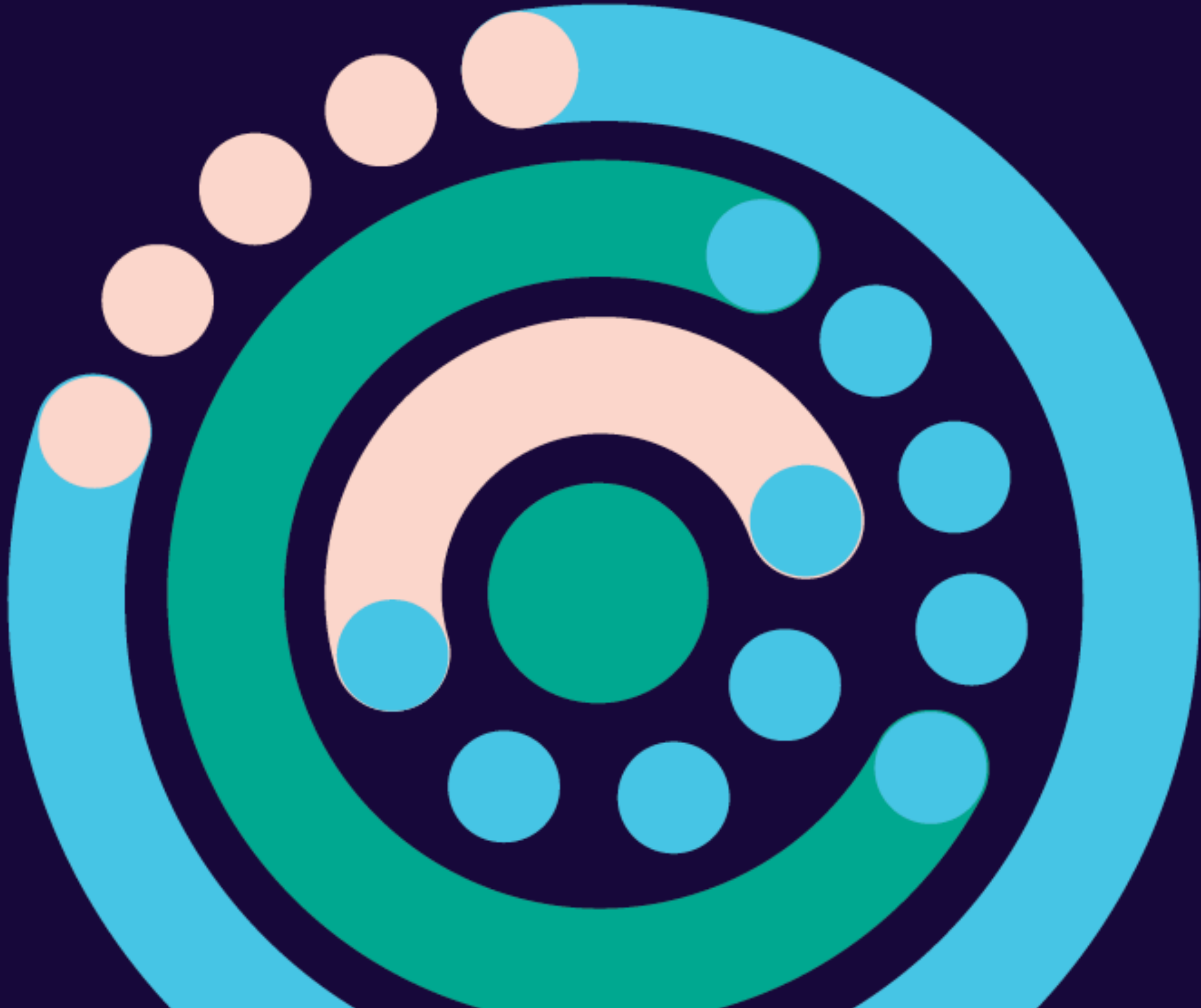


Customer Onboarding Benchmark Report 2018



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Executive Summary

Welcome to the first edition of the Customer Onboarding Benchmark Report. As far as we know, this report contains the most comprehensive collection of data on customer onboarding anywhere.

We compiled this report to give us a better and more objective understanding of how today's SaaS companies manage and measure customer onboarding (CO). The results reveal valuable insights into how established and fast-growing companies are organising and structuring themselves. This means that companies of every size and at every stage can use the breadth and depth of data our survey collected to help them make high-touch customer onboarding a repeatable, scalable, efficient and impactful process. Ultimately, helping to build longer, more meaningful and more profitable customer relationships.

Key Themes

We've divided the report into three key themes. Within each, we present the data, our interpretation of it, and any key insights. The themes are:

1 Customer onboarding as part of the customer success model

The vast majority (88%) of companies who took part in the survey already have a CS function. This is encouraging for two reasons:

- 1 It confirms the growing commitment to, and practice of, CS by SaaS companies.
- 2 It shows the CS model is maturing.

2 Onboarding playbooks to ensure best practice at scale

Every company with a customer success and customer onboarding function needs to balance growing their business with scaling their team to meet growth. Our survey reveals the most successful companies are using repeatable onboarding playbooks to achieve both.

3 Impact of customer onboarding upon churn

The top challenge for all respondents – regardless of company type, revenue, or number of employees – was churn.

How we define Customer Onboarding

Customer Onboarding 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.

Sales

Onboarding

Expansion

Renew

Advocacy

Customer Success is not just a post-sales function. It should become an integral part of the sales process.

Onboarding is the most critical stage of the journey. It's where you set up your customer for future success.

Your customers need to manage new technology and/or processes. They'll want or expect your expert advice.

When customers adopt your product or service and succeed, it brings you opportunities to deepen relationships, expand revenue, and build loyalty.

Retention is the bedrock of recurring revenue business and ultimately, the underlying purpose for customer success, and the reason for investing in Customer Onboarding.

Knowing your customers are succeeding makes proactive renewal management more streamlined.

Start turning your customers into advocates.

When successful customers refer your product you can see total LTV for a customer grow to 10x initial order value based on second order revenue.

Handover

Discovery

Implement

Enhance

Monitor

Provide your customer a seamless journey from Sales onwards.

Capture notes in your CRM platform and, if possible, map your processes to products or services sold.

We recommend starting with a kick-off meeting, to:

- Establish roles and responsibilities internally, and with the customer
- Define what success looks like
- Share the plan and set expectations.

Most enterprise products or services require some form of implementation – from simple to very complex.

Structure your implementation so the customer can see success as quickly as possible.

Customer Onboarding is about you and your customer learning more about each other. You'll probably have a different perspective of one another a few weeks in. Apply what you continue to discover to your solution.

Work closely with your customer to ensure they're achieving success (including KPIs) or have a clear plan to help them achieve success.

Foreword from Dan Steinman



"One of the Ten Laws of Customer Success is to 'obsessively improve time-to-value'. This begins during the onboarding process. It's vital in a recurring revenue world to accelerate the speed and quality of onboarding. Both are critical to setting customers up for long-term success. Nothing causes Customer Success professionals more headaches and costs more time than trying to recover from a poor onboarding experience. Virtually all subscription-based companies rely on a land-and-expand model. Expansion happens only if the customer is getting value, which further heightens the pressure to deliver value quickly. Lastly, advocacy has become a fundamental component of success in our connected world, and it can begin only once the customer has been successfully onboarded. In the 'age of the customer', few processes are as critical as onboarding to the lifetime value of each customer."

Dan Steinman,
General Manager EMEA, Gainsight

Gainsight

How we compiled the report

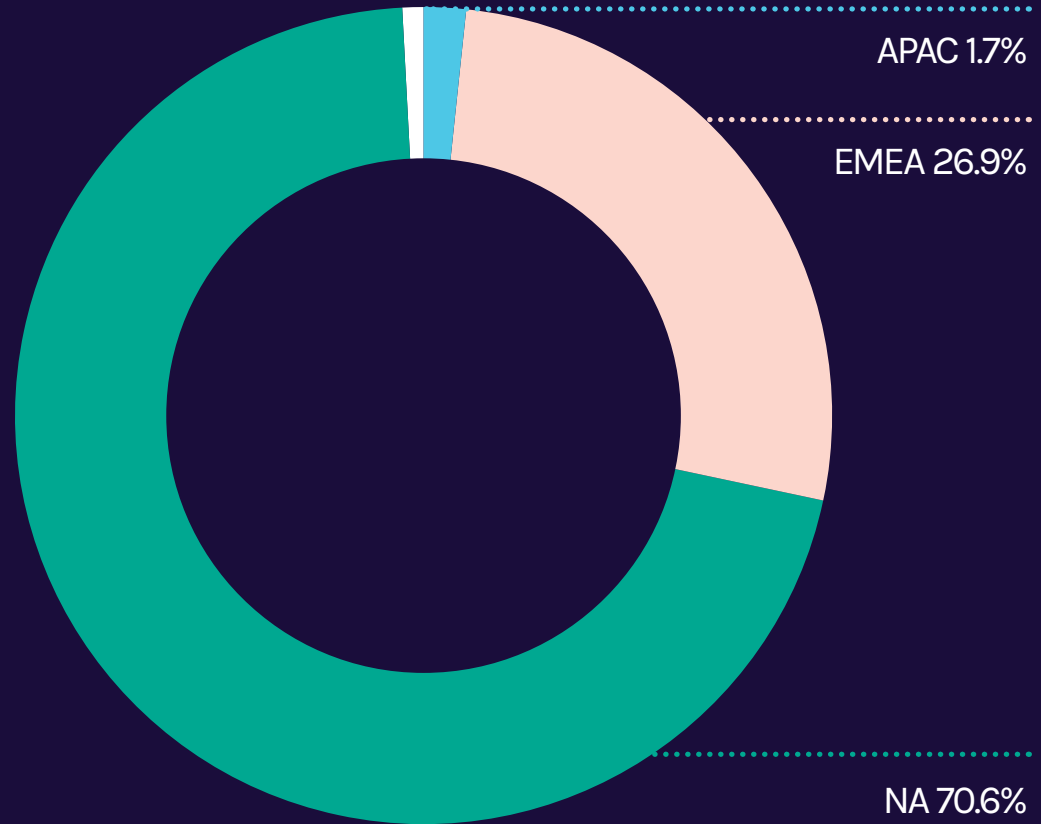
This year's report is based on a survey completed by 152 professionals working at SaaS or technology product companies in roles relating to customer onboarding. Of these, 58% were Managers, VPs, SVPs and C-level working in various types of business - from early stage start-ups through to hyper-growth and enterprise companies. We combined the first party survey results with third party company data from Crunchbase and Clearbit to create a complete profile of the companies involved, including estimated revenue, fundraising and company growth.

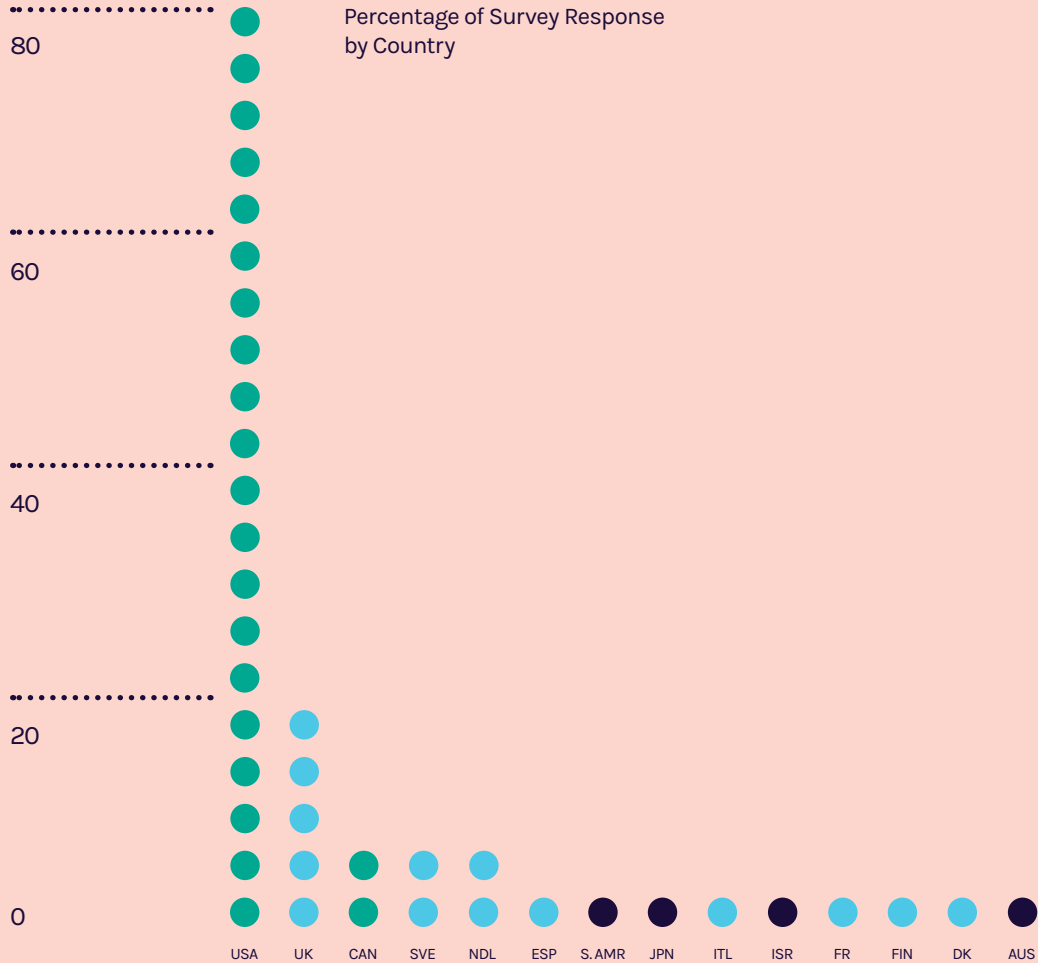
Acknowledgements We'd like to thank everyone who took part in this year's survey. Next year, we'll expand the survey to include more senior professionals working in customer onboarding from more businesses, across more regions. The bigger and more diverse the survey and sample size is, the more detailed picture we can paint, and the more insights we can offer on the state of customer onboarding.

Note This year's report does not contain data on measuring the success of customer onboarding. In next year's survey, we'll aim to better understand how organisations are measuring and tracking the success (or failure) of their onboarding processes.

Company Demographics

North America and Europe
make up more than 95%
of respondents.



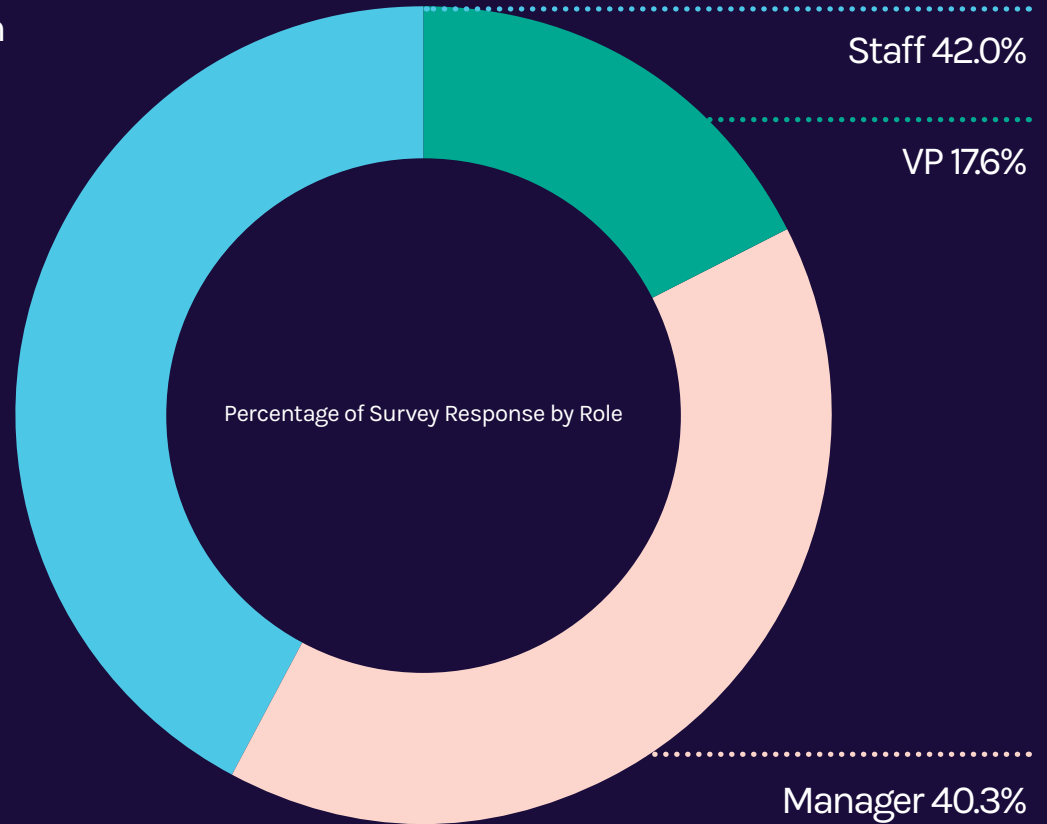
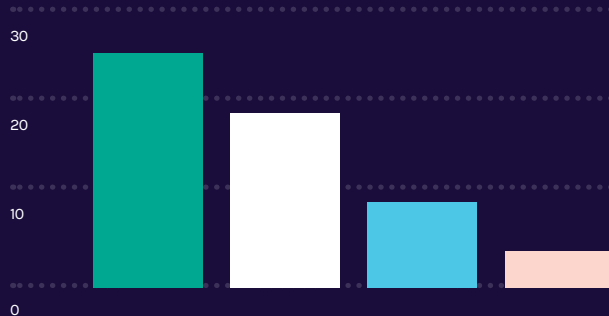


The Customer Success model is still new and maturity is lower in regions outside North America.

Most respondents (58%) are in a position to change the way they or their organisation works directly with customers.

The four most popular job titles were:

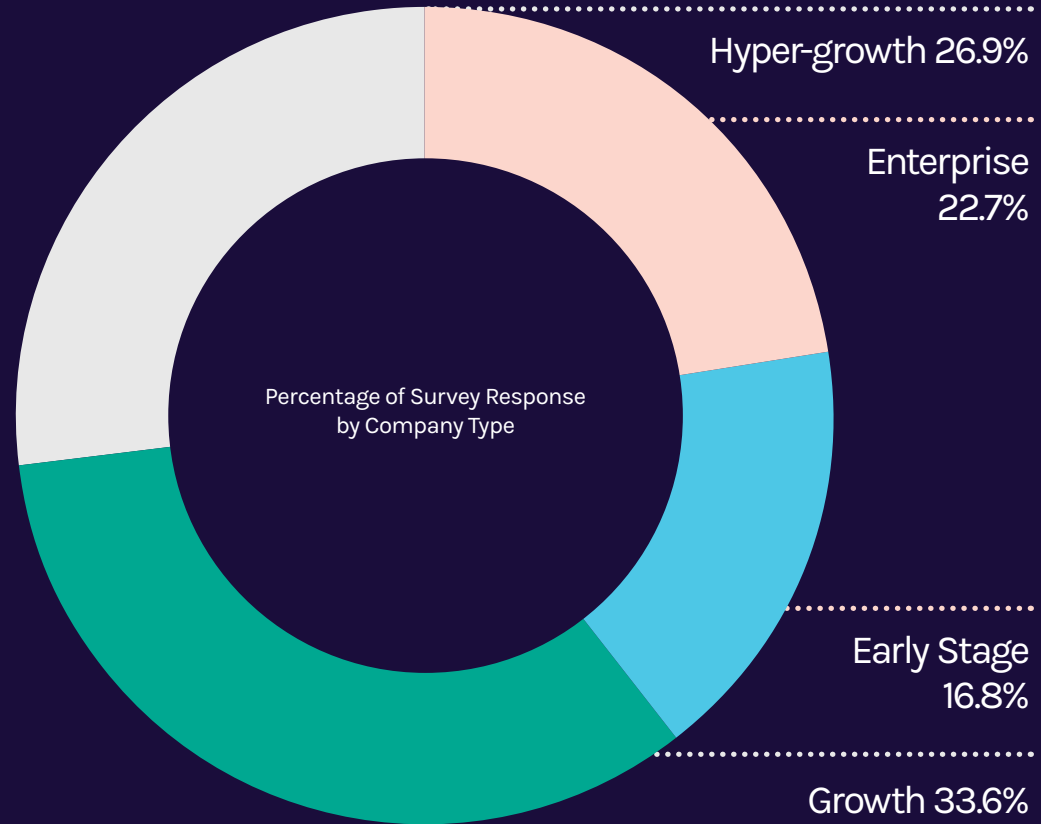
- Customer Success Manager
- Director of Customer Success
- VP of Customer Success
- Head of Customer Onboarding



As you'd expect, we identified three main types of company – early stage, SMB (small-to-medium business) and enterprise.

However, when combining the third party data we recognised two distinct types of SMB: 'growth' and 'hyper-growth'.

Hyper-growth companies operate differently. The demands of a hyper-growth are much greater, as is the need to establish processes and technology to drive growth.



What type of company are you?

Your company will naturally fall into one of the four types outlined below. These different types help us to understand better 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.

Early Stage

Less than \$5m annual revenue and less than 10 years old with < 50 employees

Growth (SMB)

1-500 employees

Hyper-growth (SMB)

Have grown on average over \$3m a year and/or have raised over \$10M in the last 5 years

Enterprise

More than 500 employees



"Proper onboarding isn't done to prevent churn; it's done to ensure the customer achieves their desired outcome. Retention comes from that."

Lincoln Murphy,
Sixteen Ventures



1

Customer onboarding as part of the customer success model

The vast majority (88%) of companies who took part in the survey already have a CS function. This is encouraging for two reasons:

- 1 It confirms the growing commitment to, and practice of, CS by SaaS companies.
- 2 It shows the CS model is maturing.

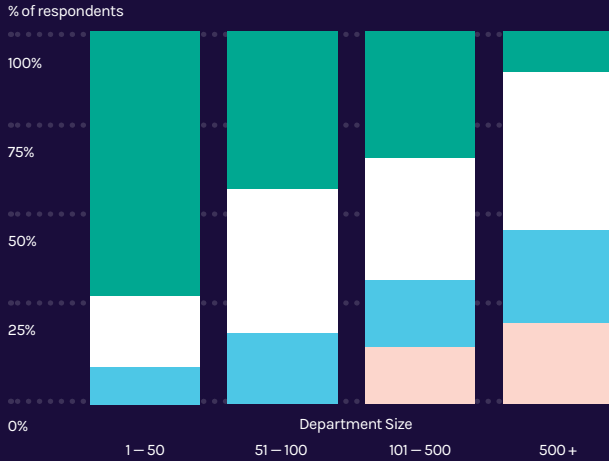
Our data supports Gainsight's own research*: "Customer Success is a key department within the customer-facing organisation, regardless of company size".

Our data also found that hyper-growth and enterprise companies are increasingly likely to have a separate CO function.

*Source: [Gainsight Customer Success Benchmark Report, 2017](#)

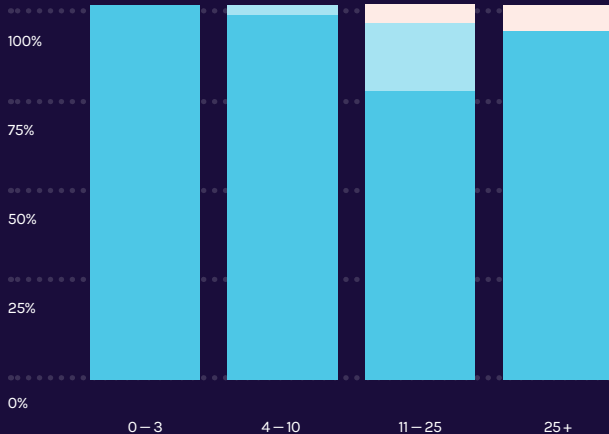
Customer Success Department Size

- 0-5
- 6-19
- 20-49
- 50+



Age of company impact on formation of CS function

- No
- In the process of creating one
- Yes



Comparing company age with adoption of customer success



What the data shows 88% of companies have a Customer Success function. Of those, 70% have fewer than 20 people, and only 5% have more than 50 people. Almost all the companies started in the last 10 years have a recognisable CS department.



Our Interpretation Customer Success has become an essential business function. In particular, for SaaS and technology companies who completed our survey.

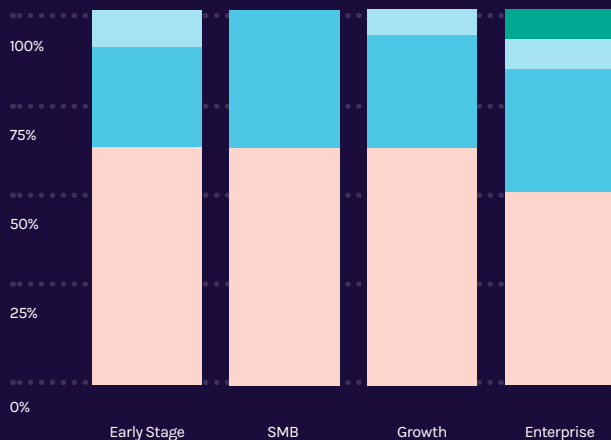
Insight



The compounding effects of recurring revenue combined with second order revenue from referrals, often means a customer's true value is 6-8x their initial order value. This is convincing companies to invest in Customer Success early.

Comparing company terminology around Customer Onboarding

- Professional Services
- Projects
- Implementation
- Customer Onboarding



What the data shows Most companies with a high-touch process call the process 'Customer Onboarding' or 'Implementation'.



Our Interpretation Typically, companies describing the process as an 'Implementation' have a more technical process.

Insights

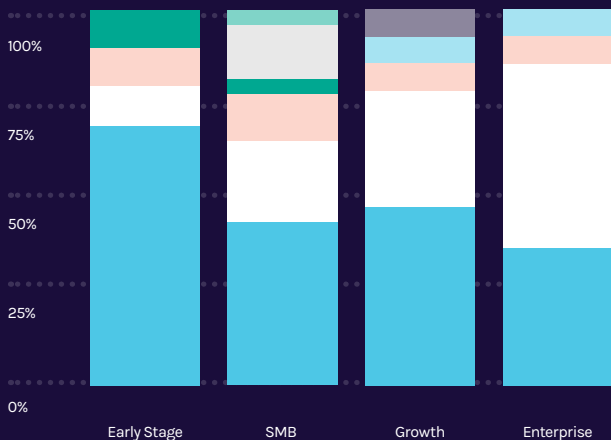


1 In reality, 'implementation' is often one stage of the overall process – ie. the technical configuration of an application for a customer, or enabling them to do this themselves. The complexity and duration can vary – from a simple install to a user-guided configuration to engaging professional services.

2 As well activating users, CS-oriented businesses should focus on customer outcomes because it's the customer who realises the value they're getting from the solution that, ultimately, drives success.

Comparing the department responsible for Customer Onboarding

- Deployment
- Implementation
- Customer Support
- Project Management
- Sales
- Professional Services
- Customer Onboarding
- Customer Success



What the data shows Regardless of company size, onboarding is typically managed by CS. Hyper-growth and enterprise companies are increasingly likely to have a dedicated CO function.



Our Interpretation Even when enterprise and hyper-growth companies have a specific onboarding team, it's likely to be part of the Customer Success function.

Insight



As companies scale, it's natural to create more specialized roles. Gainsight's 'Customer Success Benchmark Report' refers to this as the "jack of all trades" Customer Success rep.

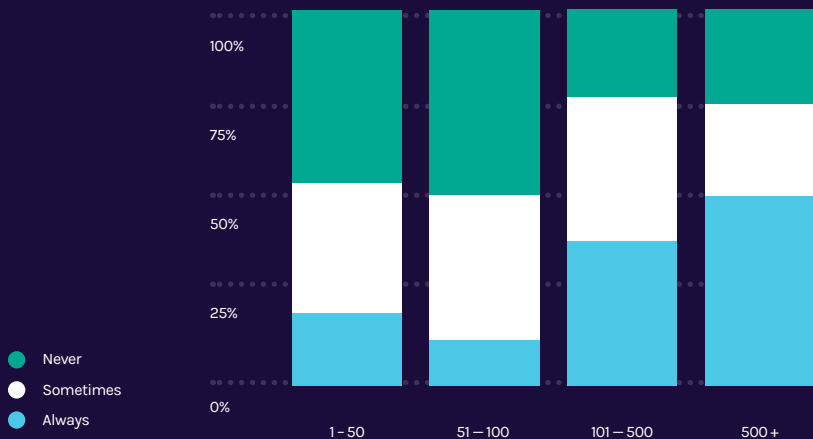


"Getting customers 'live' is more than just setting them up technically. More importantly, it's about engaging and exciting them about the journey they're embarking on with our platform and services. We saw the value of a consolidated team to manage and deliver the technical solution, as well as provide a solid foundation for future value-creation at the start of their journey. We're still bringing these areas together to provide a seamless onboarding experience, centred around the results of customer feedback programmes and interviews."

Greg Wesson,
VP Enterprise Services, Reevo



Comparing commercial model of customer onboarding



What the data shows There is a clear trend towards charging for services as your company grows. In fact, 75% of companies with more than 100 employees charged for onboarding services.



Our Interpretation Smaller businesses are less likely to charge for services, though they will use a high-touch process for new products. As the company grows or as deals get larger, so does the opportunity to charge for onboarding services.

Insight

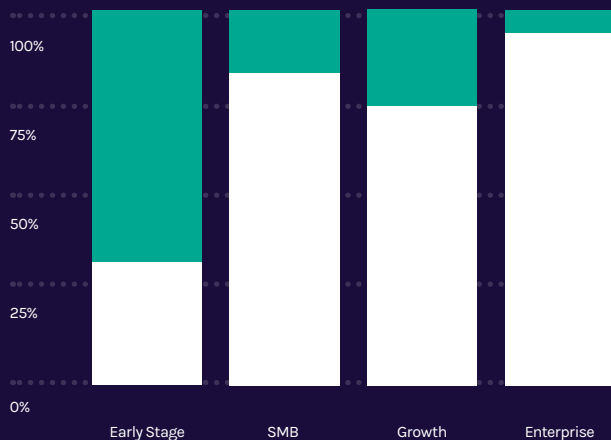


What surprised us was the large number who responded 'Sometimes'. What's not clear is why?

These findings mirror Gainsight's that "The need to overinvest in technical support as an early stage company is paramount."

Comparing single vs. multi-product companies

● No
● Yes



What the data shows Early stage companies are more likely to be focused on a single product.



Our Interpretation This isn't surprising. As a business matures, it usually looks to support growth by expanding its portfolio of products and services.

Insights



1 As a company's portfolio expands, coordinating implementation becomes more challenging and requires more specialization in the team. Plus, the increasingly complex hand-over – what was sold, in what combination – involves more customer stakeholders, adding more complexity to the onboarding process.

2 A growing portfolio increases the challenges that come with bundling and selling multiple products. Configure-price-quote apps like Salesforce CPQ enable Sales to create complex deals, but, this doesn't solve the downstream challenge of managing implementation across various departments and stakeholders.

3 We recommend defining playbooks for each product, service, or product family you offer. Then combining these playbooks into an implementation plan for each customer based upon the combination of portfolio products the customer has purchased.

2

Onboarding playbooks ensure best practice at scale

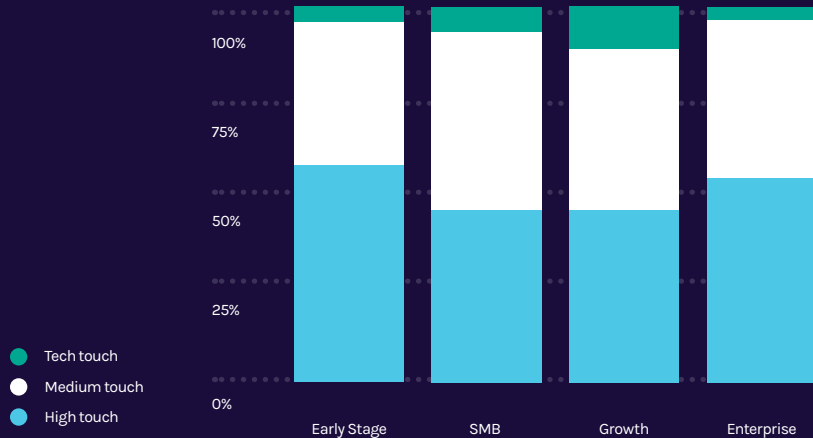


Every company with a customer success and customer onboarding function needs to balance growing their business with scaling their team to meet growth. Our survey reveals the most successful companies are using repeatable onboarding playbooks to achieve both.

What is encouraging is that hyper-growth companies recognise that having a standardized CO process isn't just important to helping them sustain growth. It also enables them to measure customer success, build their team, and work more efficiently and effectively.

However, we found that the most popular applications for managing high-touch CO are begged, borrowed, stolen and adapted from other departments. In other words, organisations are using tools like Salesforce or disconnected project management apps like Jira or Smartsheet – created for other functions such as CRM or product development – for customer onboarding. Of course, appropriating Salesforce to do a job it was never designed for isn't ideal, but at least it's keeping the customer onboarding process within the CRM. This will go some way to improving the hand-over process.

Comparing Customer Onboarding engagement model



What the data shows Regardless of size, all company types are focusing on high or medium-touch customer onboarding.



Our Interpretation Customer onboarding is often based on a customer's own expectations and perceptions of value.

Insight



While solutions offering 'one-to-many' do work for lower-tier customers, our survey shows hyper-growth respondents recognise that customers expect a hands-on, high-touch onboarding experience. This is especially true for 'high value' products.

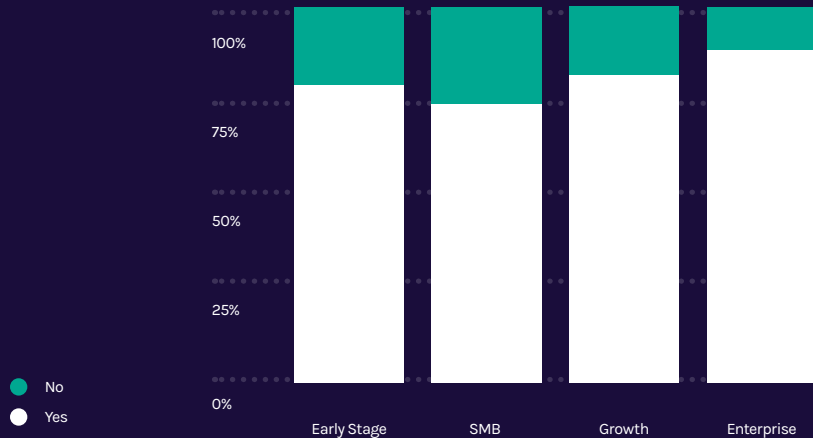


"During the sales, project design and implementation phases, it can be easier to make the customer feel like they are 'the only one'. Post go-live however, that customer moves from being 'the only one' to 'one of many' and the mark of an excellent onboarding programme must surely be that the customer continues to feel like 'the only one'. Engagement levels should be appropriate to ensure the customer grows to trust the CS team well before hand-over and long before the critical first 100 days have passed."

Antoinette Bradley,
Customer Success Manager, TotalMobile



Comparing companies with a defined repeatable onboarding process



What the data shows Hyper-growth and enterprise companies show a slightly higher than average chance of having a defined and repeatable process.



Our Interpretation This is due to the pressure of hyper-growth companies to maintain growth, while enterprises are more likely to have the resources to develop CO processes.

Insight



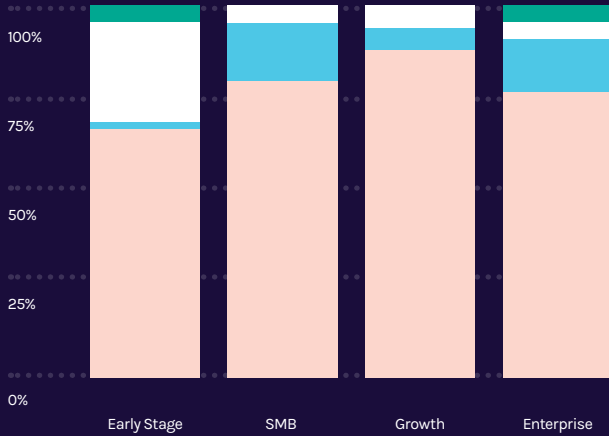
To scale customer onboarding, it's essential to define a repeatable process. This allows you to communicate clearly with each customer, and create a map the team can use to chart where each customer is in the process.

"The key to creating successful customers involves having a successful onboarding process. Onboarding processes don't necessarily need to be lengthy and time consuming. Customers will be much happier if there are clear next steps and responsibilities at all times, so their time is used efficiently."

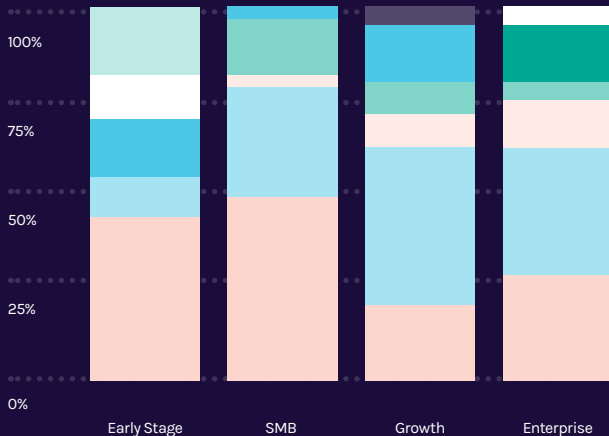
Meg Lovell,
Director of Implementations, Everbridge



CRM Market Share by customer segment



CSM Market Share by customer segment



What the data shows Salesforce is the most common CRM platform across every type of company.



Our Interpretation Most respondents are from technology businesses. Given its brand awareness and popularity, it seems Salesforce has become the de facto solution for CRM among SaaS businesses.

Insights

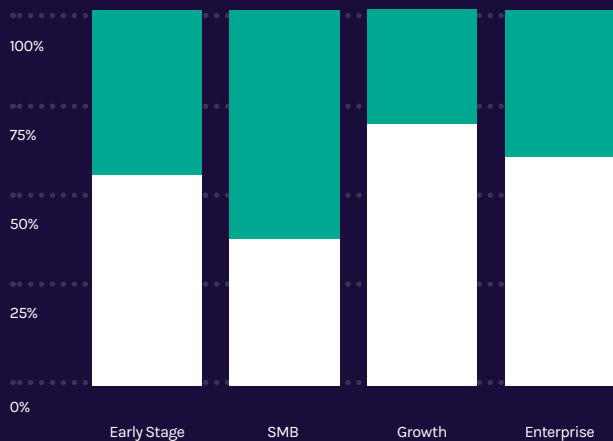


1 With numerous businesses using a CRM they can customise to meet their business processes, it's no surprise so many Success and Onboarding teams also use Salesforce to support their post-sales - even though it's not designed for these functions.

2 40% of hyper-growth respondents use Gainsight. This shows those investing in dedicated tools reap the rewards in terms of exponential growth.

3 As CRM's popularity grew in the 90s and 00s, Salesforce became the de facto solution. And as CS matures, hyper-growth companies appear to be standardizing on Gainsight for their CS management.

Use a solution to manage high-touch Customer Onboarding



● No
● Yes



What the data shows Hyper-growth companies are more likely to use a solution for managing high-touch customer onboarding. Over 25% of hyper-growth and 50% of growth companies reported that they are not using any solution at all for managing this process.



Our Interpretation Hyper-growth companies have identified the benefit of high-touch customer onboarding to support and maintain growth. When we take a closer look at companies answering 'no' this often reveals 'piecemeal' solutions using a combination of 'borrowed' applications, manual processes and spreadsheets.

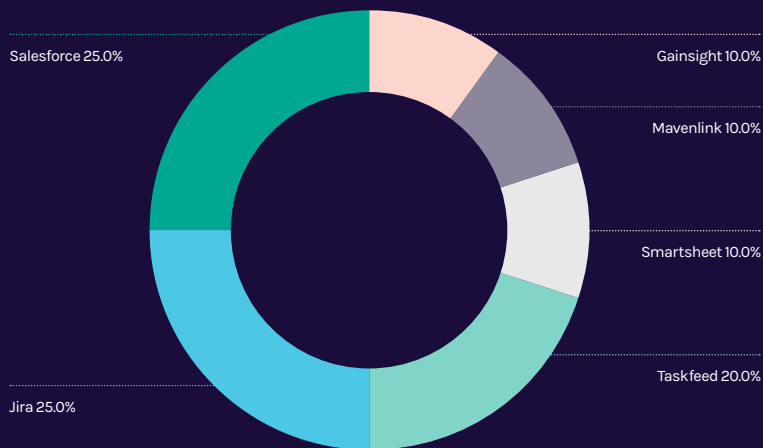
Insights



As customer onboarding becomes a 'function', and the impact of customer onboarding upon the customer's overall success becomes more widely acknowledged companies will require specific solutions to:

- Create playbooks based on products and services
- Forecast demand against the sales pipeline
- Increase customer collaboration
- Integrate with CRM/CSM platforms

Solution to manage high-touch Customer Onboarding



What the data shows Salesforce, Jira and Taskfeed are the most popular solutions for managing high-touch customer onboarding.



Our Interpretation CSM platforms like Gainsight are popular for driving one-to-many campaigns. Companies that recognize the importance of a high-touch engagement model or who have a more complex process need a different toolset. One that allows them to define a plan for each customer and take action rather than simple reminders.

Insights



- 1 Apart from Salesforce and Gainsight, all other solutions are disconnected project management apps. When considering new tools to manage the customer journey, make sure they won't encourage silos or introduce new challenges.
- 2 Solutions are often appropriated from other functions – notably, Salesforce from Sales, and Jira from product development. This is a workable, but short-term solution. We recognise customers having similar challenges; implementing repeatable plans, collaborating with customers, measuring performance.
- 3 Jira's often used where onboarding has grown out of custom implementations. As processes become more customer success focused or the product matures, there's less need for custom implementations. This is the time to change the toolset.

3

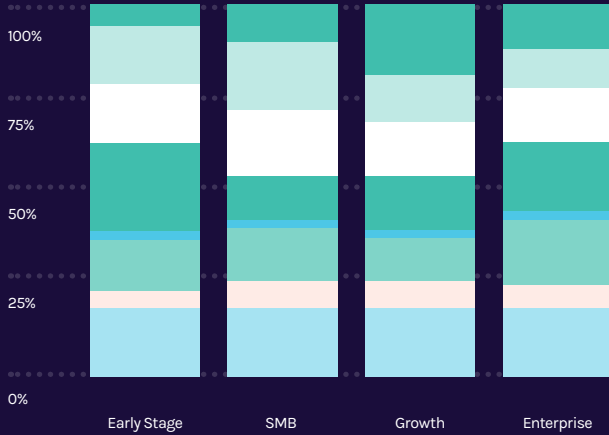
The challenge of churn

The top challenge for all respondents - regardless of company type, revenue, or number of employees - was churn.



Top Challenges

- Upsell
- Scaling/Growing Team
- Product Adoption
- Improving Customer Onboarding
- Customer Support
- Customer Satisfaction
- Customer Advocacy
- Churn Reduction



What the data shows Growth, hyper-growth and enterprise companies are all focused on reducing churn as their key challenge for 2018.



Our Interpretation Early stage companies are more focused on net new business. This is because renewals are less than, or equivalent to, new business for them. However, it's clear the priority for more established businesses is ensuring that revenue doesn't leak.

Insights



1 Churn reduction is often seen as a renewal challenge, however, by that point it's too late. Customer Onboarding is the most effective opportunity to impact churn it is when the customer is most receptive and excited about your product.

2 Reducing churn and adopting products and services should go hand in hand. By making sure you're adhering to a defined onboarding process, you'll set your customers up for long-term success.

Challenge 1

Challenge 2

Challenge 3

Early Stage	Improving Customer Onboarding	Scaling/ Growing Team	Churn Reduction
Growth	Churn Reduction	Product Adoption	Scaling/ Growing Team
High Growth	Churn Reduction	Product Adoption	Scaling/ Growing Team
Enterprise	Churn Reduction	Customer Satisfaction	Improving Customer Onboarding

Churn continues to be the biggest challenge

Common Failure Points During Onboarding

Executives were asked to rate the driving causes of common failure points during the B2 client onboarding.

Lack of alignment between functional areas

54

Lack of communication

51

Lack of understanding of customer needs

44

Technical/system issues (availability, accessibility, user experience ect.)

38

Lack of information/data

37

Lack of resources (staff)

26

Churn is often misunderstood as a renewal challenge. In fact, the most effective time to improve churn is during Customer Onboarding. Lincoln Murphy calls this "the seeds of churn", while David Skok describes onboarding as the top reason customers churn.

The Harvard Business Review survey identified that alignment between functional areas (Sales and Customer Success) and a lack of communication were the most common failure points during onboarding.



"The onboarding stage is when they are most excited about your product, and most willing to put in the time and effort to learn it, and get it going. If you fail to get it going at that time, they will write it off as not being as good as they had hoped, and once they get into that mindset, it is then much harder to get them back to a positive enough view to spend more time to try it again later."

David Skok,
General Partner at Matrix Partners

matrix
PARTNERS

Conclusion

The fundamental economics of recurring revenue businesses are based on customers identifying value and succeeding. By better understanding the key challenges and trends faced by those in customer success (CS) roles, we can define strategies and processes to accelerate customer success in your business.

Accelerating time-to-value is critical. Customer Onboarding (CO) is your opportunity to ensure each customer is successful, however, the approach you take depends on customer expectations, product complexity, and your own business model. Only once you understand the outcomes your customers expect can you define strategies and processes to accelerate customer success in your business.

This report shows CO covers everything from tech-touch user onboarding to high-touch customer onboarding. It can also cover custom implementation projects, as well as large, often bespoke professional services project implementations. Each has similar objectives – getting the customer using the product – but the focus of each is subtly different.

The report shows hyper-growth respondents recognise customers expect a hands-on, high-touch onboarding experience – especially for ‘high value’ products. Plus, scaling CO requires a defined, repeatable process managed by using the appropriate technology. Technology that can integrate with CRM/CSM platforms, predict demand and sales, create playbooks based on products and services, and increase customer collaboration.

Also of note is that as CS matures, hyper-growth companies are standardizing their customer success management on platforms like Salesforce and Gainsight. As CO becomes more widespread, we predict more companies will create a dedicated CO role as they realise that customer success starts with customer onboarding.

Lastly, many companies are still using piecemeal solutions to manage CO. As the impact of customer onboarding on the customers’ overall success is widely acknowledged, companies will require solutions to better manage, forecast, integrate and measure their own and their customers’ specific onboarding needs.

Taskfeed is on your side to make each customer successful helping you plan, manage and measure high-touch or complex customer onboarding or implementation programs all from the worlds #1 CRM, Salesforce.

Learn more about Taskfeed and taking Customer Onboarding to the next level...

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