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The SaaS World of Client Services

David Leigh

Director of Client Services

Email: david.leigh@kampyle.com

Office: +1-855-KAMPYLE ext 202

Israel: +972-3-630-6202

Mobile: +972-54-458-4417

Agenda

1. Developing your Customer Service Strategy
2. Key Performance Indicators (KPIs) and Success Metrics
3. The evolutionary growth of a SaaS Customer Service operation
4. Turning Customer Services into a channel for additional revenue
5. The role for technology-based customer services tools and monitoring



Developing Your Customer Service Strategy

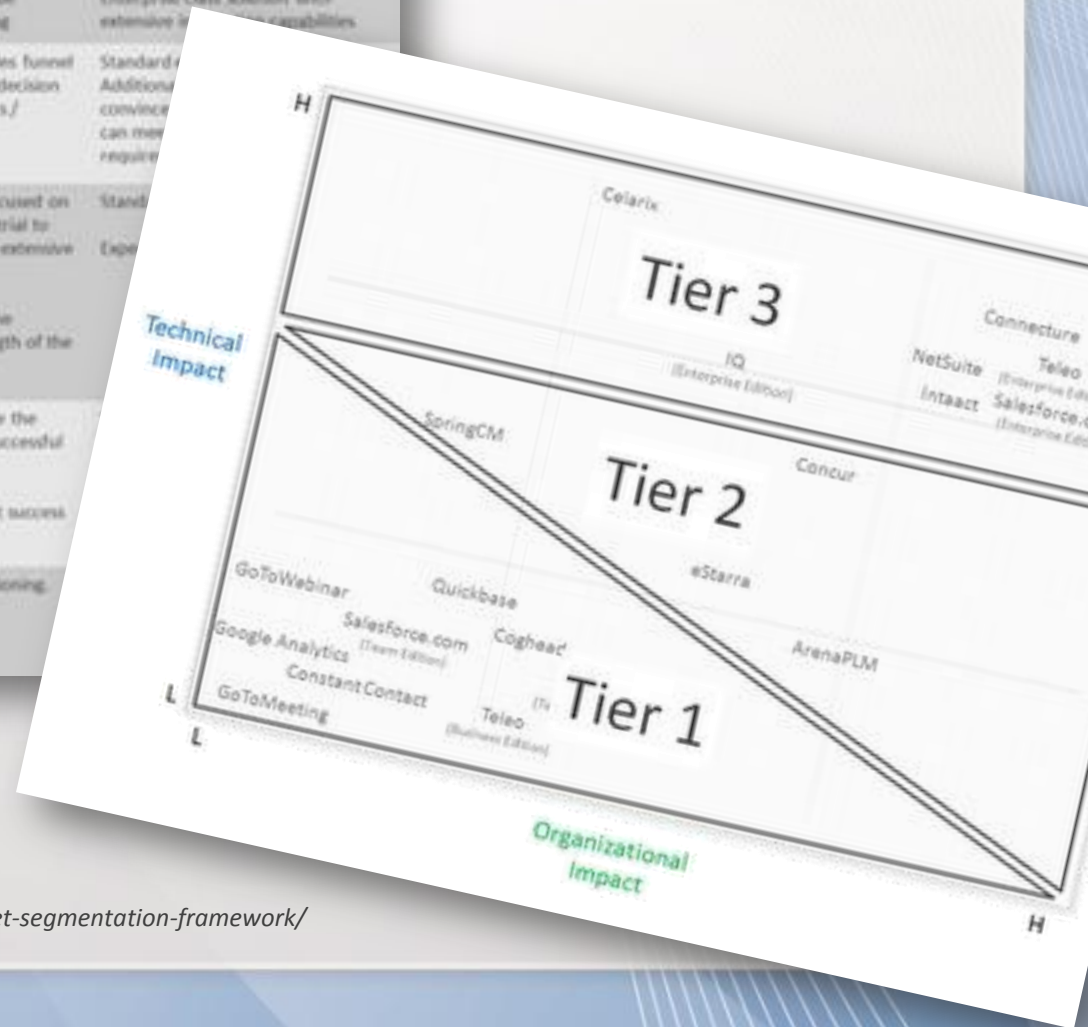
BESSEMER CLOUD COMPUTING LAW #7

*The most important part of Software-as-a-Service
isn't "Software" it's "Service"!
Support, support, support!*

- Byron Deeter, BVP

Start with your Go-To-Market...

	Tier 1	Tier 2	Tier 3
Product	Easy to use solution that requires limited training.	Easy to use solution that can be successful with limited training	Enterprise class solution with extensive capabilities
Marketing	Drives high volumes of "self-service leads" into Free Trials [per lead costs can be higher since sales costs are lower]	Drives leads into a defined sales funnel with tools to support a quick decision cycle involving multiple buyers / influencers	Standard Additional convince can more require
Sales*	Inside sales team is focused on supporting customer trials and signing post trial subscriptions Expected sales cycle is the length of the trial (30 days)	Inside / outside sales team focused on getting prospects into a pilot trial to prove value and drive a more extensive (and expensive) rollout. Expected sales cycle is the time needed to sell the pilot + length of the trial (1 - 6 months)	Stand Exp
Services & Support	Provides tools, training and support to make user trials successful with limited interaction	Defined methodology to make the pilot highly predictable and successful (at a reasonable cost) Must be able to replicate pilot success in a complete rollout	
Operations	Enables automated, real-time provisioning. High reliability required	Enables near real-time provisioning. High reliability required	



The Learning and Building Process



Understanding Evolutionary Goals

'Support / Messaging' Phase



'Reactive Helpdesk' Phase



'Full-service Customer Service Center'

Business KPIs Should Determine Customer Service Strategy

- ❖ Definitions of most KPIs will vary between businesses
- ❖ Customer Service KPIs must be relevant to your business KPIs
- ❖ Consistency is generally more important than accuracy
- ❖ Use your business's core competency - build reporting into your platform

Customer Service KPIs



Churn / Attrition

*The lost subscription value, number or rate of customers who have not renewed over a given period.
Churn rate \propto 1/ Renewal rate.*



Cancellations

*The value, number or rate of customers who cancelled their subscription within a given period.
Cancellation \propto 1/ Sales Booking. Operationally, Cancellation \neq Churn.*



Retention / Average Customer Lifetime (ACL)

The average subscription duration prior to Cancellation.

❖ The average business spends 4 - 6 times more to attract new customers than it does to keep an existing one.



Renewals

*The proportion of customers continuing with subscription after a Renewal/Cancellation event.
Renewal rate \propto 1/ Churn rate.*



Upgrades

*The proportion of customers increasing their subscription rate (MMR) within a given period.
Upgrade rate \neq Downgrade rate.*



Deployments

The number, value or time taken to successfully deploy customers within a given period.



Building Your Customer Services Team

Considerations for Building your Customer Services Team

WHO? *Customers*

Free Accounts ↔ Paying Customers
SMB ↔ Mid-Level ↔ Enterprise
Pre-Sales ↔ Deployment ↔ Support
Monthly ↔ Annual Renewals

WHO? *Staffing*

Part time ↔ Full time
People People ↔ Technical People
Advantages/Disadvantage in Israel

WHAT? *Deliverables*

Reactive ↔ Proactive
Status calls ↔ Periodic Reviews
Empowerment ↔ Analytics / Consultancy
Pre-Sales Support ↔ Solution Delivery/Deployment ↔ Training ↔ Account Management ↔ Professional Services ↔ Documentation

Considerations for Building your Customer Services Team

WHERE? *Markets*

Single market focus ↔ International
Single language ↔ Multilingual

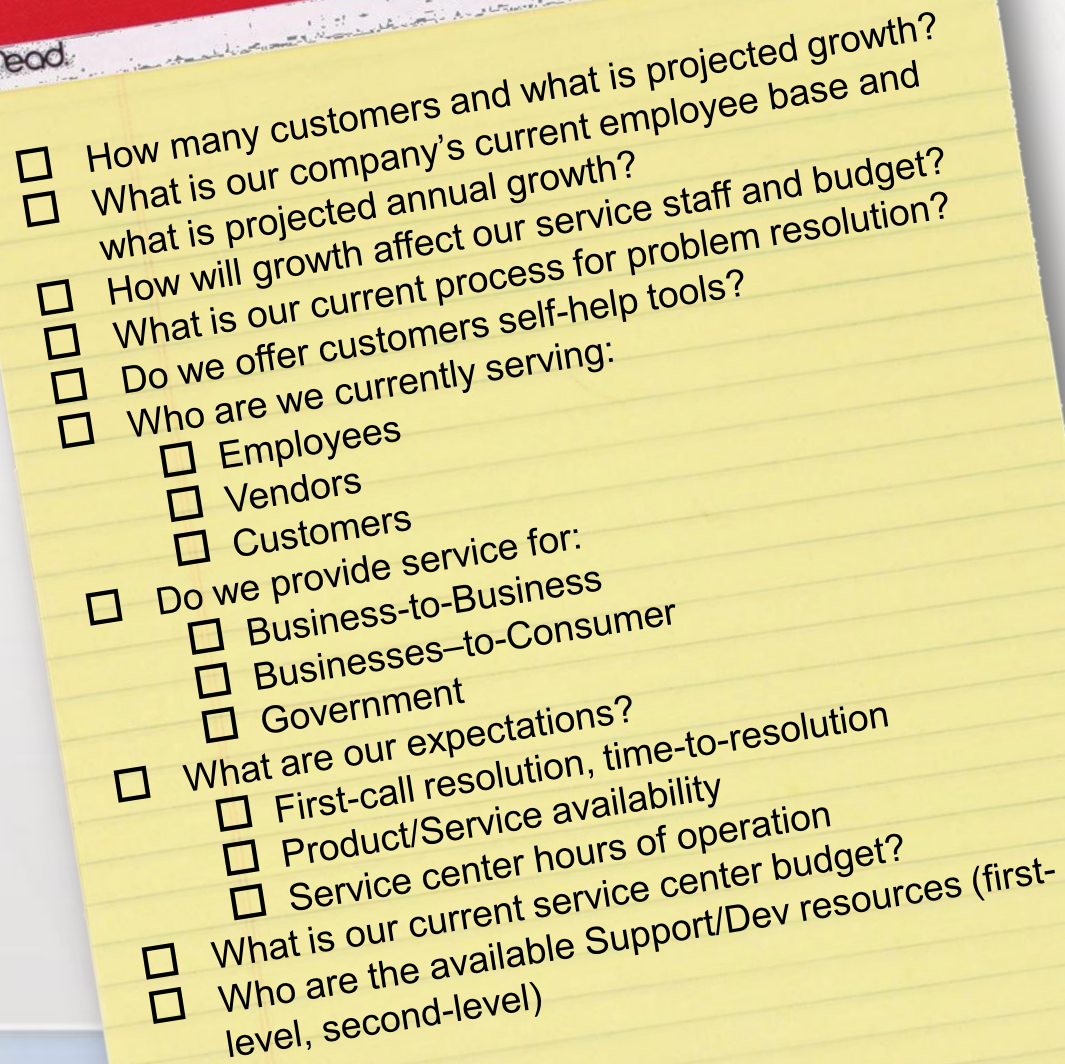
WHEN? *Availability*

Most heavily influenced by 'Where?'
24/7 ↔ 9am – 5pm ↔ Your business hours or those of client? ↔
Time zones ↔ Support SLAs

HOW? *Channels*

Online ↔ Offline ↔ Onsite
Phone ↔ Chat ↔ Feedback ↔ Email ↔ Twitter ↔ Forums ↔ Knowledgebase
↔ Webinars ↔ Customer Summits ↔ Industry Events ↔ Tutorials
Local POPs where required

Checklist For Planning

- 
- How many customers and what is projected growth?
 - What is our company's current employee base and what is projected annual growth?
 - How will growth affect our service staff and budget?
 - What is our current process for problem resolution?
 - Do we offer customers self-help tools?
 - Who are we currently serving:
 - Employees
 - Vendors
 - Customers
 - Do we provide service for:
 - Business-to-Business
 - Businesses-to-Consumer
 - Government
 - What are our expectations?
 - First-call resolution, time-to-resolution
 - Product/Service availability
 - Service center hours of operation
 - What is our current service center budget?
 - Who are the available Support/Dev resources (first-level, second-level)

Customer Services as a Sales Enabler

\$ Value-based training for sales team

Training

\$ Helpdesk inquiries from prospects/free-trials

Pre-Sales Support

\$ Pre-sale support to sales team

Sales Engineering

\$ Support on sales calls

Deployment

\$ Implementation support

\$ Ongoing and On-demand consultation and support

Account
Management

\$ Ongoing personal relations with client

\$ Billing streamlining

Relationship
Management

\$ Up sell opportunities

\$ Expansion opportunities

Retention

\$ Renewal support

Rules for Customer Services as a Sales Enabler

- ❖ Treat every Support interaction as a Sales opportunity
- ❖ Don't ignore SMB/Free Trials
- ❖ Remember the most successful businesses don't distinguish between Sales and Customer Services
- ❖ Drive sales value by adding not removing value
- ❖ Deflect don't block support channels
- ❖ Consider how commissions could impact trusted role of support as customer advocate
- ❖ Support is responsible for more SaaS revenue than Sales - so be passionate about it!

Customer Service Revenue Streams

- Service as a marketable product offering
 - Level of Account Management
 - Level of Training
 - Community
- Support SLAs
 - Only in Phase 3 of evolution!
- Custom development opportunities
 - If it's not in line with your go-to-market roadmap... think twice or mitigate.
 - Features not customizations!
- Properly packaging Professional Services

How to Integrate Sales & Customer Service Teams

- Train Sales reps on the value of the deployment process
- Sales proposition should articulate difference in value between ‘Deployment’ and ‘Managed’ support phases
- “Don’t drink the Kool Aid!”
- Buddy-up each Inbound Sales rep with an Account Manager. Sit together. Talk together. Renew together.
- Plan ahead – together – for renewal events. Account Management should be the first movers.
- Compensation should reflect success at company, team and individual level. Support success needs to be based on more than lack of cancellations.



Key Customer Service Tools

Tools Options

Channels-Only

- Phone
- Email
- Live chat
- Feedback
- Session data

Solutions

- CRM
- Ticketing System
- Hosted Helpdesk
- Forums/Community

A few other little tips...

- Avoid support channels that rely on production platforms
- Seem big when you are small. And small when you are big.
- Think like a hostage negotiator - always say “yes”
“Never say no when a client asks for something, even if it is the moon. You can always try, and anyhow there is plenty of time afterwards to explain that it wasn’t possible.”
- Caesar Ritz
- Empower your support people.
- Don't make it look too easy.
- Customers are not psychic, always keep them informed
- Adopt a QA person!
- Understand that training never ends. Introduce regular ‘as-real’ quizzes, exercises etc. Evaluate delivery and appropriateness, not just accuracy.

Six Key Points

1. Start with your go-to-market strategy – and stick to it.
2. Base your Customer Service strategy on appropriate business KPIs – not the other way around!
3. Understand your evolutionary process. Understand the costs and benefits of moving forward.
4. Recruit and build your service delivery teams to support your evolutionary goals, and business timelines.
5. Customer Services and Sales must work together to deliver maximum business value.
6. Identify and utilize the right Customer Service tools. Not sure which ones are right...? Go back to #1.



Any Feedback?

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