

# How customer success can grow your bottom line

6-min read



Customer satisfaction is at the heart of any business, and for good reason. A satisfied customer, who is getting optimal value from your product or service, is more likely not only to use you again but also to give you referrals and recommend you to others.

The opposite is also true. We often see, particularly in the Software as a Service (SaaS) sector, that customers are unlikely to continue to subscribe when they haven't fully got to grips with the product.

Let's explore how customer success can boost your business growth by looking at:

- The benefits of focusing on existing customers vs. onboarding new customers;
- Who should be responsible for upselling and cross-selling;
- How to point your customer success (CS) team towards growth.

## Existing customers vs. New customers

### Existing customers cost less and spend more

In a recent poll, 58% of our clients stated that their growth came from existing customers. This isn't a surprise, considering that existing customers are 50% more likely to try a new product. On average, they also spend 31% more than any new customers.

On the other hand, onboarding new customers requires considerable investment into marketing and advertising activity. In many cases, this will make your early relationship with a new client unprofitable.

Over time, the costs associated with retaining and serving clients decrease. At the same time, those clients may begin to purchase more, or more expensive products. With good account management, repeat custom becomes highly profitable. In fact, increasing customer retention rates by 5% was found to increase profits by 25% to 95%.

This trend is even more evident in the e-commerce sector, where customer onboarding can be up to 40% more costly than for traditional retailers.

## Loyal customers become brand ambassadors

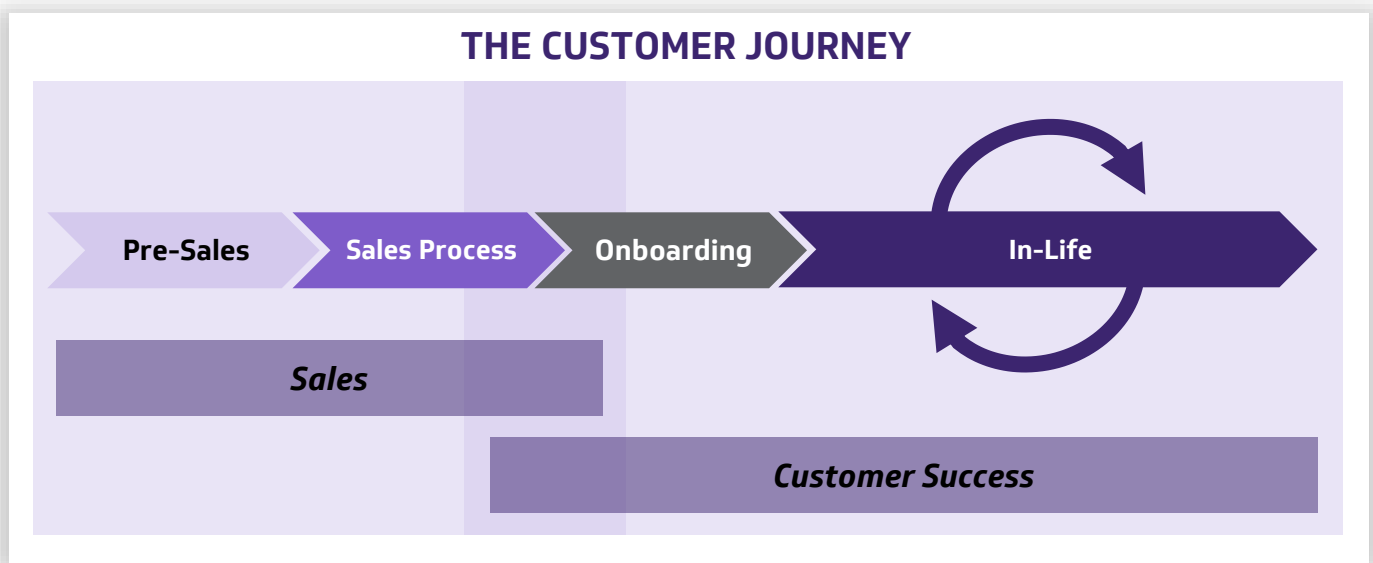
To keep your customers loyal, it isn't enough to offer them great products or services that provide effective solutions to their problems.

It is equally essential that they get the subsequent service and support to get the best out of the product. Closing the sale is only the beginning of your relationship with your buyer; how you nurture that relationship makes a huge difference.

When customers are well supported and have a positive experience with your brand, they are more likely to give you referrals and recommend you to their colleagues, friends and family. They'll want to share their experience and, in some cases, claim their place in your tribe, so to speak. With social media, a customer can become a true evangelist for your brand in just a few clicks.

## Upselling and cross-selling: who should do it?

So, we've established that looking after your existing customers has the potential to be the most significant driver of business growth. However, this is only effective if you've got systems in place to identify opportunities for cross-selling and upselling throughout the customer journey.



Traditionally, the CS team takes over from the sales team as soon as a new customer has been onboarded. It then becomes their role to offer support, provide solutions to problems that may arise, and generally help your customers get the most value out of their investment.

Over time, they should build a rapport with your clients and become their trusted adviser. As a result, **your CS team is best placed to understand your customers' business needs and offer additional products and services when they see an opportunity.** Yet most of the organisations we work with still want their sales team, not the CS team, to be responsible for upselling and cross-selling.

However, it could actually be detrimental for the sales team to jump in at this point with a pitch. This is because they haven't built the close relationship with your client. Handing them back over to the sales team could add friction, particularly if they have to repeat conversations they've already had with the CS team.

It should go without saying that friction is the last thing you want to introduce into a process that should be as seamless as possible.

## Point your customer success team towards growth

When asked what customer success meant to them, 65% of our clients replied that it was about delivery excellence, while 35% highlighted a “land and expand” approach to account management. While customer retention should, of course, remain your CS team’s main focus, a solid sales enablement strategy usually requires that your sales reps aren’t the only ones with a commercial growth mindset.

### A. Train and inform

We’ve seen companies across a wide range of sectors grow their revenue from existing clients successfully by offering their CS teams business development training and coaching, especially in consultative sales methodologies.

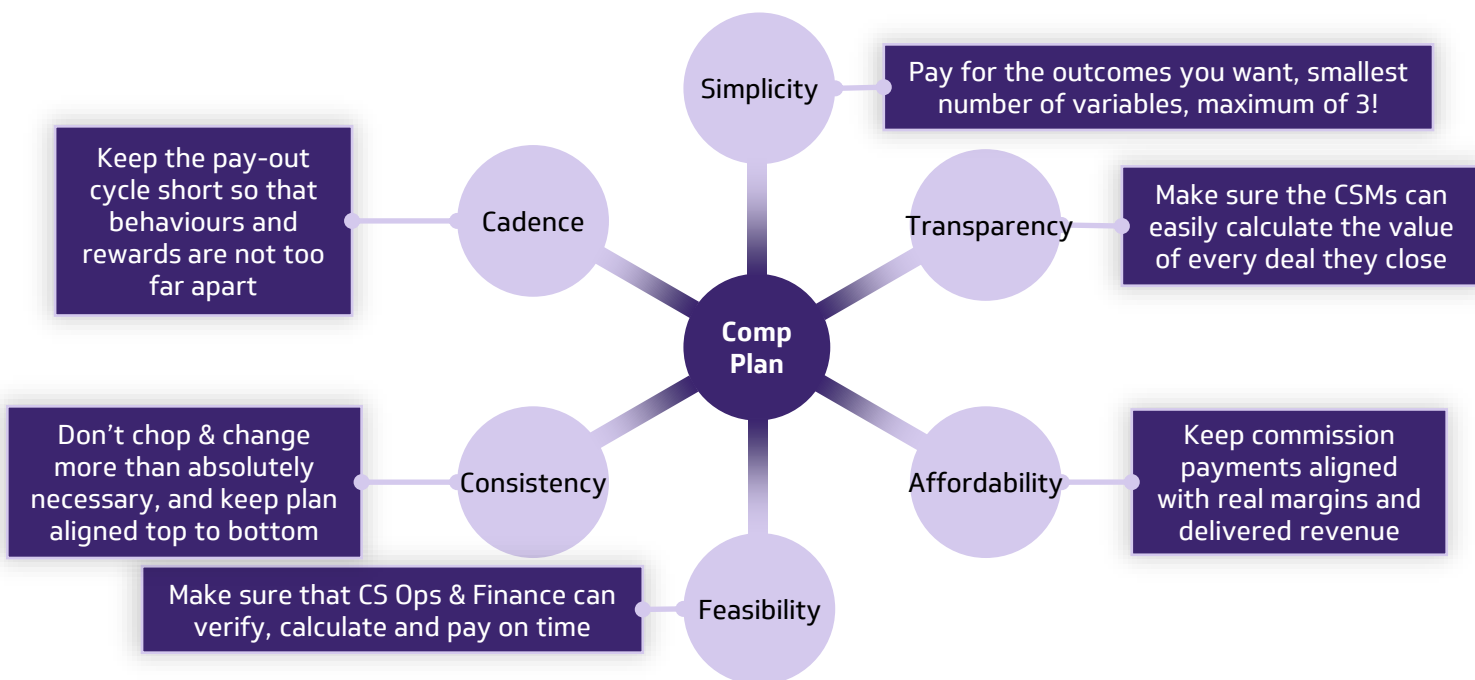
Once they have built their perception with the customer as a trusted advisor, and have enough insight into the client’s business requirements and challenges, they can suggest adequate solutions and close new deals.

It’s also crucial to define the exact scope of their responsibilities and ensure there are efficient systems of communication in place. That way, they can start every new negotiation with all the information they need.

### B. Motivate and empower

There are a number of incentives you can introduce to motivate your CS team to think more commercially.

When developing a compensation plan, make sure you incorporate six key principles for success: simplicity, transparency, affordability, feasibility, consistency and cadence.



For more information on sales compensation planning, take a look at [this white paper](#), where we explore these principles in more detail.

Beyond financial motivation, your CS team will feel empowered to make growth-minded decisions if they are given free rein to serve your customers as they deem appropriate. They know your clients best. So, with the right training and mindset, they should be trusted to operate effectively and independently.

## In summary

While onboarding new customers is still vital, focusing on your existing customers, who are more likely to buy again and spend more, will have a huge impact on your bottom line.

Thanks to the privileged relationship that your CS team have with your clients, they are the best people to spot opportunities for upselling and cross-selling throughout the customer journey.

To discover more about developing your customer success team's sales skills and motivation, [let's talk growth](#).