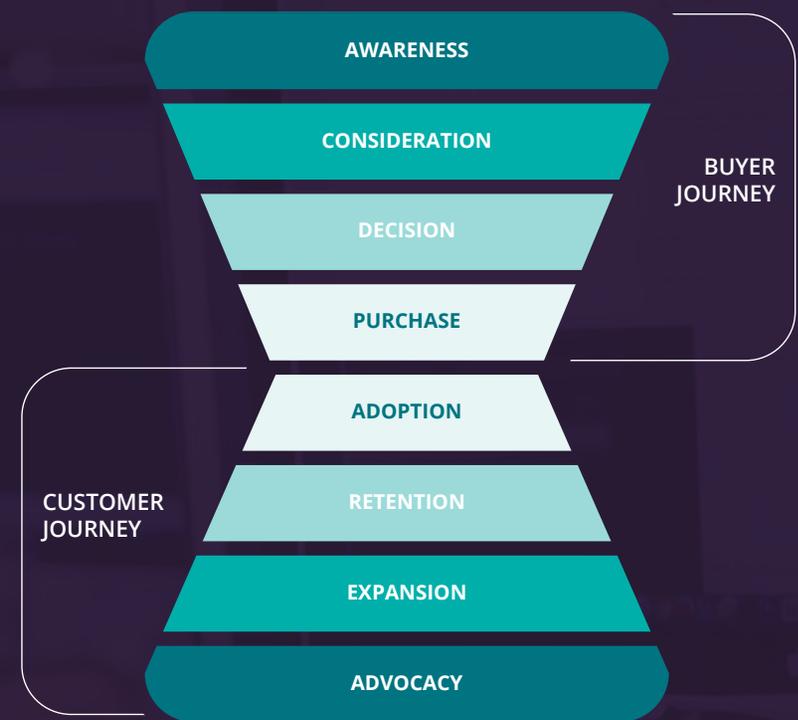
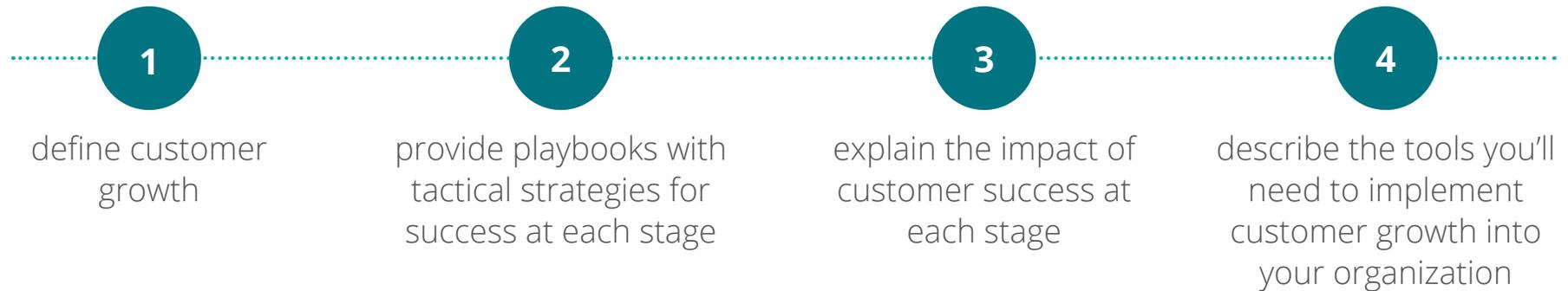


Image 1: The Buyer to Customer Journey

This eBook will:



What is Customer Growth?

As SaaS model companies continue to gain a significant foothold in business, customer success is also picking up speed. Companies have recognized that it's easier (and cheaper) to retain a customer they already have than to obtain new ones, so they have begun to invest in customer success management strategies. However, most of these strategies have taken a reactive approach and have been highly focused on risk mitigation rather than growing customers.

In order to move beyond driving adoption and retaining customers to the true customer growth stages (expansion and advocacy), the most important step an organization can take is to understand their customer's business objectives and take the time to map those objectives to value within the product. Your desired outcome and theirs need to be mapped together to keep customers longer (retention), encourage them to spend more (expansion), and inspire them to tell others (advocacy). This broadens customer success teams' focus from onboarding and renewals into new areas that are critical to company growth.

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This mindset shift has expanded the view of the conventional sales/marketing funnel into the hourglass from Image 1, illustrating the opportunities in which a business can generate revenue far beyond what is possible at the initial purchase point. When customers move through the customer journey and become advocates, they help refill the top of the hourglass with new, more qualified leads, keeping customer acquisition costs low and conversion rates and company valuations high. This movement from adoption to advocacy is customer growth, but it's not an easy road. This guide will provide a blueprint for enabling this in your organization, but it won't happen overnight. Facilitating customer growth requires patience, dedication, and a willingness for the entire organization to work together to implement a complete strategy. Companies that do it right are committed to being relevant to their customers at every moment and to helping their customers achieve their business outcomes, which is no easy feat.

If you can successfully map your customer success strategy to your customers' business outcomes, you will get expansion and advocacy. If you can do that consistently over and over again, you can hit nirvana. But this is not a sprint, it can take months and even years.



Customer growth is the key to unlocking a new stream of revenue for recurring revenue businesses.

Growing Beyond Customer Success

To date, customer success tools have been focused primarily on the adoption and retention stages of the customer journey because reducing churn takes priority; most companies tend to concentrate on at risk customers over their best and most successful customers. However, despite the shift in focus for customer success teams toward expansion and advocacy, the tools they use today aren't optimized for these stages. Crossing the chasm from a company with churn to one that has achieved net [negative churn](#)—a period in which expansion revenue more than offsets any revenue lost from customer churn, downgrades, lower usage, etc.—emphasizes the need for a deep understanding of your customers and their business outcomes, as well as a commitment to hyper-relevant, hyper-targeted engagement.

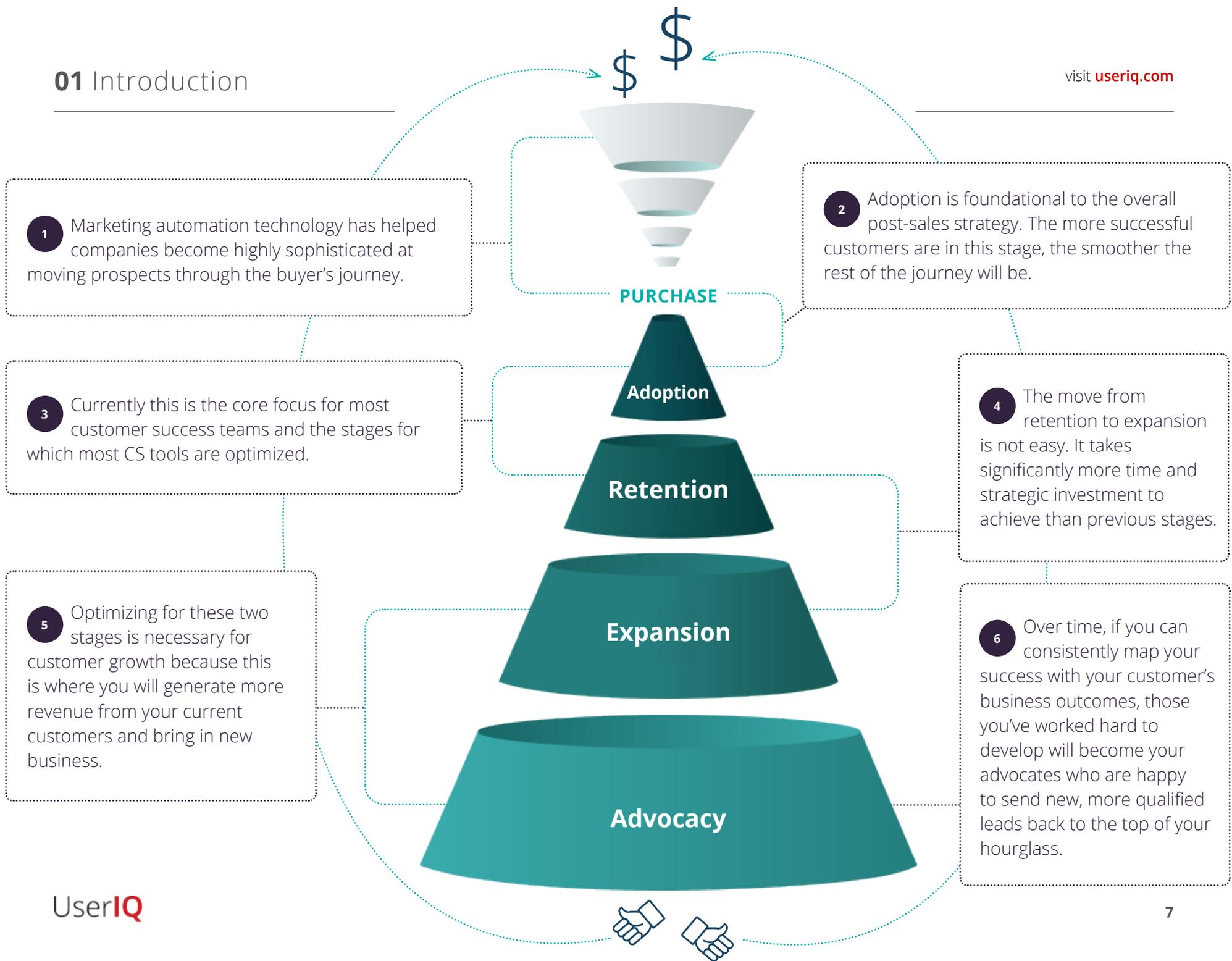
And that goal is one that is pivotal for growth. That's the difference between customer success and customer growth: it's not just onboarding and renewals, but about facilitating the optimization of success throughout the entire customer journey, including expansion and advocacy.

Without understanding the value of the customer journey and recognizing the growth opportunities that exist within it, companies can find it hard to reduce churn. For those that want to make the leap into net negative churn and aggressive growth, keep reading.



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02 Getting Started

Strategic Blueprinting

Having a blueprint to help you drive success throughout each stage of the customer journey is foundational to customer growth because it allows you to get proactive about the engagement points you'll need to create, the milestones you can set, and where the customer will find value. When customer success departments (and organizations as a whole) can be proactive, they are able to reach further into the customer journey and stop leaving revenue and growth opportunities on the table.

Before you can begin developing your blueprint, there are a few strategic questions you'll need to have answered. These are big-picture questions that will directly affect your entire process. If your customer success program has been in the works for a while, this may feel elementary to you, but it's good to review these high-level questions often to discover if things have changed. If you're just getting started or beginning to scale, this will help you lay the groundwork for a successful customer growth program.

1



What does a successful customer look like for your organization?

Successful customers are the bedrock of customer growth. It's about getting your customer success process down to a science so that bad-fit customers are weeded out early (ideally as early as in the sales process) and every customer with success potential (that should be all of them) becomes an advocate. So think about what your most successful customers look like and build an Ideal Customer Profile (ICP) around that.

2



What are your customer's goals?

With a solid Ideal Customer Profile and deep research on your personas, you'll be able to understand what problem your customers are trying to solve when they purchase your product (maybe they need better financial reporting, to expand their customer base, or the ability to identify advocates). Think about how your growth milestones and business outcomes will map to theirs, as this is a critical piece to ensuring consistent value and good-fit.

3



What are your customer growth goals?

Engage in goal-setting practices with your team to determine where you are now and where you'd like to be, then consider the goals and expectations of your team. Break it down by customer journey stage and then consider an overall goal for your ideal customer growth rate. Then, establish your key performance indicators (KPIs). Note that your KPIs may (and should) change as your team matures and as you begin to discover your benchmarks.

4



What types of data will you need to manage your customer growth efforts?

Intelligence gathering and reporting is a pillar of customer growth. Given your definition of a successful customer, the goals of your program, and the KPIs you choose to measure, consider the types of customer data you'll need to capture in order to effectively measure customer growth. If you're not already capturing that data today, decide how you will capture it going forward.

5

What does your typical customer journey look like?

Defining the journey your customers should take from acquisition to advocacy can lead to some of the most valuable discussions with your team. Draw out what you know of your customers' journey on a whiteboard first. The typical customer journey looks like this:

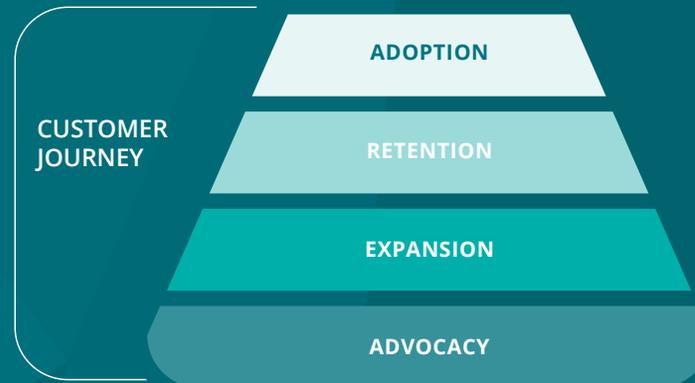


Image 2: Customer Journey

Then, flesh out how your particular users move through each stage, what their success milestones are, what channels they're using, and any areas of potential trouble. Begin to document what you know about the types of events that prompt a customer to progress. Knowing this will reveal key points where your processes will be the most effective and useful to your customers and give you an idea of the types of engagements that can help trigger those events.

Start with the most common version of the customer journey and later you can map out any differences you find between user types, segments, industries, etc.

6



Who owns the customer journey?

Decide which stages of the customer journey are owned strictly by customer success. Ideally, the customer success team owns the entire journey and receives support from tangential departments at each stage. But depending on your team size and goals, you may opt to split responsibilities between departments to help manage goals. In any case, customer success enablement and alignment with sales, marketing, and product/development teams will be critical.

7



How will customer health be measured?

Choose which categories you will include in calculating customer health scores as churn indicators. This will be a big part of how you'll determine where to plot engagement points throughout your customers' journey, a key driver of customer growth. Product usage, feature adoption, and sentiment are good indicators to start with, as well as financial and technical data. This will be especially helpful later for designing engagements that are health score specific.

We recommend revisiting these questions every six months or so to make sure your team is on the same page and that your answers are accurate and updated. These questions will help you begin operationalizing your customer growth program and help instill customer growth as a [core operating philosophy](#) in your company. We'd also encourage you to meet with your leadership team to discuss these questions, especially if you're answering these questions for the first time, but also each time you plan to update them.

Proactive Planning

There are also a few questions you'll want to answer to help you be proactive as you craft your plan. They won't directly affect how you approach customer growth planning, but they will be key areas of focus once you have your infrastructure in place.

1

What is your early detection system for at-risk customers?

If you're measuring customer health, keeping an eye on churn indicators, and monitoring user intelligence, then you're already set up for success. If not, you'll need to put a system in place that provides this information so you can stay on top of at-risk customers and set a correction course as early as possible.

2

How will you segment your users?

Segmentation allows you to target customers who match a specific criteria. As the organization scales, you may want to divvy up who in your team will monitor high-growth customers vs trial customers or you may eventually decide to deploy targeted messages only to certain groups. This requires deep segmentation options and fine-tuned filters to allow you to deliver the right message to the right user at the right time.

3

How do you make high-tech/high-touch decisions?

Determine which communications should only be handled by the customer success team and which communications can be automated. For example, email notifications for expired credit cards or upcoming renewal dates, onboarding campaigns, and new feature announcements are good places to begin with automation, but you wouldn't want an implementation kickoff to be done only through email as it requires a human touch.

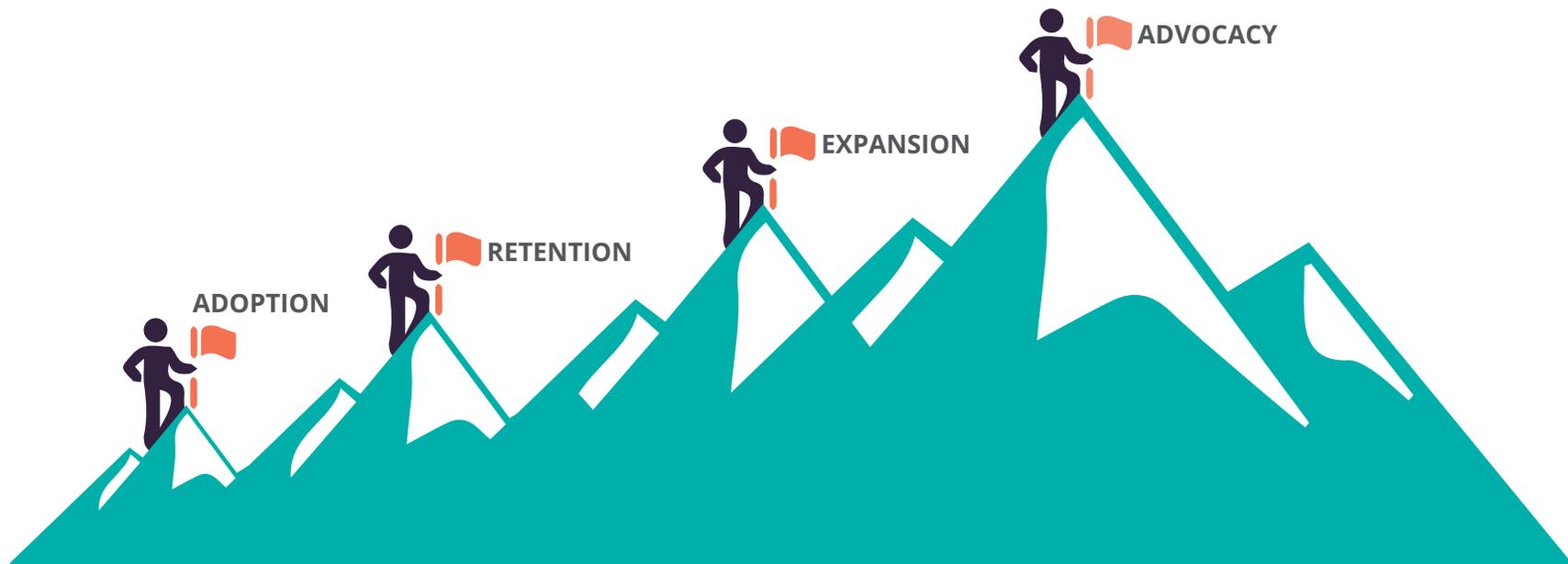
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When organizations are proactive, they can reach further into the customer journey and stop leaving revenue and growth opportunities on the table.

Mapping the Customer Journey

Developing a blueprint (also known as a roadmap or customer journey map) is a big piece of understanding how your users move along different points from adoption to advocacy.

Starting with the customer journey map you built earlier, map in the milestones you're expecting customers to accomplish as they use your product, the goals they're hitting in each stage, and what you're looking to achieve in the end. Consider the path your most successful customers have taken and use that as a guide, and be sure to consider the desired outcome of your customers, not just your own or that of the business.



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You'll also need to begin thinking about any new content, tasks, or assignments that will help your customers be successful. This will help you plot key engagement points that facilitate the successful execution of each step and reinforce movement between customer journey stages. It will give you the ability to make those high-touch vs. high-tech decisions, knowing the types of interactions that can be automated and what must be tended by a customer success manager. This will help your team stay on alert for specific touchpoints and become more proactive.

Tweak your map each time a new client comes on board and make it a shared success plan between you and your customer so everyone is on the same page in terms of goals and achievements. Be flexible; not every customer's milestones will look exactly alike. Try to customize your plan for each new customer or by segment.

Also, be sure to review your map internally every six months or so, especially when there have been updates to your product or pivots in your target market.

Now, let's walk through the four stages of the customer journey, how customer success makes an impact at each stage, and some helpful hints that are important to your team's success and the continued success of your customers.



03 Adoption: Setting the Stage for Success

Your sales and marketing teams have done a great job of getting customers to purchase your product and now it's up to customer success to ensure they're delivering the value promised. How? By tracking and facilitating post-purchase adoption.

At this point, your customers are just dipping their toes in, so churn is an easy decision if they aren't getting what they need. That means [time-to-value](#) needs to be short and continuous throughout their journey. And that's where customer success comes in.

The Role of Customer Success

Successful adoption is the most critical milestone your customers will hit in the journey to advocacy. It's their first touch with your company as a customer, their first interaction with your product as users, and where they're looking for the most value in the shortest amount of time. This is where kickoff calls, success and milestone planning, onboarding sessions, end user training (and more) all happen to make sure your new customer sees the value of their investment in your product or service. The key here for the customer success team is a focus on changing and reinforcing new habits.

Customer success knows the product better than just about anyone else and can help not just show product value (like sales and marketing do), but actually deliver that value to new customers and show exactly how the product fits into the customers' needs. Your organization may consider creating (or may already have created) a specific team of customer success experts who are dedicated to the implementation and onboarding process with a customer. That team will own the adoption stage of the customer journey, working tirelessly to ensure customers are seeing value mapped directly to their own business outcomes. When the adoption stage is complete, customers may transition to a retention or advocacy team for long-term management. That team will continue to work on mapping business outcomes to success with the product and ensuring milestones are set and achieved throughout their relationship with your organization.

Booker, an all-in-one service commerce platform for appointment-based local service owners, found that they could drive product adoption and increase customer lifetime value by enrolling new users into training webinars. To encourage users to register for training, Booker delivered targeted engagements to new users and quadrupled training attendance in two quarters, which effectively reduced expected churn by 10.5%.

[Read the case study to learn more about Booker's success.](#)

Hints to Ace the Adoption Stage

Getting this stage right is paramount to a long and successful relationship with your customer. We've got a few helpful hints for doing just that:



Set forth a success plan and develop key milestones with the customer

Customer success consultant Lincoln Murphy calls this [orchestration](#), and it means actively moving customers toward their [desired outcome](#) by properly managing expectations, laying out joint accountabilities and teeing-up future expansion and opportunities for them to advocate for your business. Consider the quick wins and [first value delivered](#) you can achieve.



Develop an in-app onboarding campaign to deliver maximum value

Use your customer journey map to plot key points of engagement in your customer's path to adoption. Tooltips and guided tours can be invaluable here in walking new users through the application to find quickly success with the features most useful for them. Furthermore, segment your customers based on criteria like journey stage, behavior and/or usage, technical support tickets submitted, etc in order to provide resources that are targeted to them and their particular needs.



Set up an email campaign with helpful resources

Use email to stay top of mind with new customers and offer information that will help them understand the steps and expectations required to getting the most out of implementation and onboarding. This is also a great way to make sure your customers have all the resources they need to be successful.

04 Retention: Reducing Unnecessary Churn

Once you've guided your customers through the adoption stage of the customer journey, it's time to focus on retaining them. They (and you) have enjoyed a successful first 90 days together and with a smart retention plan in place, you can make them your customer for life. The retention stage officially begins after successful adoption and is in continuous motion throughout a customer's lifetime.

For recurring revenue businesses, [high retention rates \(aka low churn\) increase company valuation](#). In fact, for every 1 percentage point increase in revenue retention, a SaaS company's value increases by 12% after five years, indicating that the relationship between retention rate and a company's ability to grow revenue is directly causal. Not to mention the countless studies indicating that retaining current customers is less costly than acquiring new customers, so making sure you have a solid retention plan should be a no-brainer.

04 Retention: Reducing Unnecessary Churn

The Role of Customer Success

If you've done the adoption stage well for your customers, then retention should be a given. Keeping customers successful throughout the customer journey is a core function of customer success teams across every organization. It's up to customer success to ensure customers are hitting milestones, achieving goals, and consistently seeing value. It's also about making sure renewals are happening and on-time without question each pay period.

In this stage, customer success teams are helping customers work their success plans, achieve major milestones, and discover new use cases. A customer success manager should become one with their customers team; you win when they win and you lose when they lose.

Tricks to Rock the Retention Stage



Monitor customer health closely

By this point, you should be actively measuring and closely monitoring customer health and churn indicators. These will be central to how you determine the success of your customers in every stage of their journey and inform how you engage with them at different in-points.



Talk to your customers

This doesn't mean just scheduling a weekly check-in and hoping there's something to talk about. Customer success managers should be tracking each of their accounts to find out where improvements can be made, where failures or fallouts have occurred, and/or how you can be of assistance to them in their goals. Never check in for the sake of checking in.



Start a Voice of Customer (VOC) program

When customer feedback is accepted and considered, customers feel as valuable to you as you are to them, and that makes them stick around. It also means your product/service meets more of their precise needs. NPS, reviews, and customer surveys are a great way to get started with your VOC program.



Do retention marketing

Retention marketing helps drive continued product exploration and helps users continually discover new value. By stimulating product usage through additional education, you encourage users to invest more into better use of the product. Leverage your user intelligence here to determine areas that warrant increased usage and deploy engagement to lead users to those features.

For a more tactical perspective on this stage, [check out UserIQ's Retention Stage Playbook.](#)

05 Expansion: Growing Accounts

Once you've guided your customers through the adoption stage and have entered retention, you'll likely need to spend some time understanding how account expansion will fit into their customer success plan.

Account expansion happens in a variety of ways—converting from trial, upgrading to a new pricing tier, purchasing an add-on feature or complementary product, buying time for professional services, and many other ways—but all mean that a customer is spending more money with your company. Also known as “negative churn,” expansion is a key revenue driver that accounts for 70–95% of total revenue, alongside renewals; the remaining 5-30% come from initial sales.

The Role of Customer Success

In their annual [2016 SaaS Survey](#), Matrix Partners and Pacific Crest discovered that the median Customer Acquisition Cost (CAC) per \$1 of upsells is \$0.27, or about 24%, of the CAC to acquire each new customer dollar. And because driving expansion requires creating successful customers, it falls naturally into the realm of the customer success team.

While expansion may seem like a sales function, and perhaps it is structured that way in your organization, customer success is critical to paving the path. Your customer success team's hard work and understanding of customer needs ensures expansion can happen organically and logically. This is also where alignment comes in handy. Customer success teams who are well-aligned with—and in some cases, even trained by—sales teams feel more comfortable in this role, can learn to overcome objections, and still maintain their status as their customers' trusted advisor.

Tips to Mastering the Expansion Stage



Understand the needs of your customers.

When considered a part of your customer's team, you have an inside look at their needs and how account expansion will genuinely benefit them. Use your knowledge (aka user intelligence) to set triggers that congratulate users on milestone accomplishments and then start a conversation, asking "What's next for you? What are you looking to do now?" This will help you recommend account expansion when it is most logical and valuable for your customer.



Ensure you remain their trusted advisor

If you've made your customers successful, account expansion can come organically instead of feeling like a sales push. By staying in contact, developing joint success plans, and setting (and re-setting) goals, you know exactly the types of add-ons, upsells, or upgrades will make them even more successful. However, don't be afraid to ask your sales team for training on overcoming objections or proper value prop messaging.



Use the user intelligence you have

When you have data to backup your recommendation that a customer expand their account, you have solid legs to stand on. Be sure to use the data you're gathering to make natural suggestions and inform the decision to start the conversation around expansion. Also use that data to ensure you're talking to the right decision-maker and to deploy engagements that recommend expansion at specific in-points throughout the customer journey.

For a more tactical perspective on this stage, [check out UserIQ's Expansion Stage Playbook.](#)

06 Advocacy: Driving New Revenue

If you've made it to this point, congratulations! Working toward advocacy is no easy feat, but you've done a stellar job leading your customers to success at each stage of the customer journey. You've helped them successfully adopt your product, you've retained them, and helped them expand their account logically and meaningfully. Now it's time to reap what you've sown.

The advocacy stage, the final step of the customer journey, is a critical piece of any customer growth plan and a key method for refilling the top of your [hourglass](#) with new, less expensive leads that are typically more qualified with [higher lifetime values \(LTV\)](#).

The Role of Customer Success

Getting a customer to become an advocate for your product or brand means a job well done by your customer success team. It means they have been so successful with your product or company that they're ready to share their experience with their peers, sending new, more qualified leads to the top of your hourglass.

Similar to the expansion stage, the hard work done by your customer success team makes it an easy decision for customers to become advocates. Customer advocates are a benefit for everyone.

Advice to Conquer the Advocacy Stage



Keep advocacy top of mind with each customer interaction

Always listen for opportunities to create an advocate. In a call with a customer who has an interesting or unusual use case, think about asking them if they'd be willing to share their successes. While chatting with a user who is excited about a new feature they've been waiting for, ask if they would mind providing a testimonial. When working through a support ticket with a customer, consider if this is an appropriate time to ask for a product review.



Develop a Customer Advisory Board (CAB) and host customer-centric events

Include your most successful and active customers on a Customer Advisory Board and consult with them on major product changes, deeper customer feedback, product roadmap critiques, and more. These highly-involved customers will become your champions and your strongest advocates.



Focus on community development

Creating a customer-focused community allows customers to talk to each other about common challenges, share product knowledge, and help each other become more successful. This can relieve a world of stress from your customer success team, assist with solving issues or creating knowledge base articles, and give customers a sense of community that they'll want to share with others. Another great way to accomplish this is to use your data to pair your strongest customers with struggling customers to close their success gap and allow struggling customers to learn strategies and best practices from their peers.

For a more tactical perspective on this stage, [check out UserIQ's Advocacy Stage Playbook.](#)

07 Putting Your Customer Growth Plan into Action

Putting your customer growth plan into action requires a lot of groundwork. As they say, it takes a village. Making sure you have a solid foundation beneath you will make the execution much smoother. There are a few projects you'll need to undertake:

07 Putting Your Customer Growth Plan into Action

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Get Company Buy-In

Creating a customer growth program is not something any single team can accomplish on their own because it requires that all teams are working together toward customer growth goals.

Meet with executive and/or leadership to discuss budget, timing, and prioritization and make sure everyone is onboard with the expectations they'll need to meet to achieve a masterful customer growth strategy.

Initiate Cross-Department Alignment

Every department, from sales and marketing to customer success and product development, plays a role in customer growth. Once buy-in from leadership is a go, you'll want to strategize about how each department can contribute focus and expertise toward customer growth.

We recommend holding monthly alignment meetings with department heads to discuss each department's function. In the planning stage, explain the importance of alignment and establish specific goals for each team. Report on these goals each month and discuss strategies for improvement. Be sure to evaluate goals and functions often as your customer growth plan evolves.

Get the Right Tools

To successfully navigate the customer journey and operationalize your customer growth plan, you'll need a Customer Growth Platform™ to track your metrics for each stage, gather data so you can make better decisions about where and on whom to spend your time, and deliver relevant engagements that drive value throughout the customer journey. There are [four necessary features you'll need from your customer growth technology](#):



User intelligence to discover how users are (or aren't) behaving within your application. This data will help you make sure they are reaching their goals, hitting success milestones and getting the most out of their experience in a way that's contextual to them. It will also give you necessary insights that will drive your actions and inform your engagements to make them highly targeted and relevant.



Targeted engagements so you can offer relevant content to each customer according to their needs, behaviors, and stage in the customer journey. A good customer engagement tool will offer a variety of campaign types so you can reach the right customer with the right message at the right time.



Customer health tracking to monitor key churn indicators like feature adoption, sentiment, login frequency, and financial and support data. This allows customer success to know that their efforts are working, that each customer is successful, and set correction courses as needed.



CRM integration in order to ensure always-accurate customer information, which is critical for the transition from sales and marketing to customer success and support. The data gathered during the buyer journey can be particularly useful when CS takes over and begins strategy sessions, goal setting, and setting milestones.

08 Conclusion

Once you have these core concepts, maps, and tools in place, you'll be able to hit the ground running with your customer growth strategy. Remember that in every stage of the customer journey, customer success is vital to making sure customers are consistently seeing value with your product and with your company so that customer growth can happen smoothly. When your organization as a whole—from customer success management and support to product and marketing—can accomplish this strategically and proactively at scale, they'll be able to discover new opportunities for measurable customer growth and ROI.

We know customer growth isn't easy, so we're happy to help you get started. [Click here](#) to set up a demo of our Customer Growth Platform™ or email sales@useriq.com to schedule a discussion with one of our experts.

Continue the conversation and connect with industry leaders by joining the [Customer Growth Community on LinkedIn](#).

About UserIQ

UserIQ is a Customer Growth Platform™ that empowers SaaS companies to foster growth beyond the funnel. From adoption and retention to expansion and advocacy, UserIQ combines user intelligence, customer health, and targeted engagements to deliver what each customer needs to be successful at every moment. For more information on UserIQ, visit useriq.com and follow us on Twitter [@UserIQ](https://twitter.com/UserIQ).