

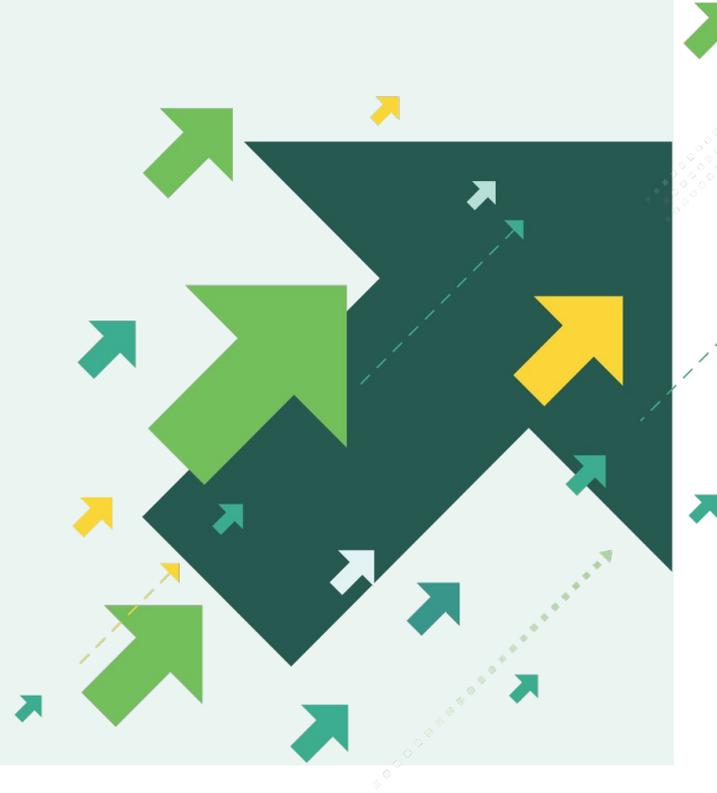
2019 STATE OF THE CUSTOMER SUCCESS INDUSTRY



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SINCE **2013**

Totango has been conducting this industry leading survey since 2013.

10,000 DATA POINTS

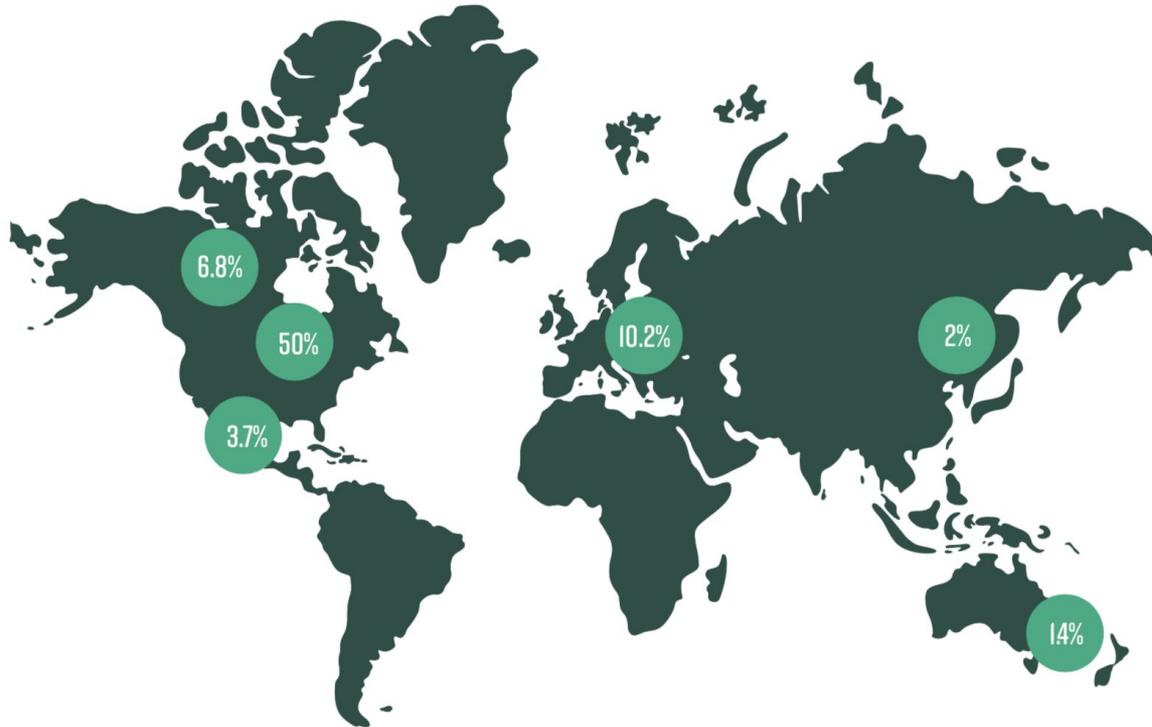
This year, almost 500 professionals and 10,000 data points were analyzed.



→ And this year, we complemented our qualitative research studies with an in-depth look at the 80 million daily signals on our platform. These insights were part of our 2019 Customer Insights Report.



2019 State of Customer Success - Who Participated



Key Findings

- Customer Success is **no longer a silo**
- Customer Success **teams growing in size** alongside coverage models that scale to cover a broad base of customers
- **Responsibility for revenue growing** across Customer Success teams and compensation structure evolving to reflect shift in responsibility
- **Technology is a key enabler** to scale, gain efficiency and grow



Customer Success is no longer a silo

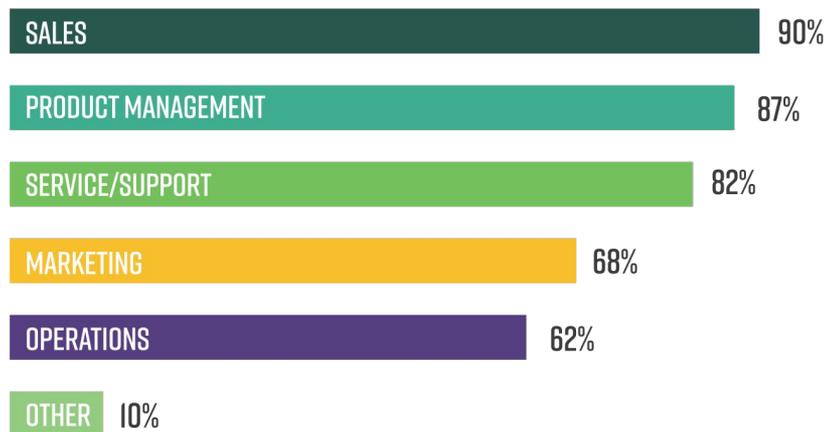
CS is an organization-wide imperative

Not just CS teams focused on customers.

Not even about different departments accessing data.

It's about everyone collaborating to drive customer-centric outcomes and results

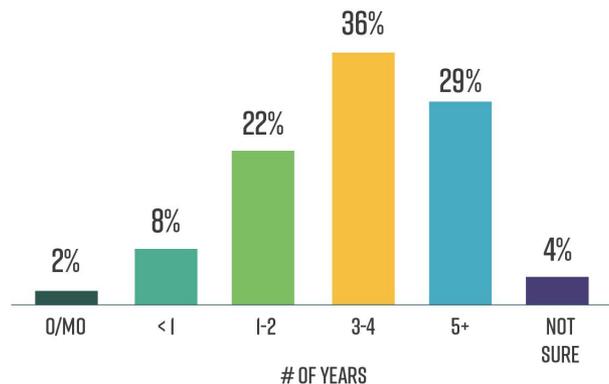
WHO DO THEY COLLABORATE WITH?



Customer Success growth and maturity

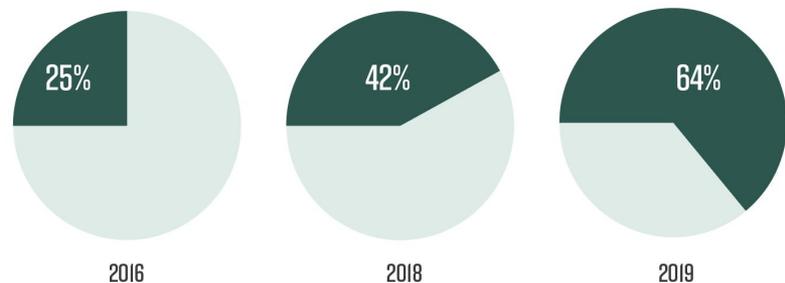
Industry is maturing with less new CS teams being formed. Majority of teams have been in operation over 3 years which is more than double what was reported just 2 years ago.

Number of years Customer Success teams have been in operation



Number of teams in operation for 3+ years

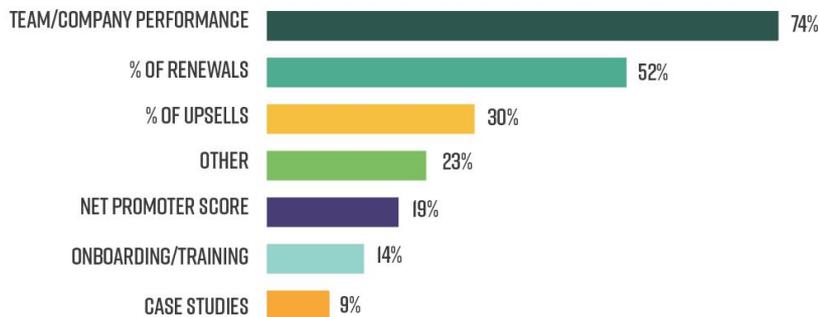
In 2018, the number of teams in operation for 3+ years grew from 25% in 2016 to 42% in 2018. That number is now nearly 64%.



Compensation Models

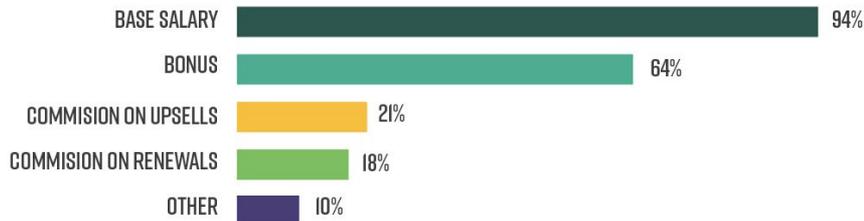
- CSM and CS Director salaries have increased by >10%
- Compensation structures have evolved, reflecting shift in revenue responsibility

Customer Success professionals' bonus structure



Customer Success professionals' compensation structure

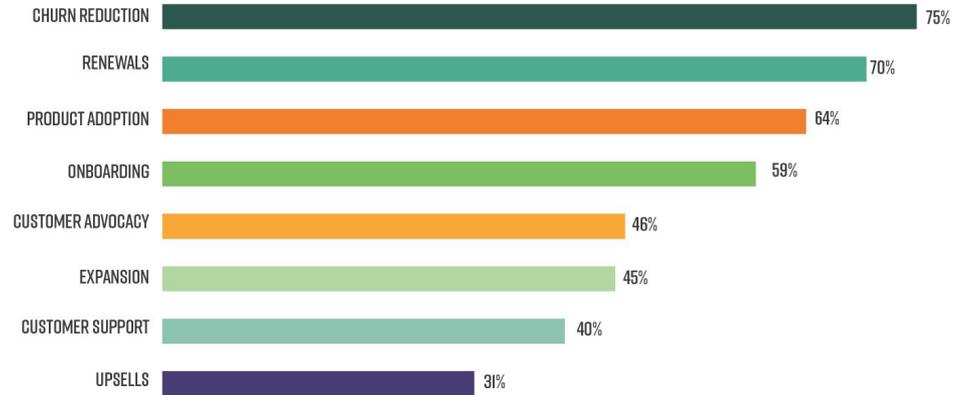
Of those who received a bonus in 2018, 18% of respondents reported renewal commissions and another 18% reported upsell commissions.



Top Challenges

Operational challenges such as churn reduction, renewals and adoption are the top challenges over the past few years.

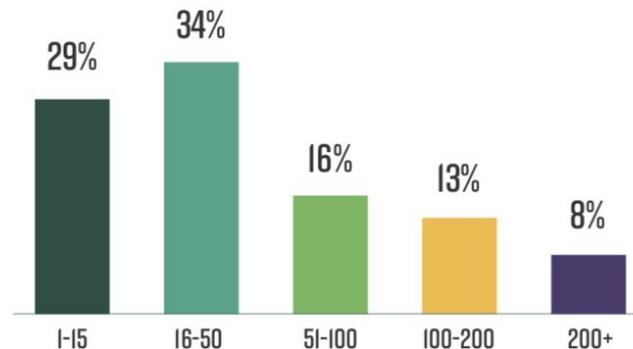
In 2013 it was lack of direction and tools but as industry has matured, those are seen less as challenges.



Coverage models

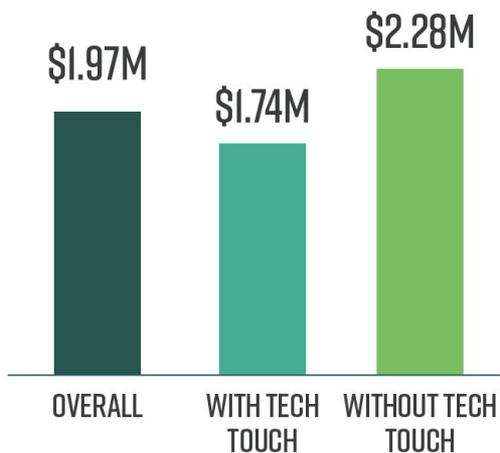
- Have to cover entire customer base, not just “high value” customers
- Deliver to each segment targeted and contextually relevant content
- Teams are scaling to cover that high volume

of accounts for the typical Customer Success Manager in 2019

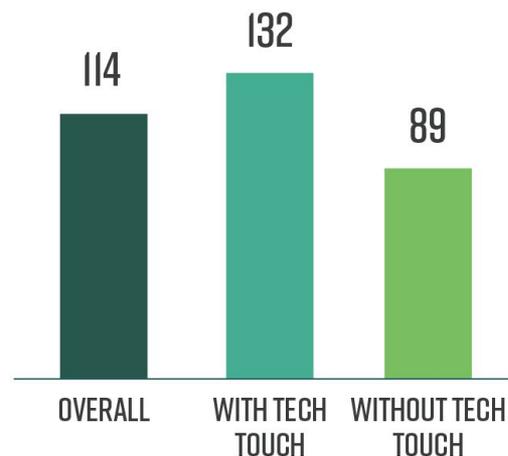


Coverage models - Technology

Portfolio Value (\$/CSM)



Portfolio Size (Accounts/CSM)



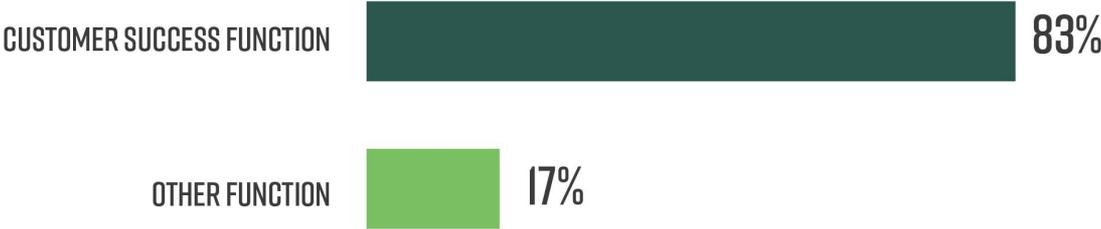
And for
growing
companies...

Automation driving
30% faster growth
than for those that
don't use
automation



Digital Transformation

The majority of respondents think Customer Success should be the next function within their organization to undergo digital transformation – **only 17%** think other functions in the organization should be next.





THANK YOU

Totango is the leading Customer Success solution for the enterprise. Our platform connects the dots of all customer information so enterprises can proactively and intelligently operate their company around their customers. Leading customer-centric enterprises such as SAP, NTT, Monster and Zoom use Totango to drive customer adoption, retention, expansion and advocacy.

For more information and to see a demo, visit www.totango.com