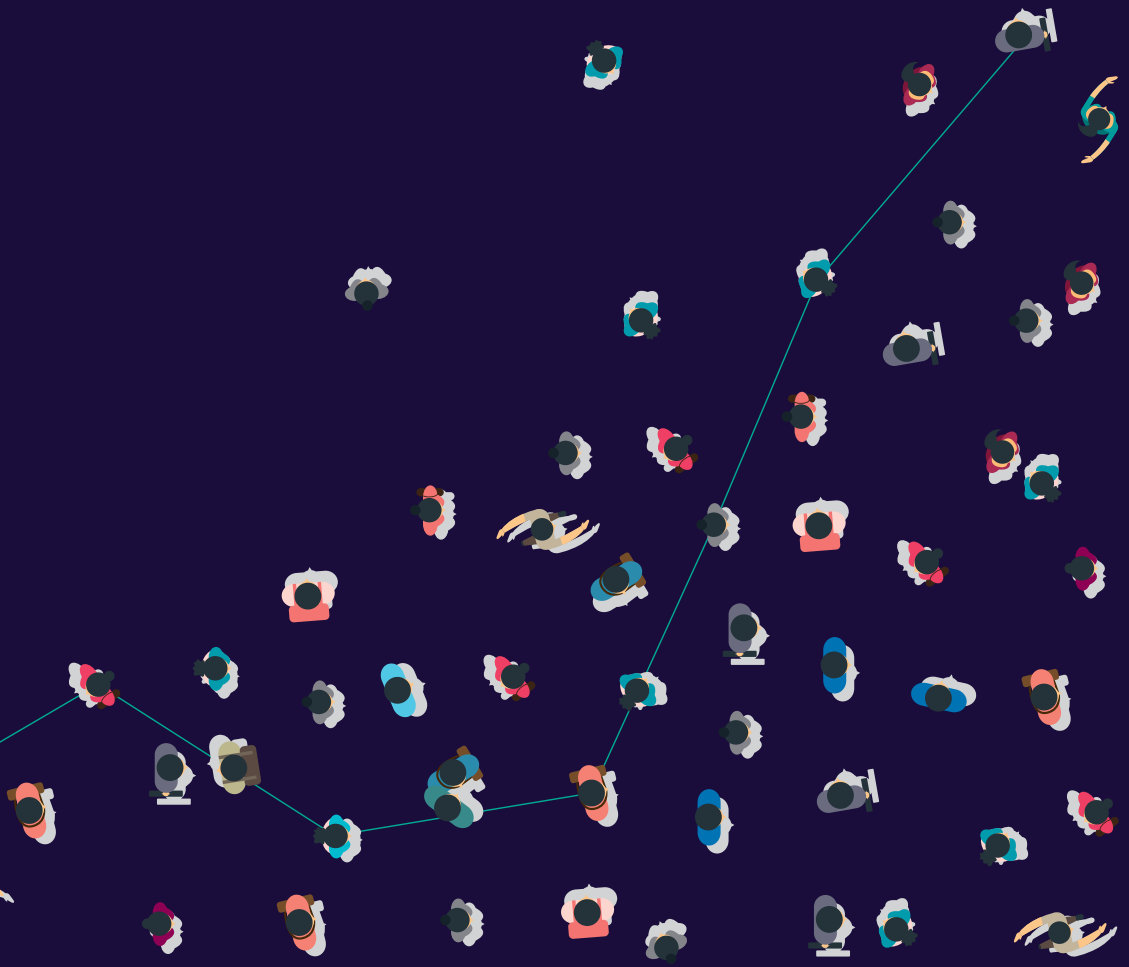


Customer Onboarding Benchmark Report 2019

taskfeed

See
Success
Faster

Customer Onboarding insights from over 200 of the world's most innovative success-led companies...

Enterprise

salesforce
DocuSign
Google
Gainsight
SAP
hootsuite
Adobe
ORACLE
cisco
okta
Andela
Cox Automotive
BlueJeans
poly

Hyper-growth

BetterCloud
looker
BIZZABO
patsnap
conga
Segment
GOCARDLESS
SIGNICAT
greenbits
lumere

Foreword by Andy Mahood
Taskfeed CEO

When we began working on our second Customer Onboarding Survey early in 2019 we expected to learn how companies were collaborating with customers, how they were using technology to support them scale and how onboarding teams were using metrics to drive decisions. However when we came to analyse the results that came in from the industry it became apparent that there was another, bigger story that needed to be told.

What we found was a maturity gap. The maturity gap wasn't only between the largest and smallest companies but also between very fastest growing companies and similar sized companies. In this report we define this cohort as 'Hyper-growth'. Usually SaaS, they are scaling fast and they have the investment to take them further.

Access to capital is not only what defines these fast scaling businesses, but a conviction that successful customer onboarding is critical to their growth.

Hyper-growth companies are leading the customer onboarding industry.

What we now see from these results, is that the practices and processes of Hyper-growth businesses are available to all of us. What is actually at the heart of this success is a true commitment to putting that initial, rapid customer success at the heart of their strategy and culture. And how that actually plays out across the whole organisation is the story we want to take you through in these survey results, pulled together in the form of the first, defined maturity model for our industry. We call it our Customer Onboarding Success Scale.

Using the rich data gathered from over 250 Customer Onboarding professionals from some of the most dynamic and diverse businesses globally, and analysed through the lens of the Hyper-growth success model, we have been able to define the four stages of maturity in customer onboarding for the first time.

Customer Onboarding as an industry is coming of age.

Wherever you sit now on our maturity scale, the technology and insight is all available to you to see success faster, starting with Customer Onboarding. That fact that you are here now is a sure sign that you already realise the growth potential of investing in customer success early. That in itself, puts you way ahead of the game.

"The fastest growing companies are the ones who are focussed on stellar Customer Onboarding. It's these businesses that are showing us how to make every customer a success story, from the very first touchpoint."

Andy Mahood
CEO
Taskfeed

taskfeed

Key Themes

We have divided the results from our report in three key themes. Within each theme, we have presented the data, our interpretation and the key insights. By pulling the data apart and analysing these central themes we can now put it back together, in the form of the fullest picture available of good Customer Onboarding today.

1 People and Culture

Customer Onboarding is becoming hard-baked into company culture. Most of you now have dedicated CO teams, and are committed to continual improvement across a range of measures. The message is clear - Time to Value is important, but only within an increasingly Customer First approach.

2 Process & Collaboration

Onboarding procedures may be getting more standardized, but it still pays to hold your customer's hand. The importance of early Customer Success is no secret, but what we have seen emerging more clearly this year is that is it the very first customer interventions that pack the biggest punch. With this knowledge onboard, more investment in complex, high-touch onboarding services makes perfect sense.

3 Technology & Business Alignment

The business is there, but the technology is still playing catch up. While businesses may be fully awake to the value of onboarding, it is still mainly the Hyper-growth companies that are following through and investing in the right technology for the task. Where best-of-breed Customer Onboarding tools such as Taskfeed are gaining ground, businesses are reporting great results. At last, it's time to move away from your spreadsheet....

Contents

1 What is Customer Onboarding?

2 The Customer Onboarding Success Scale

3 The Results

– Company Demographics

– Key Themes

i People and Culture

ii Process & Collaboration

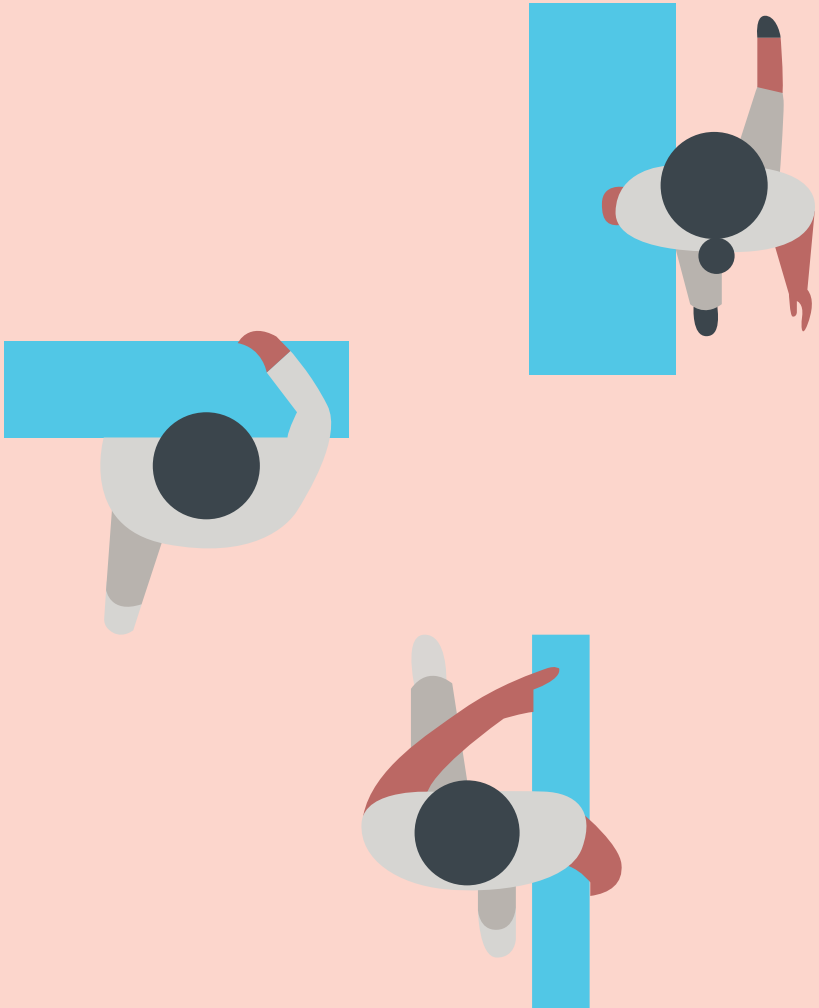
iii Technology & Business Alignment

4 Methodology

What is Customer Onboarding?

The term Customer Onboarding (CO) will be used frequently throughout this report in its abbreviated form. CO is your process to understand and support customers to achieve their intended outcomes.

Your customer's onboarding journey will often predict the quality of relationship they'll have with your business. A poor experience will dramatically decrease their likelihood to renew in the first year. By contrast, a successful, scalable onboarding process leads to happy customers, increased satisfaction, higher retention, more upsell and, ultimately, advocacy. All of which are critical to a recurring revenue business.



"When a company is expanding worldwide, you have to find more efficient ways of onboarding and automation is the right way to go. Doing nothing is not an option, you have to progress and scale up."

Richie Vella
Head of PMO
SES

Customer Onboarding Success Scale

Customer Onboarding Maturity Model

Customer Onboarding is so much more than technology. It's a cornerstone of an organisational culture that champions Customer Success, right from the start.

This approach plays out across organisations in a pattern that we have been able to pin down for the first time in a maturity model for our industry.

With a focus on the pivotal organisational elements of processes, people, culture, collaboration, technology and business alignment, our model defines what good looks like.

We call it our Customer Onboarding Success Scale.

Where are you?

	Survival	Stepping Up	Smarter	Hyper Smart
Business Alignment	Onboarding is an ad-hoc, means to an end	Process is standardised but not outcome focussed	Scaled onboarding for customer success, not just configuration	Proactive outcome focussed processes. Delivery is table stakes
Process	- Ad hoc - Each customer has a different experience - Learnings are not folded back into process - Everything is urgent	- Repeatable and standardised process used for all customers - Process exists - Understanding of the work required is clear	- Onboarding framework defined for customer segments and/or products and services - Onboarding focussed on delivering outcomes not configurations	- Predictable model based on customer outcomes - Tailored onboarding plans for each customer based on expected outcomes of their products and services
Culture and people	- Onboarding has been given little consideration - Skill and experience mismatch, onboarding is just one part of someone's role	- Onboarding customers effectively is recognised as important, but not top priority - CS or support team do the onboarding	- Customer Onboarding regarded as key to Customer Success - Specific job titles 'Onboarding Manager' or 'Implementation Manager'	- Customer Onboarding is a cornerstone of company culture and success - VP ownership of onboarding
Collaboration (Internal and External)	- Disconnected teams and tools - People working individually	- Cross functional teams handing off from one to another - Collaboration with customers is handled over email, shared docs and offline plans	- Cross functional teams working collaboratively together - Customer and partners are included in the onboarding process	- Cross functional teams working together incorporating the customer
Technology	- Basic tools, with little integration - Nothing more than spreadsheets and/or status fields in CRM	- Tools are task based, but not integrated organisation-wide - Collaboration with customers is handled over email, shared docs and offline plans	- Technology supports real-time collaboration across business, customers and partners - Integration of onboarding tools into business-wide platforms	- Real-time customer collaboration platforms - Customer Onboarding integrated with education and user onboarding

Company Demographics

What type of company are you?

Your company will naturally fall into one of the four cohorts outlined below. Each cohort helps us to understand how companies at different stages of growth approach Customer Onboarding.

We compared each data point between these four types to help you compare your behaviour, process and technology against similar companies.

Insight: Hyper-growth companies are scaling faster. Characterised by revenue growth averaging at $3m a year in 2018, today Hyper-growth are seeing revenue increasing exponentially at a higher rate.

Early Stage:
Less than 10 years old and fewer than 50 employees

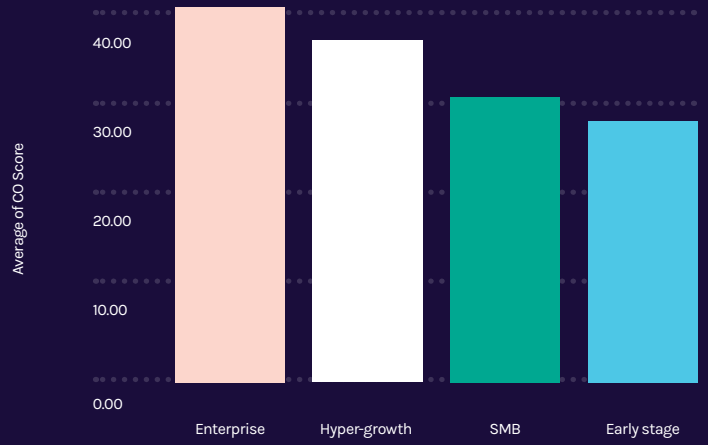
Growth (SMB):
50-500 employees

Hyper-growth:
Raised over $10M in the last 5 years

Enterprise:
more than 500 employees

Onboarding Maturity by Segment

Maturity Score*



What the data shows The Enterprise cohort still leads the way when it comes to the maturity of their onboarding approach, although Hyper-growth companies follow closely behind. SMBs and Early Stage business are lagging behind.

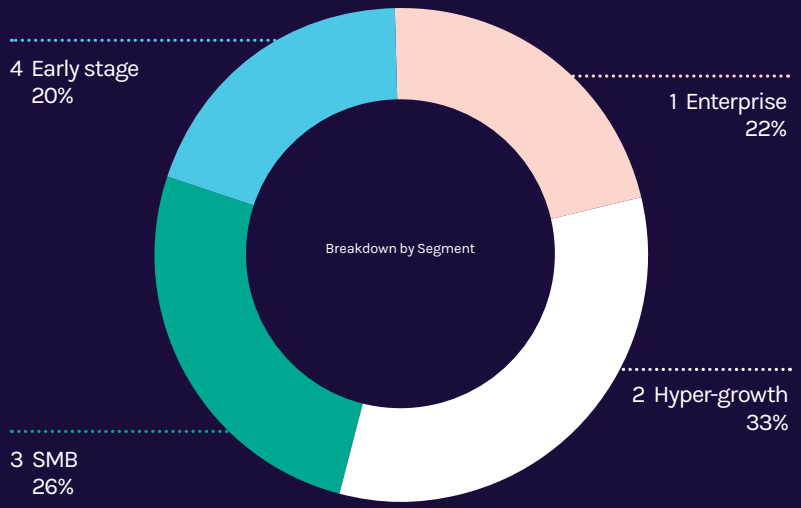
Our Interpretation With Hyper-growth achieving a 20% higher maturity score than their SMB counterparts, this is one of the clear differentiators between these two segments.

Insight

Whilst Hyper-growth business do have greater access to capital, what is actually at the heart of this success is a true commitment to putting that initial, rapid customer success at the heart of their strategy and culture.

*Maturity score is calculated by aggregating certain data points including evidence of a dedicated team, completion of milestones, standardisation of processes and the use of an onboarding product.

Customer Segment



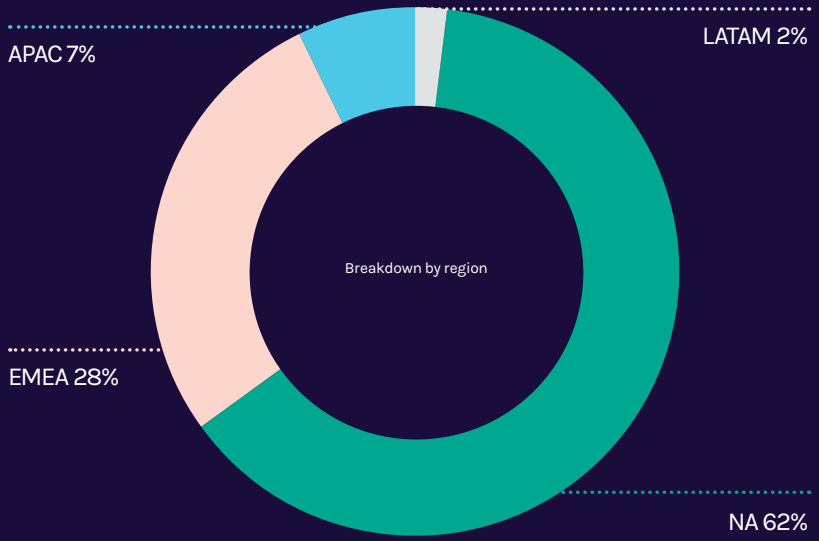
What the data shows As you would expect, the four main types of company participating remain the same for 2019 – Early Stage, SMB (small-to-medium business), Enterprise and Hyper-growth.

Our Interpretation Hyper-growth companies are characterised by their need to establish processes and technology to drive growth. It's this customer segment that has grown the most in terms of their participation in the survey, and this has had a corresponding influence on findings.

Insight

The fastest growing companies are the ones with the greatest interest in Customer Onboarding. There is a lot we can learn from understanding how their onboarding operations are supporting their growth.

Region

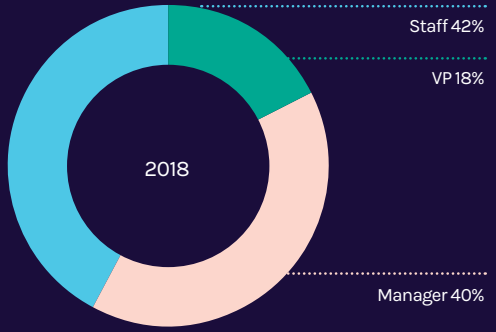


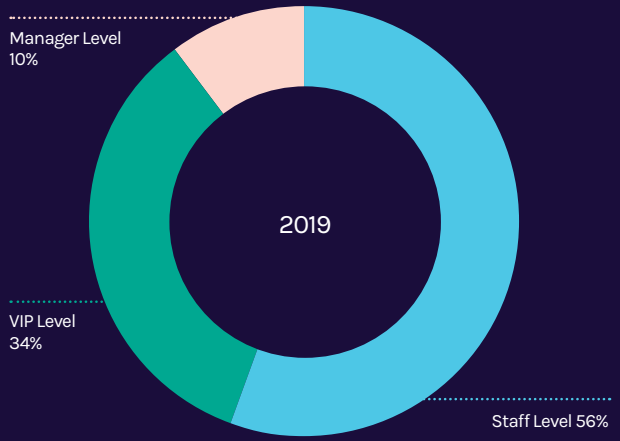
What the data shows While we have seen better worldwide representation across APAC, LATAM and EMEA, at 63% North America is still the front runner in terms of Customer Success adoption.

Insight

Customer Success is gathering pace worldwide, but given North America's head start, the maturity gap will take time to close in the regions beyond.

Job Level





What the data shows The number of VP Level participants has doubled since last year.

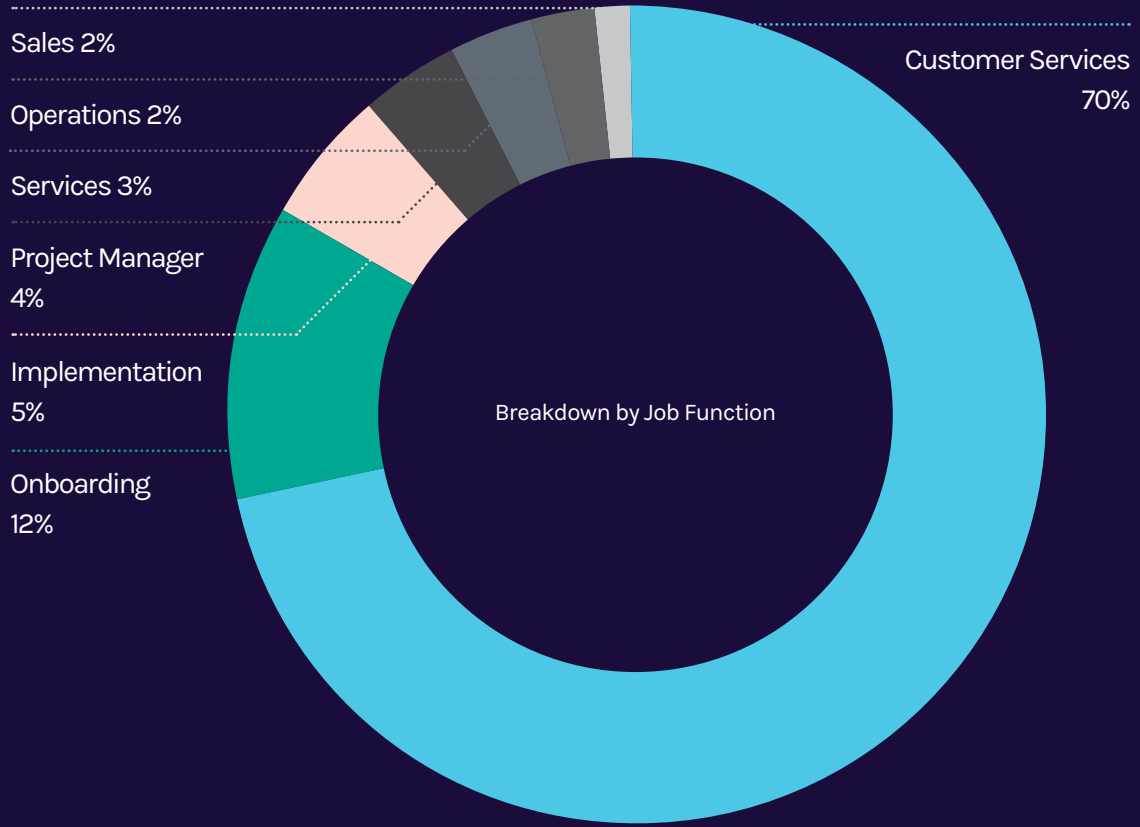
Our Interpretation Customer Onboarding is moving up to executive level. The survey this year brings insights from a strategic perspective, as well as from those implementing the strategy and delivering on the details of customer onboarding.

Insight

We have pinned down our job level categories this year more accurately, to differentiate between staff and management, and their corresponding priorities.

Job Function

Customer Onboarding is still in the orbit of the Customer Success function



What the data shows As you would expect, the great majority of our survey respondents are working in a function, which if not first and foremost within Customer Success, can be considered directly linked e.g. Onboarding, Implementation, Project Management & Service. However at 17%, only a minority of survey respondents identify their function as primarily classed as 'Onboarding' or 'Implementation'.

Our Interpretation This picture of job function is shaped to some degree by those professionals who perform a wide range of Customer Success roles in one business e.g. anything from onboarding to renewal management.

Insight

When we start to see Customer Onboarding recognised as a distinct function, this is an indication that the industry has moved towards a new level of maturity.

1 People and Culture

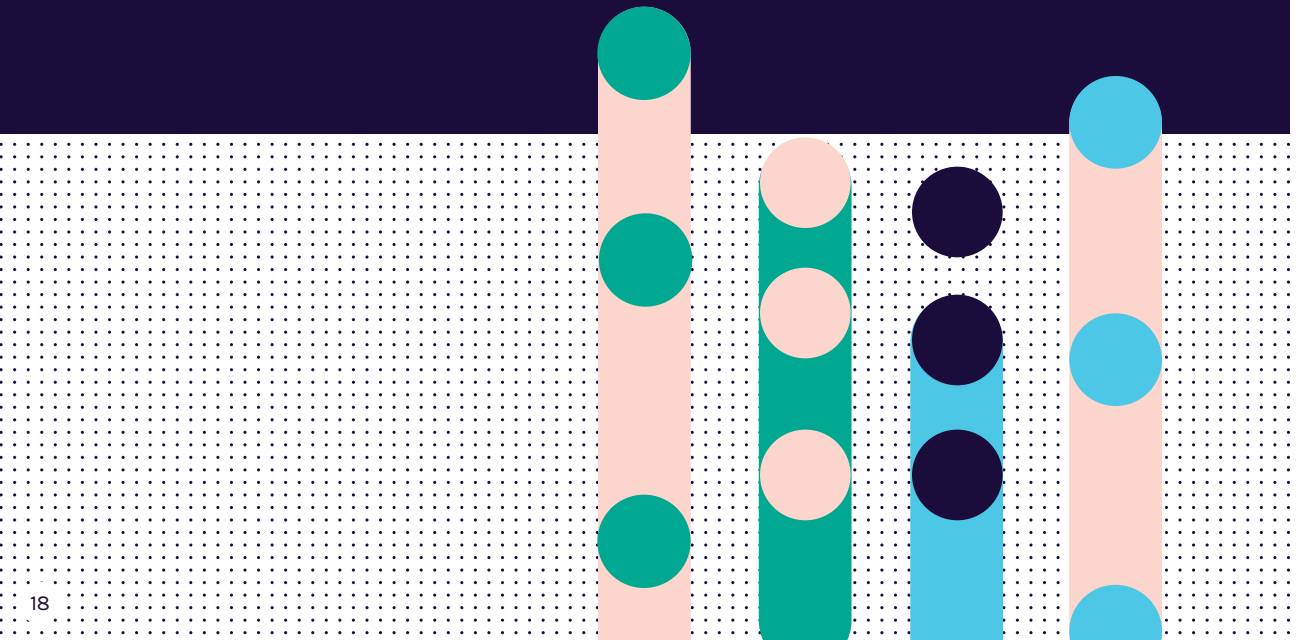
What happens when Customer Onboarding is hard-baked into the culture and what does this mean for individuals?

We take a look at the following patterns in the Hyper-growth approach.

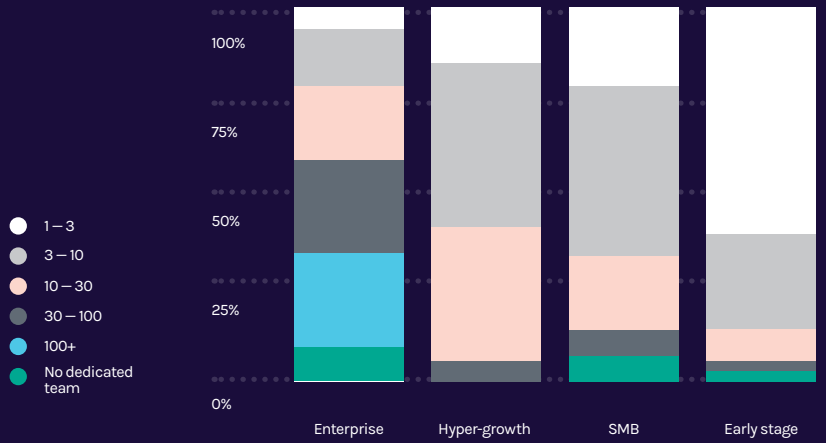
1 The growth of the Customer Success team

2 Customer Onboarding dedicated teams

3 A no-charging approach to onboarding services



Customer Success Department Size



Customer Success Department Size

A professional focus on Customer Success is a key component of rapid growth.

What the data shows Larger Enterprises are running the biggest Customer Success departments, with 60% numbering over 30 people. Early Stage companies are typically operating the smallest CS teams, with less than 3 people. In comparison, Hyper-growth teams are most likely between 3-30.

Our Interpretation Organisations characterised by a rapid growth model are investing in building larger Customer Success departments than their slower growing counterparts.

Insight

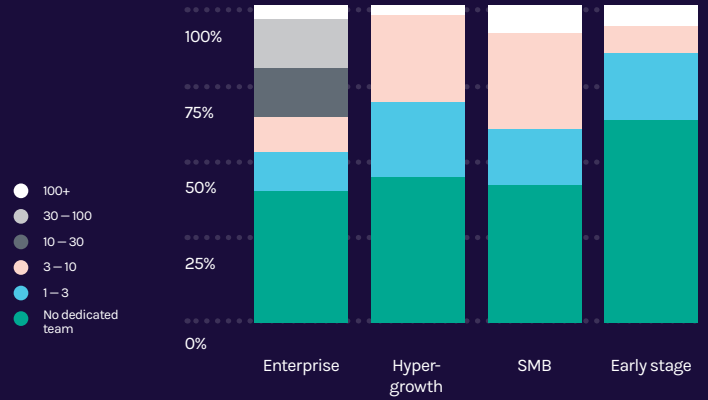
SMBs and Hyper-growth companies differ chiefly in their level of funding. The fact that Hyper-growth businesses are investing in CS is testament to their belief that this is a sure means of sustaining their growth rate.

Michelle Novak
Enterprise Customer Success Manager
Iterable

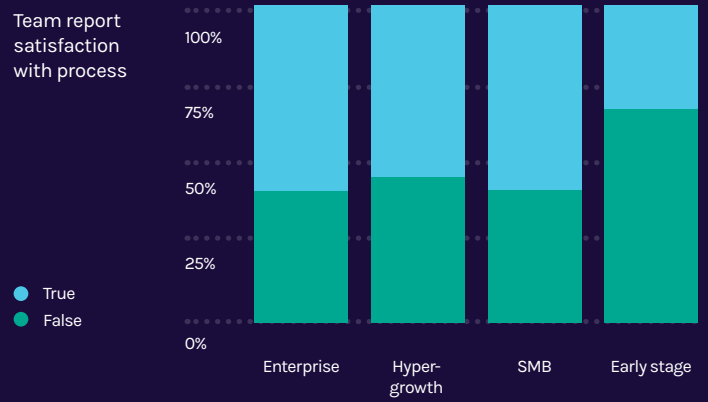
"At Iterable, one of our core values is Trust, and our onboarding plays a pivotal role in building trust with every customer. As we recommend to our audience of growth marketers, the 4 essential ingredients to amazing onboarding are properly orienting newcomers to your brand, building connections across channels, enabling behavioral profiling for better personalization, and gathering feedback to optimize your process."

"This isn't just the role of our implementation team — everyone at Iterable is dedicated to practicing what we preach and delivering stellar customer experiences."

CO Dedicated Team



Team report satisfaction with process



What the data shows 55% of Enterprise businesses have a dedicated onboarding team, compared with just 35% of Early stage businesses.

Our Interpretation Early Stage businesses may not have the scale to dedicate resources solely to customer onboarding. It is likely that team members will cover a number of functions, rather than specializing.

What's clear is that companies with dedicated CO teams report higher satisfaction with their process.

Insight

Our experience is that separating CS from onboarding teams allows for specialization and ultimately better customer outcomes, and plays an important part in the journey to onboarding maturity.

"People often work with us not only because of our technology, but because of our knowledge base and huge community."

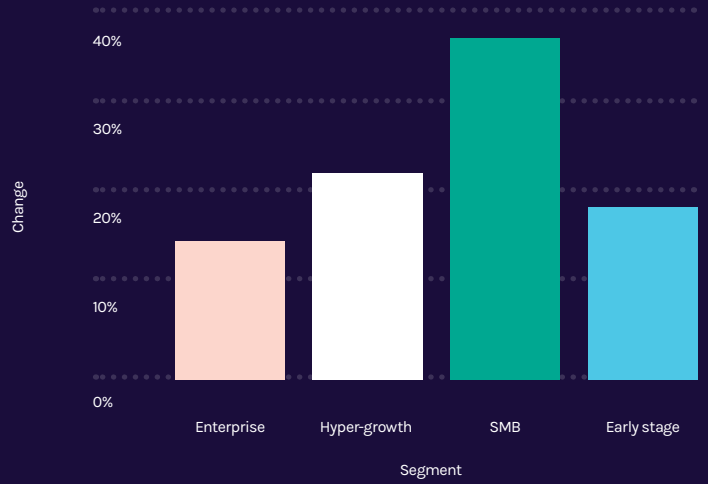
Nick Mehta
CEO
Gainsight

Gainsight

www.trustradius.com/buyer-blog/interview-with-nick-mehta-ceo-gainsight

Hyper-growth companies are not charging for their high-touch onboarding services

Charge for Customer Onboarding as a Service



What the data shows Most businesses, irrespective of size, are not charging for onboarding.

Our Interpretation From our survey data, we know that Hyper-growth businesses in particular are delivering high-touch onboarding, but generally not billing for these work intensive services.

Insight

Hyper-growth companies understand that customers are buying their expertise as a partner, not just their software. This is success coaching, not customisation. Therefore rather than looking to recoup the costs of this services via billing the customer, they consider it a value-add to their full package offering.

2

Process & Collaboration

Commitment to Customer Success in terms of investment and effort when it come working processes.

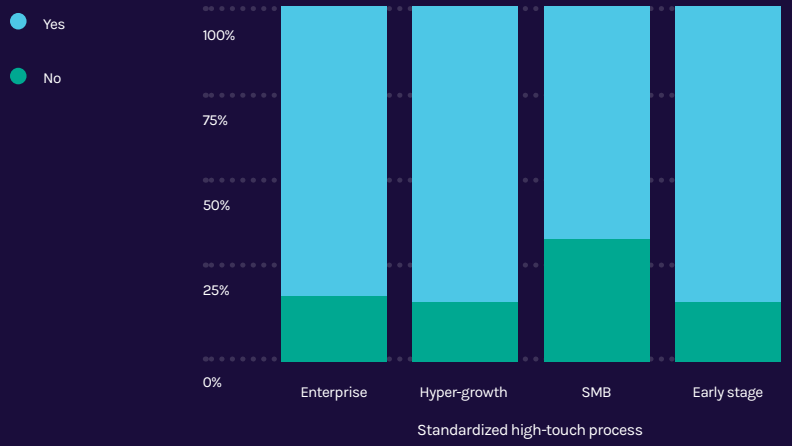
The data has brought to light the following themes that play out in Hyper-growth smart onboarding practices.

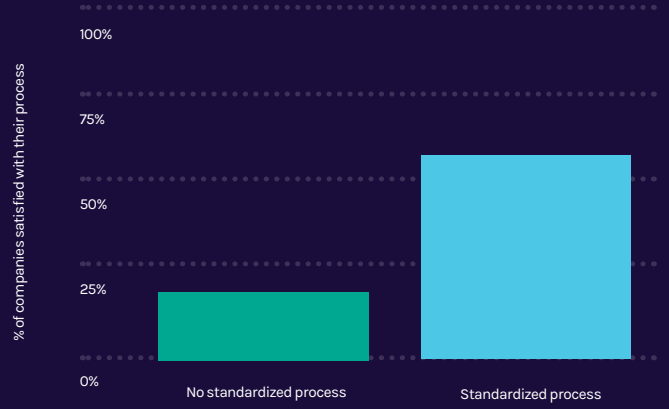
1 Repeatable processes

2 Importance of Kick Off sessions

3 Investment in a high-touch, human-centric onboarding process

Repeatable processes





What the data shows High-touch businesses have largely standardised their onboarding process, 85% for Enterprise, Hyper-growth, and Early Stage organisations, and 70% for SMB.

Our Interpretation Organisations that have not implemented a standardized high-touch process report low levels of satisfaction with this status quo. However, among those who report they are working with repeatable playbooks for onboarding, only 58% say that they are satisfied.

Insight

Having a standardized process is not the panacea for trouble-free onboarding: it is however the first step in customer onboarding maturity model.

Kick-off sessions have most influence on Customer Success

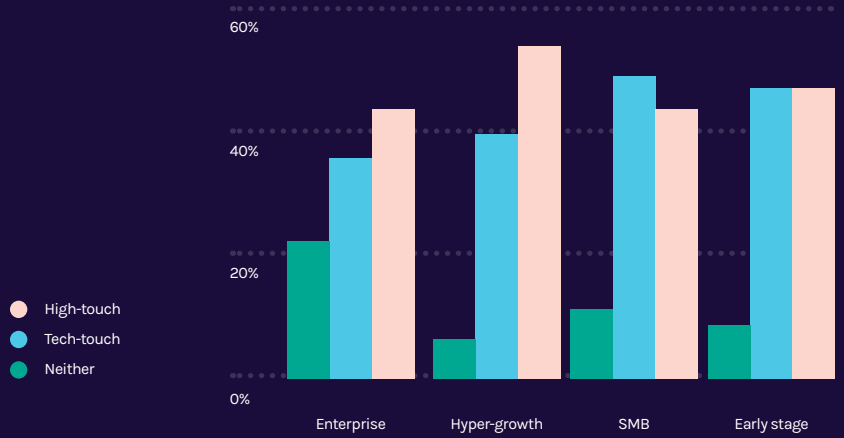
#1 CO Influence	Enterprise	Hyper-growth	SMB	Early stage	Grand Total
Kick-off/ Discovery	55%	52%	48%	39%	49%
Config.	17%	26%	19%	23%	22%
Training	6%	14%	14%	28%	15%
Handover	19%	7%	12%	12%	11%
Follow-up	6%	4%	10%	-	5%

What the data shows There is agreement across all size of company that the initial kick-off and discovery sessions with a new customer have the most influence on the success of onboarding.

Insight

The importance of the kick off session cannot be underestimated. A strategic direction is agreed and a way of working defined at this point. It's part of the onboarding process that is unlikely to be repeated, and cannot be automated.

Hyper-growth companies are investing in High-touch



What the data shows Hyper-growth companies are 25% more likely to be investing in high-touch onboarding.

Our Interpretation Contrary to popular belief, high-growth companies are investing primarily in high-touch human led onboarding initiatives.

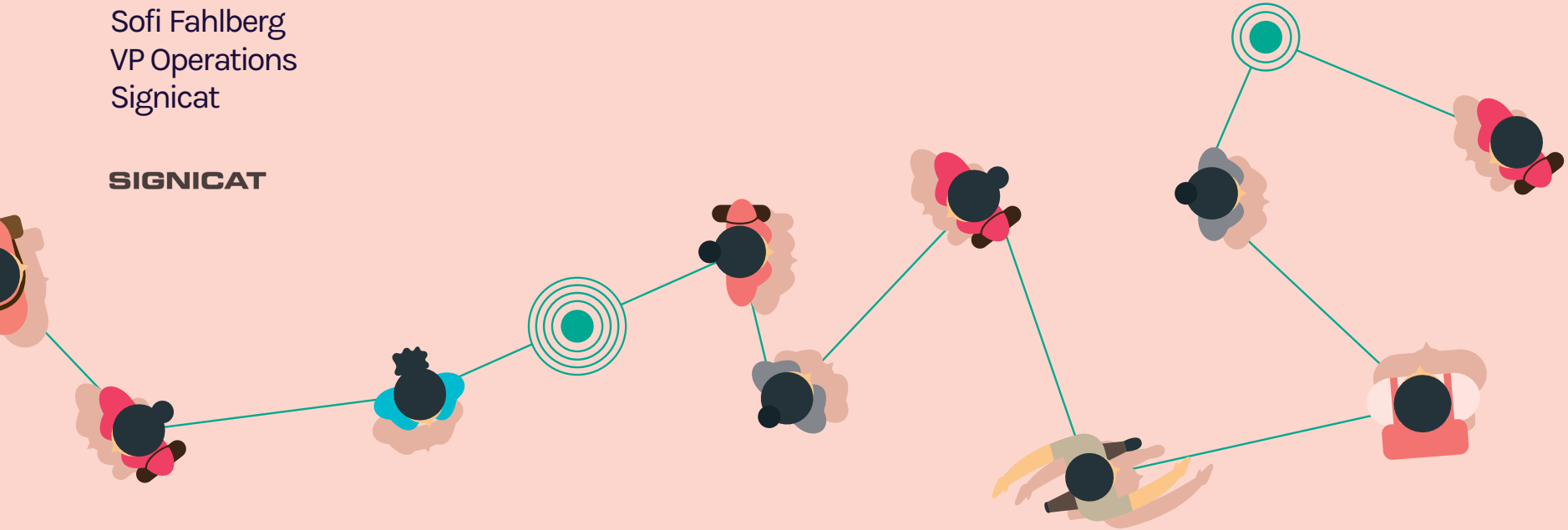
Insight

Bringing sophisticated products into an organisations goes far beyond functional deployment. This calls for thought leadership and change management skills set, which cannot be automated. Over time, the impact of new technology will diminish. Without the dedicated efforts of capable CSMs, tech-touch may only provide effectively the bare minimum of support.

"At Signicat, we see the future of customer onboarding as self-service for the simple products, and managed onboarding for more complex products. We need to scale, but to still keep the control."

Sofi Fahlberg
VP Operations
Signicat

SIGNICAT



3 Technology & Business Alignment

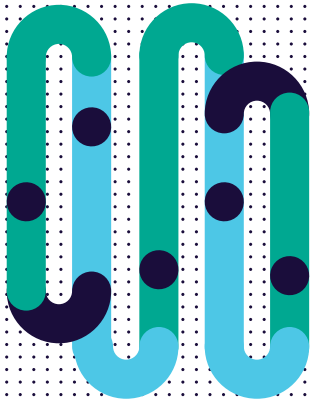
How are Hyper-Smart businesses using tools for continual improvement in customer outcomes, in terms of retention, revenue and health?

1 Salesforce is still the CRM platform of choice

2 Best-of-breed tools for Customer Success and Customer Onboarding are not yet mainstream

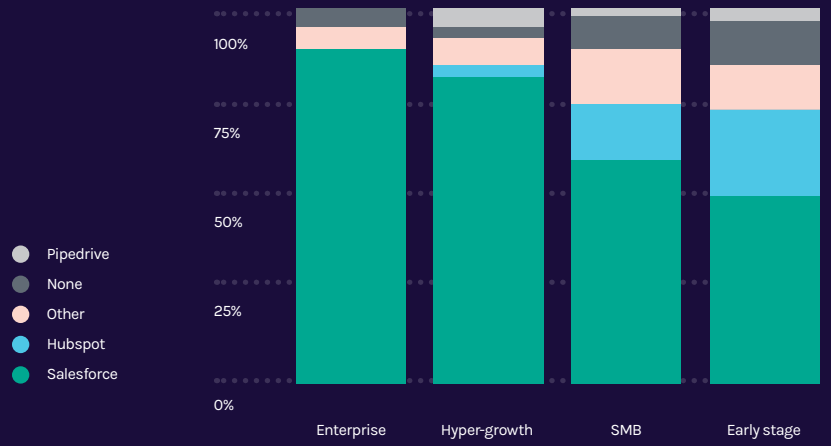
3 Satisfaction with onboarding process is driven by using best of breed tools

4 Assessing the impact of technology



The CRM platform of choice

CRM Market Share



What the data shows Hubspot is showing signs of competing with Salesforce for market share in the SMB and Early Stage cohorts. When it comes to Hyper-growth and Enterprise however, Salesforce retains its position as the dominant CRM across all business segments.

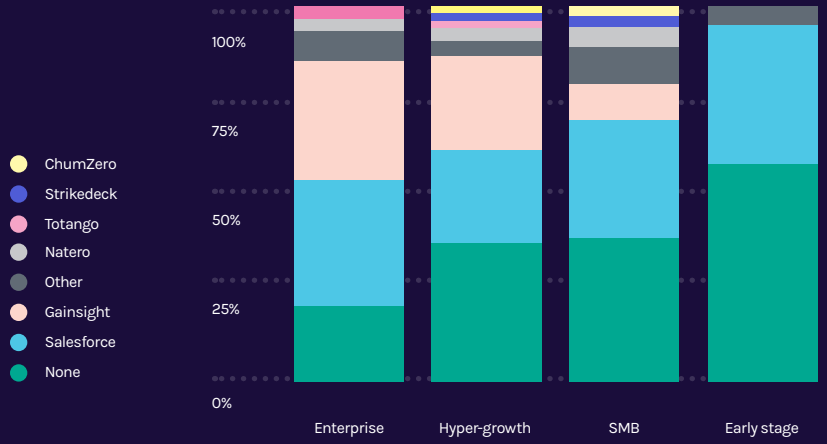
Our Interpretation Salesforce is still the go-to-solution for technology driven businesses when it comes to their choice of business platform. While Hubspot may offer some competition in the smaller business market, larger and fast growing organisations will still rely on this increasingly mature platform as their technology touchstone.

Insight

Hyper-growth businesses recognise that Salesforce is more than a CRM - it is their business platform. Through consolidating customer related data and processes on a single business platform, it allows them to scale. The Enterprise, already operating at scale, continues to invest in Salesforce.

Customer Success Management tools market share

CSM Market Share



What the data shows Amongst those businesses that rely on a specialised CSM platform, Gainsight is the clear market leader. However a significant proportion of smaller businesses are not investing in CSM tools.

Our Interpretation Many respondents are relying on Salesforce to provide for their CSM needs. This is expected as Salesforce offers flexibiliy as a business platform.

Insight

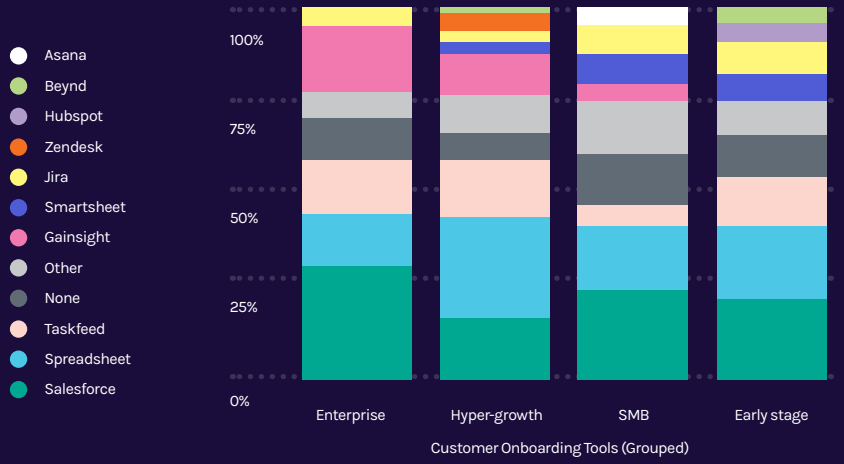
Specialist CSM platforms e.g. Gainsight, are still not a mainstream choice, particularly for smaller or newer businesses. Our prediction is CSM tools are on the cusp of crossing over into mainstream usage, as the Hyper-growth early adopters demonstrate the value they are driving from their investment in CSM platforms.

"Salesforce is a great CRM and you can do a lot with it. However, Taskfeed is an extension of this and allows us to use Salesforce even better. We could have hacked our way around in Salesforce, but having a tool which sits within it is the ideal state."

Nick Turner
Head of Onboarding
GoCardless

GOCARDLESS

Tools used in Onboarding



What the data shows Salesforce and the use of spreadsheets have the largest market share when it comes to onboarding tools.

Our Interpretation There is a wide range of tools in use industry-wide, to manage customer onboarding with no clear market-share leaders. At all levels, spreadsheets are still in use, along with a range of other general purpose suites (Jira, Smartsheet etc) Dedicated customer onboarding tools are a relatively new concept.

Insight

As the dominant market CRM, organisations are recognising the need for more automation, management, and metrics and starting out by building ad-hoc onboarding capabilities within the Salesforce platform. There is still a minority of businesses with mature CO functions that are investing in ready-to-go best of breed solutions such as Taskfeed and Gainsight and experiencing greater satisfaction levels as a result.

Satisfication with Onboarding process

Customer Onboarding Tool	% satisfied
Taskfeed	84%
Gainsight	71%
Salesforce	61%
Smartsheet	40%
Spreadsheet	37%

What the data shows Participants report highest levels of satisfaction across fit-for-purpose customer onboarding solutions, with Taskfeed having the highest satisfaction rate (84%), followed by Gainsight at 71%. Spreadsheet users reported the lowest levels of satisfaction.

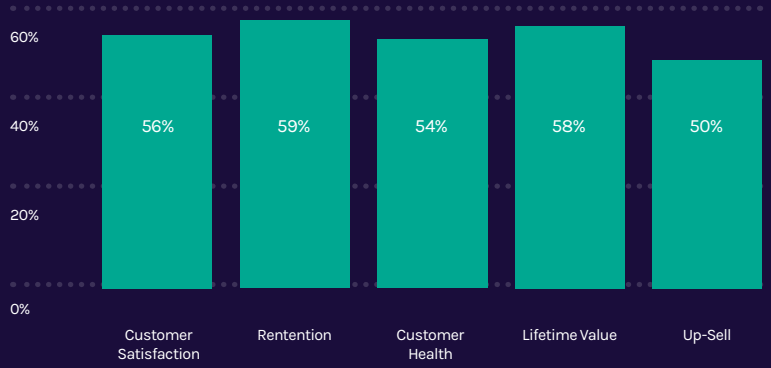
Our Interpretation The rate of satisfaction with onboarding processes is clearly linked to the use of tools specifically for this purpose e.g. Taskfeed or Gainsight, or at least configurable (Salesforce)

Insight

Leading high-touch businesses are selecting best-of-bread tools for their onboarding, as opposed to making the best of generic solutions. This technology choice is an important part of the maturity model.

Measuring the impact of Customer Onboarding

The percentage of companies that told us that they strongly believe that measurement across specific data points has an impact, but are not actually following through with the required process.



What the data shows While the majority of survey respondents who strongly believe onboarding has an impact, over half are not actually measuring this level of impact.

Our Interpretation The belief in onboarding is strong but when it comes to measurement, the tools are not in place to back this up with the required data points e.g. CSat, Retention, Health, LTV, and up-sell.

Insight

Businesses are missing the chance to showcase the true impact of onboarding and the positive influence it has at all stages of the customer lifecycle.

There is a big opportunity here to align your technology with your business goals and represent the importance and impact of CO.

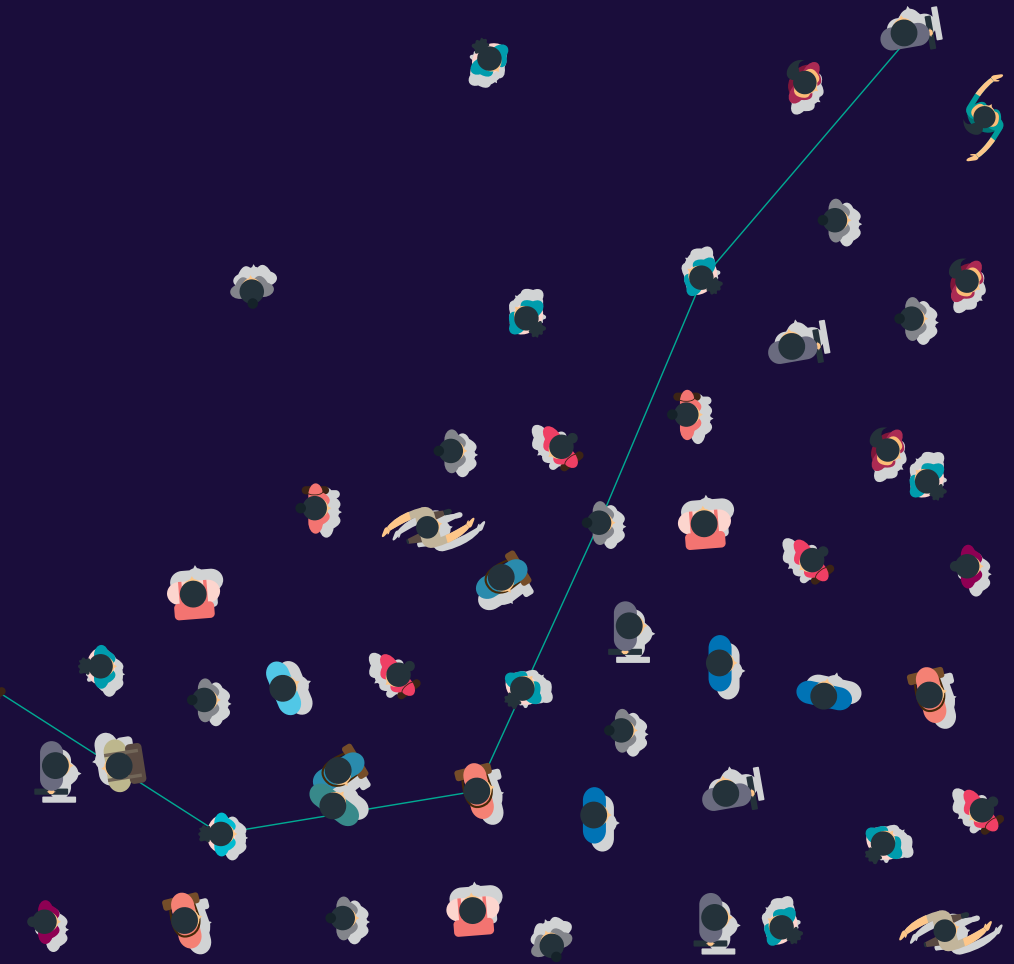
Only when we can represent the true impact of CO, can we expect to see this customer stage given the priority it deserves.

Methodology

How we compiled the report

This year's report is based on a survey completed by over 250 professionals working at SaaS or technology product companies in roles relating to customer onboarding. Of these, 45% were Managers, VPs, SVPs and C-level working in various types of business – from early stage Start-Ups through to Hyper-growth and Enterprise companies. We combined the first party survey results with third party company data from Crunchbase to create a complete profile of the companies involved, including estimated revenue, fundraising and company growth.

Acknowledgements We'd like to thank everyone who took part in this year's survey. Please share these survey results with your network so we can engage more Customer Onboarding professionals in the conversation on what good looks like today. We'd love to get even more respondents next year for an even bigger, more diverse survey and sample size. The more detailed the picture we can paint, and the more insights we can offer on the state of Customer Onboarding.



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