How to Be Successful with Services

A Best Practices Guide

ServiceXRG

Table of Contents

The Role of Service

Too often service is viewed as a department or activity, and not as a collective motion focused on retaining existing customers, creating opportunities to expand relationship value, scaling efficiency, or driving innovation.

Companies typically have established organizations, often with distinct teams responsible for specific activities such as onboarding, support, training, renewal, or ongoing account management. Few companies however have a clearly defined vision for coordinated post-sales service activities.

To be successful with service, companies need to clearly define the expected role of all individuals and teams responsible for engaging with customers after the initial sale. Most importantly, individuals and teams need to understand the goals and objectives they are working to achieve.

This guide introduces the key factors for maximizing success with services including:

- What it means to be successful with services.

- How service contributes to business outcomes.

- Metrics required to measure service performance.

- Required responsibilities, organization, and collaboration.

- Core service capabilities and maturity levels.

« Service is a term for everything a company does after it lands a new customer «

Service Drives Business Outcomes

Delivering services leads to greater alignment between products sold and the value customers derive from using them, while subsequently decreasing the likelihood of customer churn and loss of recurring revenue.

Although products often form the basis of a customer-vendor relationship, services are the foundation from which post-sales customer relationships are built and sustained. Services are a natural extension to core product features and offer access to the expertise, skills, and resources necessary that drive customer value.

For many technology companies, over 70% of revenue comes from existing customers.

If churn is high, too much revenue is lost. Existing customer relationships offer a considerable opportunity to grow revenue. Generating revenue from existing customers is often easier than landing entirely new logos (which is also important).

Consider the connection between services and business outcomes:

- Helping customers to adopt products leads to higher use and *less-defection*.

- Removing obstacles to product use through Support increases satisfaction and *accelerates adoption*.

- Expert advice and coaching can accelerate customers' *time-to-value*.

- Success planning can drive consumption and result in *higher demand* for new products and services.

- Account management can identify and *mitigate customer churn risks*, plan for renewals, and identify expansion opportunities.

The connection between service and business outcomes is clear. Good service retains customers and creates opportunities for growth. Poor service places customer relationships at risk and diminishes growth potential from the installed base.

« Helping customers achieve business outcomes with services make good business sense «

Service Success

Service Success is the measurable benefit realized when teams effectively engage with customers after the initial product sale.

Service success is more than the implementation of Customer Success practices, speedy cost-effective Customer Support, or the delivery of exceptional Customer Experiences – although these things are important.

Service Success delivers success for all.

Service Success means that through the delivery of service all parties are successful – both customers and the business.

- Customers benefit from services when they can apply the products they purchase, can improve their business performance, and reach their expected outcomes.

- Companies benefit from services when they help customers apply products cost effectively, deliver experiences to encourage customer retention, and create opportunities for revenue expansion.

When both parties benefit the potential for sustained long-term relationships grows.

" Being successful with service benefits both customers and the bottom line "

How to be Successful with Services

Establish what it means to be successful with services with measurable benefits and a plan to execute.

Define Service Outcomes

Begin by defining what successful business performance means to your company and determine the role service teams can play in the attainment of these outcomes.

Well executed services can accelerate customer adoption of products, reduce churn, reveal opportunities for expansion sales, and lower costs to serve customers.

Consider the following goals and expected outcomes from services:

- **Customer Retention** – The rate that existing customer relationships are retained.
- **Customer Health** – Customer health status and number of at-risk customers.
- **Churn Risks** – Rate and root causes of customer attrition
- **Delivery Cost** – The cost to deliver services to customers.
- **Service Consumption** – Rate that customers consume service entitlements.
- **Expansion Opportunity** – Opportunity to expand service or product sales.
- **Recurring Revenue Retention** – Incremental revenue earned through new expansion.
- **Net Recurring Revenue** – Rate the recurring revenue is retained compared to last year.

Make a Service Plan

To be effective create a service plan and align it to the corporate strategy. Assure also, that the steps necessary to implement the plan are understood and incorporated into individual and team performance plans.

An effective service plan may require collaboration across multiple Service teams – Support, Customer Success, Professional Services, and Training – and teams including Sales, Renewals, Marketing, and Product Teams and others.

> " To be successful with services you need a plan, defined outcomes, core capabilities and the maturity to execute "

Organize the Team

Every team within an organization shares some responsibility for contributing to customer outcomes.

When teams cooperate and work towards common objectives, they are efficient in delivering what is promised to customers. When customer expectations are met and positive experiences delivered, retention and expansion is possible.

Cross-functional collaboration and cooperation must span all teams likely to engage with customers post-sales including Service teams – Support, Customer Success, Professional Services, and Training – and teams including Sales, Renewals, Marketing, and Product Teams.

"
Cross-functional cooperation results in better customer experience at every touchpoint.
"

Effective organizations have the right people with the right skills and responsibilities incented to do the right things cooperatively.

Fragmented and uncoordinated post-sales customer engagement inhibits an organization's ability to retain and expand customer relationships.

To maximize Service Success, organize and promote cooperation across post-sales teams by following these principles:

- Customer facing teams share **common service strategy** and goals aligned to corporate objectives.
- **Coordination** and **cooperation** across Service and non-service teams.
- Common **bench of expert resources** available to coordinate and cooperate on customer engagement.
- Incentives and measures of success for teams focus on resource utilization and attainment of **shared goals**.
- **New roles** defined to optimize and scale service delivery and provide appropriate types of customer engagement.

Leading service organizations align resources to maximize coordination on attainment of common goals and objectives. To accomplish this, they dismantle organizational silos and define goals, objectives, and responsibilities to promote cooperation across service functions.

Deliver Value

A well-defined portfolio of service programs is essential to retain and expand customer relationships by delivering value.

Service programs establish customer expectations and define how companies monetize service delivery. Service portfolios must meet evolving customer needs from onboarding through adoption, support, success, and modernization stages of product ownership.

The right service portfolio design will engage customers, accelerate time-to-value, and increase the likelihood of renewal and expansion.

To deliver customer value and drive positive service outcomes develop service programs according to these principles.

- Modular service portfolio design offers flexible access to a **catalog of services** to meet changing needs

- Entitlements build upon **proactive issue prevention** and emphasize product use and adoption.

- **Onboarding** is provided to all customers through high-touch or tech-touch engagement.

- Account planning and point-based service acquisition enables and promotes **service consumption**.

- Pricing is rational and **value proposition** is compelling.

- Access to experts and **account management** help with configuration, adoption, application, and administration of products.

- **Sales enablement** assures that Sales teams and partners can sell and renew services effectively.

Leading companies monetize support and success services by offering catalogs of high-value services and driving service consumption. Provide customers with access to the necessary levels of Support and Customer Success to help them achieve their outcomes.

" With the right portfolio everyone wins – companies monetize services, customers access expertise to succeed. "

Enable Delivery

Service success relies on enabling technologies, activities, and actions to achieve desired service outcomes efficiently.

The right processes and use of service technology will scale delivery capacity, improve customer experiences, and deliver better business outcomes at lower costs.

Leading service organizations leverage process and technology to streamline and automate core service functions. Innovative companies find new and better ways to serve customers.

" Technology and process are the enablers of service innovation. "

Process and technology enhance service capabilities and enables new ways to engage customers.

To maximize service efficiency and drive positive service outcomes, enable services according to these principles.

- Coordinate and **streamline processes** across organizational boundaries.

- Establish well defined and **repeatable** processes.

- **Automate** repeatable tasks.

- Use common data and expand and improves **data quality**.

- Enable **end-to-end** service processes.

- **Extend capabilities** to include success management, knowledge management, renewal management, and sales enablement.

- **Integrate** with key non-service systems.

- Enable advanced **self-help** delivery and **tech-touch** engagement.

Leading service organizations have well-defined services processes and enabling technology that extend beyond Services. Technology platforms reduce organizational friction with streamlined process flows and seek opportunities to automate repeatable tasks.

Gain Insights

Service Success requires insights to drive process improvement, achieve efficiency gains, and deliver better customer experiences.

Successful service organizations have defined service metrics, access to necessary data inputs, and the capacity to improve based on data analysis.

The right use of data and analytics informs the organizations about how well they are executing their service plan.

Insights provide opportunities to identify issues and take corrective action. Leading organizations use insights to predict and prevent issues and escalations, and identify opportunities to mitigate churn and expand relationship value.

To maximize success with services, gain insights into service performance according to these principles.

- **Collect data** from direct customer feedback, system monitoring, and service process execution.
- Develop **analytical** capabilities to provide deep insights.
- **Predict and respond** to customer service demands and prevent issues for occurring.
- **Apply insights** to help meet customer demands cost effectively and assure delivery of exceptional customer experiences.
- Provide reporting and use of **dashboards**.
- Establish the maturity and level of service performance and **seek opportunities** to improve.
- Provide insights directly to customers to **recommend** system performance and optimization adjustments.

Leading service organizations have necessary data and analytical capabilities to generate actionable insights to predict how services can positively affect business outcomes. Insight offers the ability to adjust services to better meet customer needs or prevent underlying causes that result in customer service demand and dissatisfaction.

> " Data analytics provides the insights required to scale service delivery and improve outcomes. "

Maturity to Execute

To be successful with services companies need to be proficient with the right capabilities and have the maturity to execute.

ServiceXRG has defined a Framework to help companies develop the capabilities necessary to successfully achieve their service outcomes.

Core Service Capabilities

The ServiceXRG Framework™ for Service Success defines core service capabilities and levels of maturity necessary to be successful with services. Each of the six core service capabilities provide the foundation from which to maximize service performance and drive business outcomes.

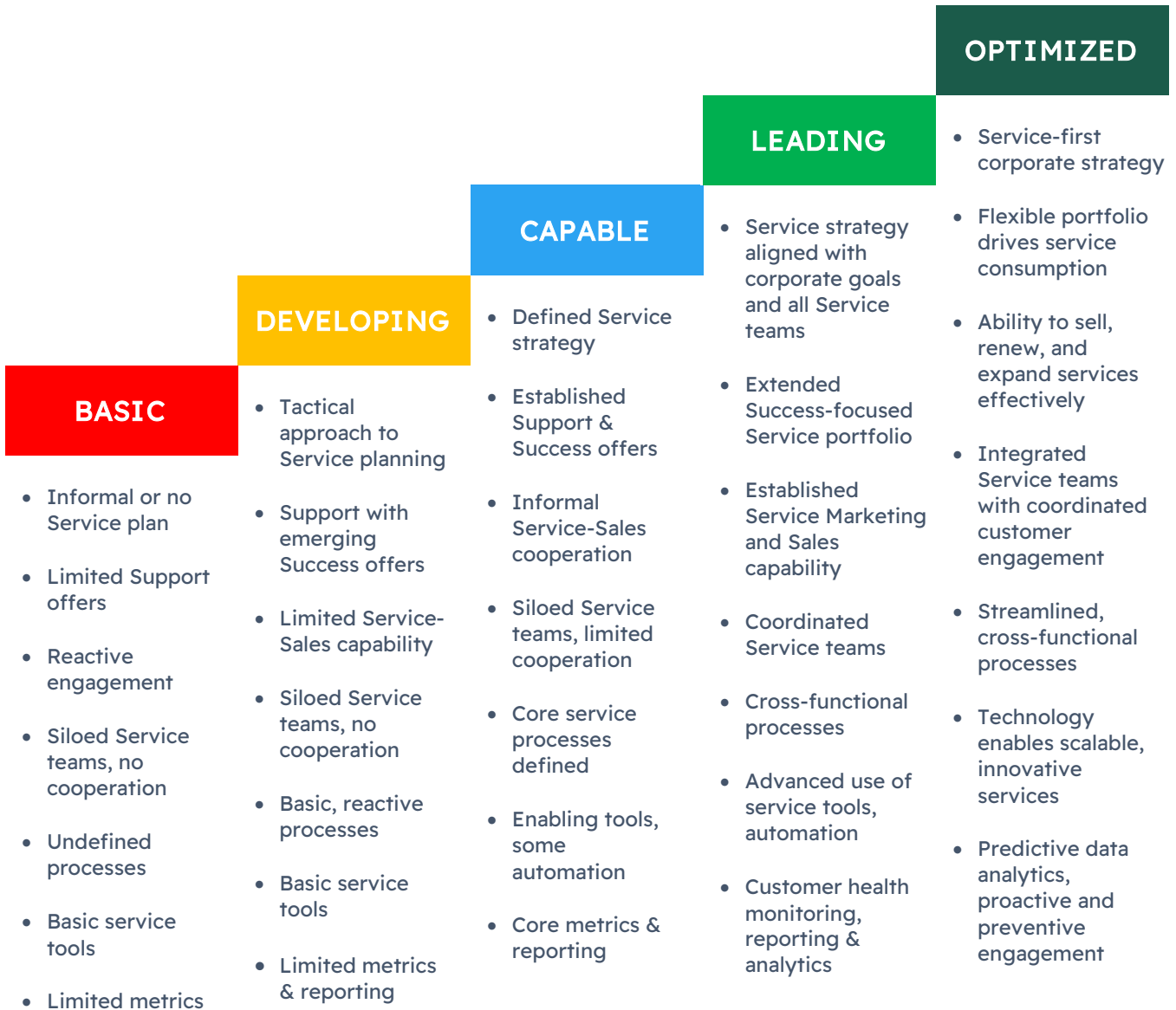|	
Strategy	Service strategy and plan
Programs	Portfolio of programs
Team	Team roles and organization
Process	Activities and actions
Technology	Enabling tools
Insights	Data, metrics, and analytics

Elevate Your Capability Maturity

Capability maturity rates how well you can leverage core service capabilities to be successful with services. There are 5 levels of maturity.

OPTIMIZED

- Service-first corporate strategy
- Flexible portfolio drives service consumption
- Ability to sell, renew, and expand services effectively
- Integrated Service teams with coordinated customer engagement
- Streamlined, cross-functional processes
- Technology enables scalable, innovative services
- Predictive data analytics, proactive and preventive engagement

LEADING

- Service strategy aligned with corporate goals and all Service teams
- Extended Success-focused Service portfolio
- Established Service Marketing and Sales capability
- Coordinated Service teams
- Cross-functional processes
- Advanced use of service tools, automation
- Customer health monitoring, reporting & analytics

CAPABLE

- Defined Service strategy
- Established Support & Success offers
- Informal Service-Sales cooperation
- Siloed Service teams, limited cooperation
- Core service processes defined
- Enabling tools, some automation
- Core metrics & reporting

DEVELOPING

- Tactical approach to Service planning
- Support with emerging Success offers
- Limited Service-Sales capability
- Siloed Service teams, no cooperation
- Basic, reactive processes
- Basic service tools
- Limited metrics & reporting

BASIC

- Informal or no Service plan
- Limited Support offers
- Reactive engagement
- Siloed Service teams, no cooperation
- Undefined processes
- Basic service tools
- Limited metrics

If you would like to Elevate Your Service Capability Maturity begin with our self-assessment. We can offer a roadmap to help you take your services to the next level.

What's your Service Success Maturity?

Find out in 3 easy steps if you have the right capabilities and level of maturity to be successful with services.

Take the Self-Assessment

ServiceXRG offers a complimentary self-assessment to provide you with a big picture perspective of the power and potential of your Service organization.

Use this as a starting point to identify your strengths and weaknesses and prioritize the initiatives that will deliver the outcomes your need.

"

Immediate feedback to know where you are in your service journey with a personalized report.

"

1. Take the assessment

Spend less than 5 minutes answering 17 questions about your organization's service strategy and capabilities.

2. See how you score

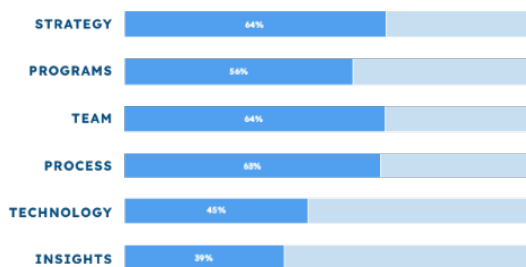You will immediately see your service capability maturity scores.

3. Get your free report

Register for your personalized report to get a deeper look at your results and next steps for accelerating your service success.

Take the Assessment

Immediate Feedback

STRATEGY	64%
PROGRAMS	56%
TEAM	64%
PROCESS	68%
TECHNOLOGY	45%
INSIGHTS	39%

You will get immediate feedback to see where you stand compared with industry norms and learn your maturity scores for six core service capabilities essential to delivering service outcomes.

Personalized Report

You will get a full, personalized report of the bigger picture, with insights and recommendations to optimize and go farther with your services.

ServiceXRG

We believe that great services are the key to great business outcomes.

Since 2004, we have guided Service and CX leaders in their pursuit to optimize delivery strategies, deliver customer value, improve organizational effectiveness, adopt technology and automation, and maximize the role and impact of services.

We help Chief Customer Officers, Customer Success leaders, and Support leaders succeed with services by improving capabilities that enhance their maturity to execute and achieve service outcomes.

We accomplish this by applying the ServiceXRG Framework™ for Service Success.

Our process creates your roadmap to service success.

We use our comprehensive research-based methodology for service assessment and planning to provide you with a customized ServiceXRG Roadmap™ with a pathway and expert guidance for ongoing success with services.

info@servicexrg.com

(800) 475-0089

@ServiceXRG

@ServiceXRG