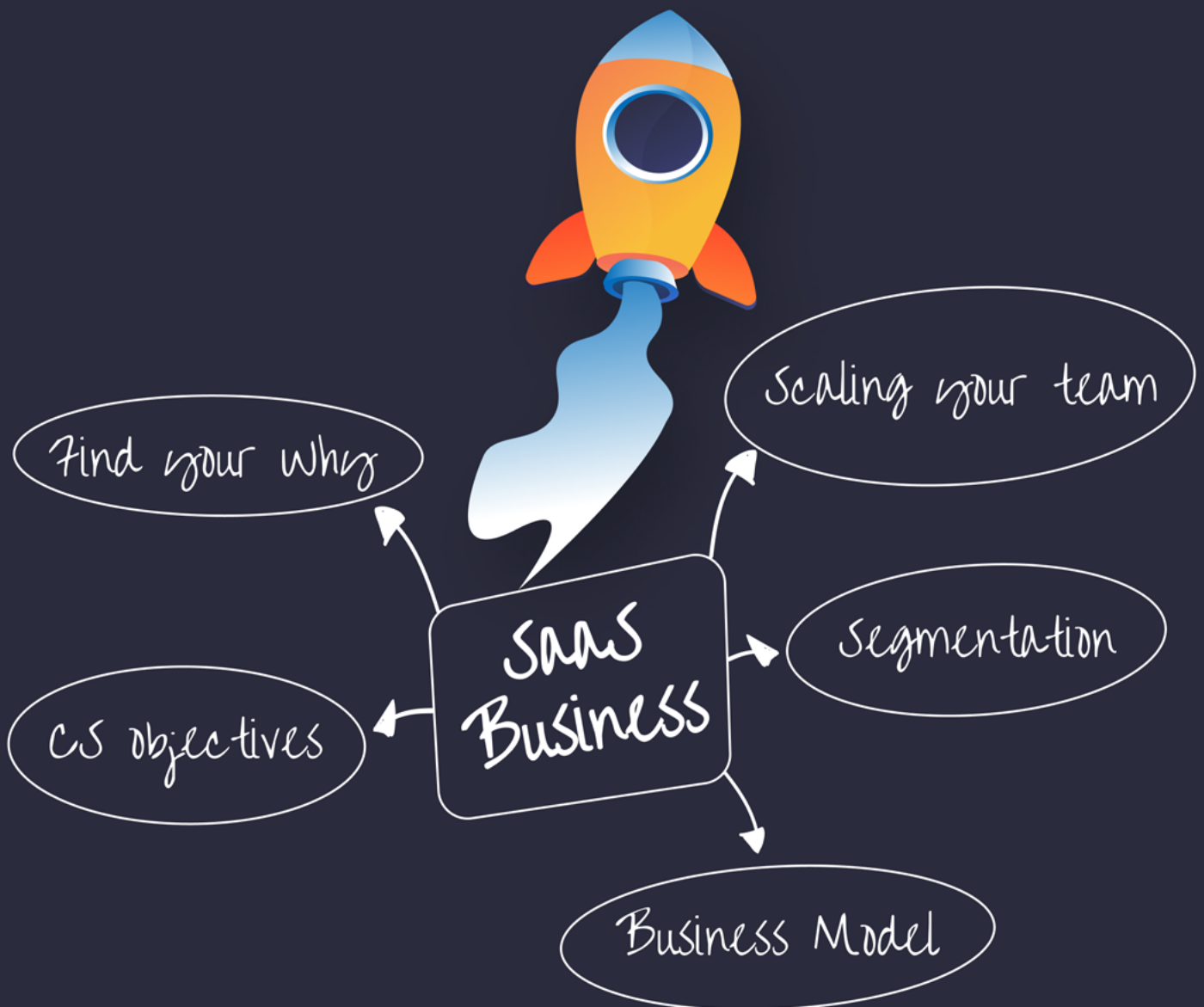


# How to Properly Scale Your Customer Success Operations



# Table of contents

<b>The 4 Steps to Consider Before Kicking Off Your Scaling Process</b>	<b>4</b>
1. Why you want to do Customer Success? What do yo want to achieve?	5
2. Define the role of CS	5
3. Keeping in mind the ideal customer and the ideal customer experience	6
4. One-size-fits-all doesn't work - segmentation is key	6
<b>Factors That Influence Scaling</b>	<b>8</b>
1. Your Organization's Lifecycle Stage	9
2. Your Business Model	9
3. Product Complexity	10
4. Volume of Customers per CSM	10
<b>Scaling CS Operations through various Business Phases</b>	<b>12</b>
1. CS Operations in a <b>startup</b>	14
2. CS Operations in a <b>growth phase</b>	16
3. CS Operations in a <b>scaling phase</b>	18
4. CS Operations in a <b>mature growth phase</b>	20

## Introduction

---

Many SaaS businesses think that scaling is just a matter of hiring more people. It is not. Scaling is about setting up and optimizing processes so that you can achieve more with the same resources. If the effort you put towards achieving more doesn't decrease as you grow, you're not actually scaling.

That's because there are only so many people you can hire; if you don't think about productivity and efficiency from the get-go, you'll never be able to scale. So, with this in mind, here's how to properly scale your CS operations:



# 01

The 4 Steps to Consider  
Before Kicking Off Your  
Scaling Process

# 1. Why you want to do Customer Success? What do you want to achieve?

To do Customer Success right, your CS strategy should be aligned with the overall company strategy. From helping reduce customer churn and improving the user experience to identifying upsell opportunities and potential new features, a great CS team can help your company accomplish a wide range of goals.

**So try to answer a few simple questions:**

- What is the scope of customer success in your organization?
- What do you want to achieve?
- Why do you want to do it?
- What are your expectations?

Only after you answer these questions will you ensure that the path you're taking is the right one for your organization.

The most appropriate and effective strategy for implementing Customer Success into your organization is to begin by retaining a veteran customer success consultant to work with the senior management team to, in effect, recode the company DNA for customer success.

## 2. Define the role of CS

What exactly do the CSMs in your organization do? Do they do the implementation? Do they do the training? Do they do onboarding? Do they do the renewal? How involved in pre-sales are they? You need to understand what your scope of practice will be and how CS will integrate with the rest of your organization.

Aspire Business Development explains McKewon's point very well: *“When you’re not focused, strategic, and accountable for how you spend your time and efforts, the end result is going to be lots of wasted effort, false progress, frustration, and reduced success.”*

What this means is that, unless you **start prioritizing your team’s efficiency**, you will never be able to scale. As mentioned before, hiring more people doesn’t equal scaling.

## 3. Keeping in mind the ideal customer and the ideal customer experience

Every customer deserves an investment in their success, but you need to define the level of involvement for each segment. In some cases, you can use low-touch; other times, you can use high-touch and maybe even add some tech touch.

For example, instead of 1:1 sessions with a dedicated CSM, you can provide recorded training videos or start writing knowledge base articles - these are great ways to provide even more value to customers en masse. You can even set up an email drip and send automated emails regarding product updates, new features, or tips on how to use your product for specific use cases. Keep in mind that **a lower-touch experience doesn’t automatically mean low value.**

## 4. One-size-fits-all doesn't work - segmentation is key

You can't treat all your customers the same - you need to segment on something and then decide who gets what level of attention.

**When segmenting customers, make sure you do it along their experience, not spend.** Back in the day when segmentation was first introduced as a tactic, organizations were segmenting customers based on ARR alone - the highest paying customers would get a high-touch experience, the lowest spend customers would get a version of tech touch, and the ones in the middle would get a variation between the two. But lately, this has changed.

Some customers are happy with self-service and don't require a 1:1 with a CSM. Therefore, **segments should align the profile of your customer with the experience that they should be getting.** Your segmentation strategy can still include the ARR threshold, but it should also (heavily) account for customer preferences and growth potential, as well.

# 02

## Factors That Influence Scaling



If you're wondering when's the best time to start scaling your CS team, here are a few factors you should consider:

1. Your organization's lifecycle stage
2. Your business model (product-led, sales-led, product-led, etc.)
3. Product complexity (simple to complex)
4. Volume of customers per CSM
5. Annual Contract Value (ACV) target per CSM

Let's take them one by one:

## 1. Your Organization's Lifecycle Stage

Scaling looks different for startups versus mature companies. When you're a startup, you have a small team, and everyone does everything. As your business grows, everyone specializes in something, and you move on from informal processes to formal ones. Your team becomes more structured.

In a startup phase, the customer-facing role is similar to that of a consultant - your main focus is turning customers into advocates. In a more mature company, the customer-facing role becomes more similar to 'traditional' CSM - you have the resources to focus on things like churn prediction and upselling and cross-selling.

## 2. Your Business Model

Are you a product-led company? Meaning, are you focusing on building a great product with an incredible market fit? Are you actively investing towards this goal? Believe it or not, many product-led companies initially started with no Sales department.

Or are you a sales-led company? Meaning, you focus on targeting ideal customers,

qualifying them, finding a need, creating interest, and then introducing your product as a solution.

Depending on your answer, the path you need to take to scale will differ. For product-led companies, scaling CS operations is about establishing meaningful relationships with customers by automating manual processes (this enables you to reach out precisely when the customer needs help and on their preferred channel). For companies that follow this business model, the focus is on increasing product retention, not contract renewal.

Moreover, there's no handover from Sales to CS as they leverage the data they gather in all the other systems and customer success strategies are triggered by different in-app metrics. Instead of making guesses, product-led companies know exactly what their customers need.

### 3. Product Complexity

The general rule of thumb here is the more complex your product is, the fewer accounts a CSM can manage. That's because they need to take the time to educate customers on how to use the product and ensure it's adopted by the organization.

Think about Salesforce and Asana: one is infamous for being more difficult to set up and usually requires assistance, while the other is very straightforward and can be used right away.

### 4. Volume of Customers per CSM

There are two myths that have stuck around for too long: "1 CSM per \$2M/ARR" and answers like "20 on the low end; 200 on the high end". These are both inaccurate as **the ratio depends on the unique circumstances of your business.**

The first answer might apply to organizations that target corporations and

enterprises that bring in big \$\$\$\$. But that's definitely not what all SaaS businesses do; if you target SMBs and you have, let's say, 150 customers, yet you're nowhere near the \$2M ARR mark, does that mean you only need 1 CSM? Of course not. Also, this 'logic' makes Customer Success specific to SaaS businesses, but CS is definitely not limited to SaaS!

The second type of answer doesn't take into account product complexity and the experience you want to offer to each segment of your customers, so it makes even less sense.

If you want to be realistic when considering the number of accounts a CSM can handle in a proactive way, keep product complexity in mind, segment your customers based on their appropriate experience, and determine the coverage level and type of coverage required (what customers expect, not what you can offer). Then, for each coverage model, determine the maximum number of accounts a CSM can handle (this will be more trial-and-error than magic formula).

If for the first segment, you find out a CSM can handle 10 accounts, and you have 50 clients in that segment, you'll need 5 CSMs. Repeat this process for each segment to determine the total number of CSMs you need.

## **5. Annual Contract Value (ACV) Target per CSM**

Last but not least, you can also consider ACV but, just like with the number of customers per CSM, this one also varies depending on the unique circumstances of your business and for each customer segment. What type of organizations do you target? What's the average spend per customer for each segment? If you have multiple pricing tiers, and you segment your customers based on that, you need to keep this in mind when you set a target ACV for your CSMs.

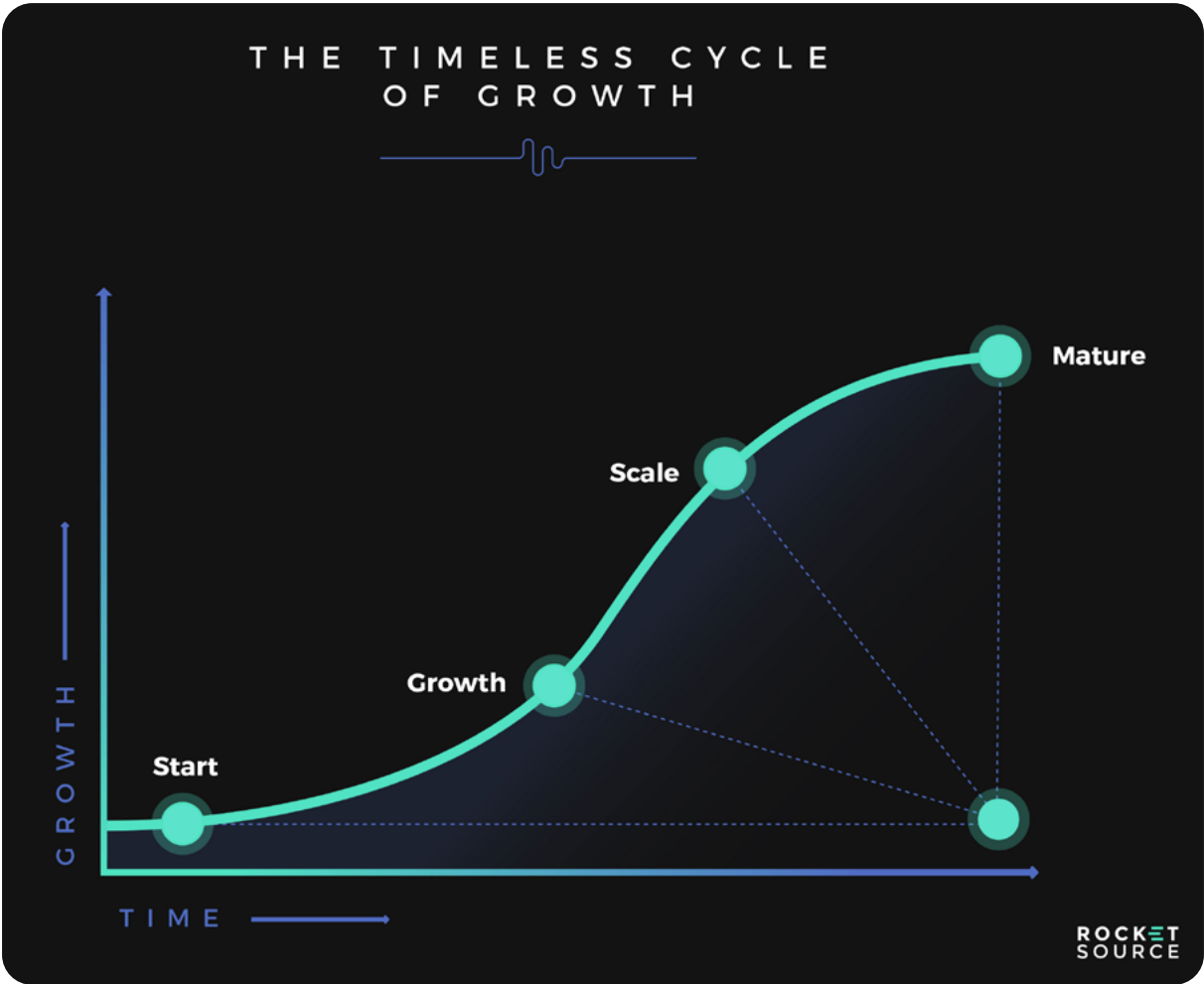
Knowing your target ACV per CSM will help you determine when it's time to hire a new CSM to meet the new customer demand and scale your business accordingly.

# 03

Scaling CS Operations  
through various  
Business Phases

Different companies will be at different business maturity levels and this has a significant direct impact in the way they approach customer success. You can't compare a startup with a small team, limited resources, and limited customer data to a mature business with tens of employees and a well-set-up buyer journey and sales funnel.

As the goal of your CS organization depends on the maturity of your business, here's what you should keep in mind at each stage:



Source: [RocketSource](#)

# 3.1

## CS Operations in a startup

**At this stage**, your focus should be finding the right product-market fit - every member of your team should be answering support requests, meeting with customers, and thinking about how to build a product that best answers the needs of the market. Churn reduction should be a secondary goal as most of the churn happening at this stage is due to wrong product-market fit.

When you are a startup, your CSM will be a “Jolly Joker” (Jack of all trades) - the team will handle post-sales activities, support, onboarding, training, renewal, and expansion activities. As the company grows and moves to the second stage, this is no longer scalable, and you need to have processes and technology in place.

At this phase, most probably, you are having the data distributed in different systems such as product analytics tools, BI tools, CRM, ticketing info, and you can manage your operations by crunching data in Google Sheets.

### What to do:

- set up a workflow for managing customer requests;
- set up regular meetings to go over common issues and build fixes into your product roadmap;
- use customer support as a tool to learn more about your customers and improve your product.

### What NOT to do:

- obsess over metrics. You'll get a lot of mixed data in this stage. Keep your focus on the end goal, not metrics;
- assign renewals to CS (yet) - at this stage, you probably don't have a lot of renewals as you're focused on getting your first clients; so Sales can own renewals and CSMs can focus on adoption and advocacy;
- let engineers build workarounds instead of solving issues. This saves you time now but will end up haunting you in the next few years, when doing a proper fix will take much more time and effort.

---

“ *When you're a small team of one, it's hard to remind yourself that you still need to invest in software as early as possible. It's never too early to start selecting and implementing a customer success platform for your team.* ”



**Ailyn Mendoza**

Director of Customer Success & Support at Monograph

# 3.2

## CS Operations in a growth phase

### What is particular to this phase:

- the customer base is growing, so you need to identify additional ways to handle multiple accounts;
- you extend the team and hire your first customer-focused employee (they don't necessarily have to be a CSM or Chief Customer Officer) who can remove the support load off of the rest of the team;
- you start looking for a proper CS solution because operations can no longer be kept in systems like Excel, Notion, Asana, etc.
- you start putting processes in place (like a proper handover between Sales and CS), you start building customer journey maps, and you tackle onboarding and adoption;
- health scores are no longer sentiment-based, you start correlating the data you gathered using your CS tool;
- you move from being reactive to being proactive.



## What to do:

- organize your communication channels and designate the main channel where customers can reach you for help;
- start using NPS to assess the quality of each interaction with your customers
- start tracking metrics;
- consider expanding the self-service documentation (blog articles, KB system, etc.)
- prepare the foundation for CS operations (start thinking about the processes you want to build and document them)
- focus on acquiring as many customers as you can; if you have 50 customers, think about how you can reach 100 customers and so on.

## What NOT to do:

- churn prediction - at this stage, you don't have enough data to identify patterns, so your predictions won't be accurate;
- ignore negative feedback - filter the feedback you get from customers and try to act on the negative comments. This will strengthen customer engagement and help you improve your product market-fit.

---

“ Since using a dedicated Customer Success Platform such as Custify, there's a couple of things we spend less time focusing on, such as what needs to be done, where everyone is. It allows us to be more proactive on different segments such as the ones that finished onboarding, the ones that are actually starting it, or the ones who renewed.



**Philippe Swamy**  
Customer Success Manager at Kiflo

# 3.3

## CS Operations in a scaling phase

### **This is the stage where you:**

- optimize the processes you've built in the growth phase;
- scale your support processes - as your customer base is growing, so will the demand for support;
- build and nurture a powerful customer-focused culture - customer success is not just one person's or one department's job, everyone should be involved;
- ensure the processes you've built are embraced by the others as well;
- go into specialization (now that you have more than one customer-focused employee) - you have different functions: implementation, onboarding, training, renewals, support, success;
- strike the right balance: people and technology; you leverage automation as much as you can focus more on fostering the relationship you have built with your customers; in the "growth phase", you nailed onboarding and adoption, and now you expand;
- optimize the proactiveness - in the previous stage, you've moved from being reactive to being proactive, now it's time to leverage data and build and build on that proactiveness.

## What to do:

- turn metrics into dashboards and analyze trends;
- think about and start writing self-service documentation (if you have a solid number of customers, you should know what are the most common issues and frequently asked questions);
- start adding additional communication channels (if at the previous point you've established email as your main communication channel, now you can also add phone support, or open a dedicated slack channel for your customers);
- evolve to a tiered coverage model to handle more clients without overwhelming your CS team.

## What NOT to do:

- focus on cost reduction. That time has passed. Now you need to invest in the things that work;
- hacks, patches and workarounds - avoid the same issues resurfacing again and again. It was a bad idea in the beginning to rush development with such tactics, and it's a worse one now.

---

“ A customer success tool like Custify allows us to bring in the product adoption and usage data together with the CRM and revenue data. By allowing us to combine them successfully, it introduced a completely new dimension and our view of our clients. Lifecycles and Playbooks drive the behavior of our Account Management, and Customer Success Management teams and the comprehensive dashboards allow everything from an executive overview to detailed CSM level dashboards.



**Matthew Rozek**

Global CS & Support Director at Quadient

# 3.4

## CS Operations in a mature growth phase

The biggest advantage of this stage is that you have historical data, and everything is in order in terms of data, processes, and tools. Now, you need to:

- optimize and refine the team specialization that you brought;
- start building predictive models for each lifecycle stage: onboarding, adoption, expansion, churn, retention;
- leverage AI and ML algorithms to enhance your proactiveness.

### What to do:

- start thinking about cost savings by leveraging the power of technology and automation;
- tap into the predictive power of models;
- invest in permanent systems, team growth, and individual performance.

### What NOT to do:

- tolerate an unhealthy team culture;
- lose customer focus (don't get caught up in analyses and metrics).

---

“ It’s amusing that when it comes to scaling, we mostly look at adding capacity, adding people, multiplying our teams (“we’ve grown 3X in the past year” or “we wish to grow 4X next year”) -- all of which is necessary but insufficient for non-linear scaling that supports the company bottom-line AND elevates the customer experience.

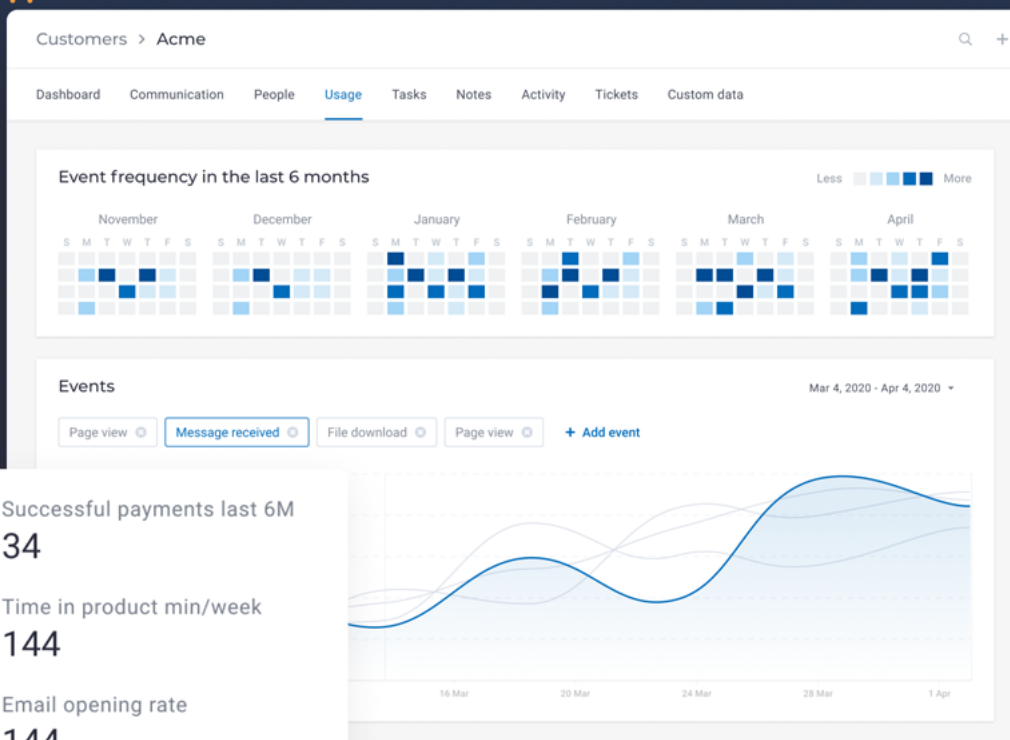


**Mahesh Motiramani**

Director, Customer Success | Strategic at Dataiku

# At Custify, we focus on helping SaaS businesses achieve:

- a 360° view on customers;
- a much lower a churn rate;
- renewal, growth and upsell opportunities;
- proactive customer issue resolution;
- automated outreach.



- 28% Successful payments last 6M  
34
- 82% Time in product min/week  
144
- 63% Email opening rate  
144

Do you want to understand why your customers are leaving?  
See if Custify is right for you.

[Schedule quick call](#)