
What is Customer Success Management and the CSM role?



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In the evolving world of sales, a new role has developed to address changing market conditions. The role of customer success manager (CSM) is relatively new, with a genesis in subscription-based technology sales, and it is now growing across industries that increasingly incorporate technology into their solutions. For many, the first question you may have is “What is a CSM?”

According to a recent academic/industry editorial (see Hochstein, Rangarajan, Mehta, and Kocher JSR), customer success management is a strategy based on the proactive (versus reactive) relational engagement of customers to ensure the value potential of product offerings. Simply put, the role of CSM implements the strategy. The CSM is responsible for post-sale management of the B2B customer relationship with a focus on proactively ensuring that customers are consistently getting value from using the vendor’s products. For a helpful overview, see the “Essential Guide to Customer Success” published by the software provider Gainsight (www.gainsight.com/guides/the-essential-guide-to-customer-success/).

Yes, this does sound similar to a sales role. But, it is different—the CSM has been added in firms to work in conjunction with sales to provide a specific focus on “how the customer uses the product” in ways that utilize customer data, sentiment assessments, planned engagements, and more to make sure the customer keeps getting value from products that change rapidly. While salespeople focus on the high-level needs of customers, CSMs focus on how the broader customer—its end-users, its executives, and its decision-makers—use the product and can use it more effectively. For sales, goals typically revolve around vendor closed sales to new and existing accounts (growth), while for CSMs goals typically revolve around how engaged the customer is with the product and how likely they are to keep using the product (retention). If you’re not convinced that this isn’t just sales with a new name? The next section describes how industry is rapidly adding this role to its existing structure of hunter and farmer salespeople.

GAINING IMPORTANCE OF CSM IN INDUSTRY

The easiest way to demonstrate that companies view CSMs as different than salespeople is to report on its use in industry settings. The role of CSM began in approximately 2012, and since then its reach and impact has quickly grown. Companies added CSMs to solve a major problem with customer churn from their cloud-based products when subscriptions ended. Since then, the CSM role has proven useful to retain and better serve customers in ways that grow business. Not convinced? Search online for CSM jobs, or on LinkedIn for the title and you will find over 50,000 open positions in this space and over 500,000 employees that list CSM as their title on LinkedIn. Though not direct sales jobs, CSMs are well paid, with average salaries in the \$80–90,000 range (CSMs are compensated based on salary plus bonuses for customer retention goals). The role of CSM is found across the globe, with prevalence in the technology centers of the world, and increasingly across all cities that have firms from start-up to multinational. The following list includes many companies that hire CSMs, as well as employ sales graduates from university programs—many of which may apply for open CSM jobs as they enter the job market.

CSM AS PART OF COMPANY SALES PROCESSES

(See www.gainsight.com/customers/)

- Multinationals (e.g., Oracle, Salesforce, Microsoft, Adobe, Citrix, and more)
- Small/medium businesses (Qualtrics, Zoom, Blackboard, Cengage, and more)
- Start-ups (e.g., Proposify, Bolt, Calendly, VoiceOps, and more)

An indicator of the growing acceptance of CSMs as a part of sales strategy is the community that supports it. To manage the daily activities and needs of CSMs, several companies have developed unique CRM-type systems that track customer product usage metrics. In addition, associations, research, and conferences are common ways that CSMs can learn from each other and help other to grow in their careers.

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CSM SUPPORT NETWORK

- Several firms, such as HubSpot, Gainsight, ChurnZero, Totango, and many more offer software products designed to serve as, or with, a specialized CRM system (see www.g2.com/categories/customer-success for details).
- The CSM industry is served by several associations (e.g., Customer Success Association (CSA) and Technology Services Industry Association (TSIA)).
- Research on CSM has been conducted by Forrester, Gartner, TSIA, Deloitte, Gainsight, and a growing number of academic teams.
- Industry trade shows include Gainsight's Pulse/PulseEurope, CSA's SuccessCon (Seattle, San Mateo, Boston, and London), and Totango's CS Summit.

TEACHING STUDENTS ABOUT THE CSM ROLE

So, what does the CSM role mean to sales educators? Arguably the most important thing that sales educators need to know about this role is that it exists! For many that operate outside the technology space, it is easy to not be aware of this fast growing B2B role that is closely related to sales. However, any sales program that desires to place students in top companies are missing a huge opportunity by not addressing the CSM role. There are several reasons why you should take the time to learn about and embrace the nuances of this new role.

1. **Your students will work with CSMs.** If your students don't become CSMs, an increasing number of salespeople work with CSMs, as they hand off the main responsibilities of managing customer relationships to the CSM and return at points to close new deals and follow-up on CSM leads. Don't leave the topic of how to interact with CSMs out of your curriculum, as how most firms handle customer relationships is changing—hopefully your students will be well aware of this and a positive part of this change.
2. **Your students may want to be CSMs.** Many sales students are excited to work in the fast-paced, competitive world of sales. But what about those students with excellent interpersonal skills and a “sales” personality that simply don't want to close sales? In the current generation, an increasing number of students are looking for fulfillment, meaning, and validation from their work (over the hope of high compensation). These students are perfect candidates for the CSM role. The entire focus of the role is helping customers to succeed by using products, a task which most report as highly fulfilling.

3. **Your sponsors will have CSMs on their teams.** If your program works with sponsor companies, it is highly likely that many already employ CSMs in their sales strategy. Have you asked them about this role? Do they need entry-level graduates to fill roles? The easiest way to add the CSM role to your program is to ask your sponsors how you can help them as they adopt and learn about the CSM role in sales.

HOW DO YOU INCORPORATE THIS IN YOUR PROGRAM?

The good news is that there are more resources to help you every day. At the University of Alabama, we have taught a class on CSM since 2018, and in the beginning, it was tough, as there weren't many quality resources. However, by working with programs at the University of San Francisco and companies interested to develop materials more exist today to help you in launching a program. I'd suggest a book, “The Customer Success Professional's Handbook” by Vaidyanathan and Rabago as a great starting point for the “what do they do” aspect of understanding the CSM role. In addition, several industry leaders offer excellent case studies and articles that describe a variety of topics related to the CSM role (simply Google “customer success articles and guides” for many options). Finally, take a look at my academic research on the topic (search my name in Google Scholar for a complete list) and feel free to email me at bwhochstein@cba.ua.edu to learn more. A common tenet of customer success is dedication to helping others to succeed. In this spirit, if you are interested to discuss how the topic of CSMs fits your program, or your company, feel free to contact me and we'll discuss how the CSM role can benefit your students and program. 