

## The Art and Science of the Customer Journey: TSIA Fall 2017 Conference Recap

An Overview by  
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Waterstone joined thousands of technology leaders at TSIA's Technology Services World conference in Las Vegas October 23 – 25, 2017. Themed "The Art and Science of the Customer Journey," the conference was TSIA's largest to date.

The opening keynotes pushed Tech Services leaders to step into their customers' shoes and shape the end-to-end experience—not just their respective customer touchpoints—through this lens. This directive set the tone for the remainder of the conference.

Throughout the conference's presentations and discussions, three imperatives for tech services/delivery organizations were emphasized: **evolving roles and organizations** to extend beyond their traditional functional silos, measuring **customer health** across the customer experience, and establishing new financial **performance metrics** aligned to customer experience objectives.

Below are highlights of the most interesting points made around these three imperatives across the presentations that the Waterstone team was able to participate in and/or lead. (My colleague Dhaval Moogimane and I both had the opportunity to present at the conference on "Transforming to Be a Customer-First Company" and "Solving the Services Identity Crisis," respectively.)

### 1. Evolving Roles and Organizations

- It is increasingly important for post-sales delivery functions to collaborate in delivering the customer experience, including non-delivery responsibilities such as services sales, service/education offering design, and operations/analytics.
- The Professional Services (PS) organization is increasingly responsible for and involved in sales, helping prescribe the best outcome and formulate the plan to get there for a given customer.
- Historically focused on customer transactions (e.g., quoting, invoicing), renewals specialists are increasingly focused on proactively improving the overall customer experience and maximizing revenue (including growth in addition to renewals).

## 2. Customer Health

- Key indicators of customer health span the customer lifecycle, functions/departments, and data sources/systems, making the technology platform on which to centralize a single source of truth an important piece of any customer health initiative.
- While product usage data is often the most-discussed input to a customer health score, it is a “means, not an end”; for an on-premise or hybrid software company (i.e., both on-premise and cloud), there is a range of data that can be collected as a proxy for usage ranging from license keys to support cases to discussions with customers.

## 3. Performance Metrics

- Tech companies are looking at how best to evolve and integrate traditionally siloed financial metrics (Product vs. PS vs. Support P&Ls) to efficiently drive customer value and expansion.
- In a subscription business, in addition to measuring and setting targets for customer acquisition costs (CAC), activities to drive customer retention and expansion need to be explicitly funded through customer retention cost (CRC) and customer expansion cost (CEC) targets. CRC and CEC costs can include Customer Success, Account Management, Renewals, pass-through or non-revenue generating PS, Training, and Support.
- As PS organizations focus on accelerating customer time to value and optimizing customer usage and adoption, success measures are increasingly focused on CSAT, margins, and time-to-value vs. top-line revenue growth.

These topics are particularly relevant for today’s Services leaders as they adapt their business and operating models to optimize the customer experience with successful economics. If you have questions on these themes or other trends that you are seeing in Tech Services, please feel free to reach out to me at [coneill@waterstonegroup.com](mailto:coneill@waterstonegroup.com).