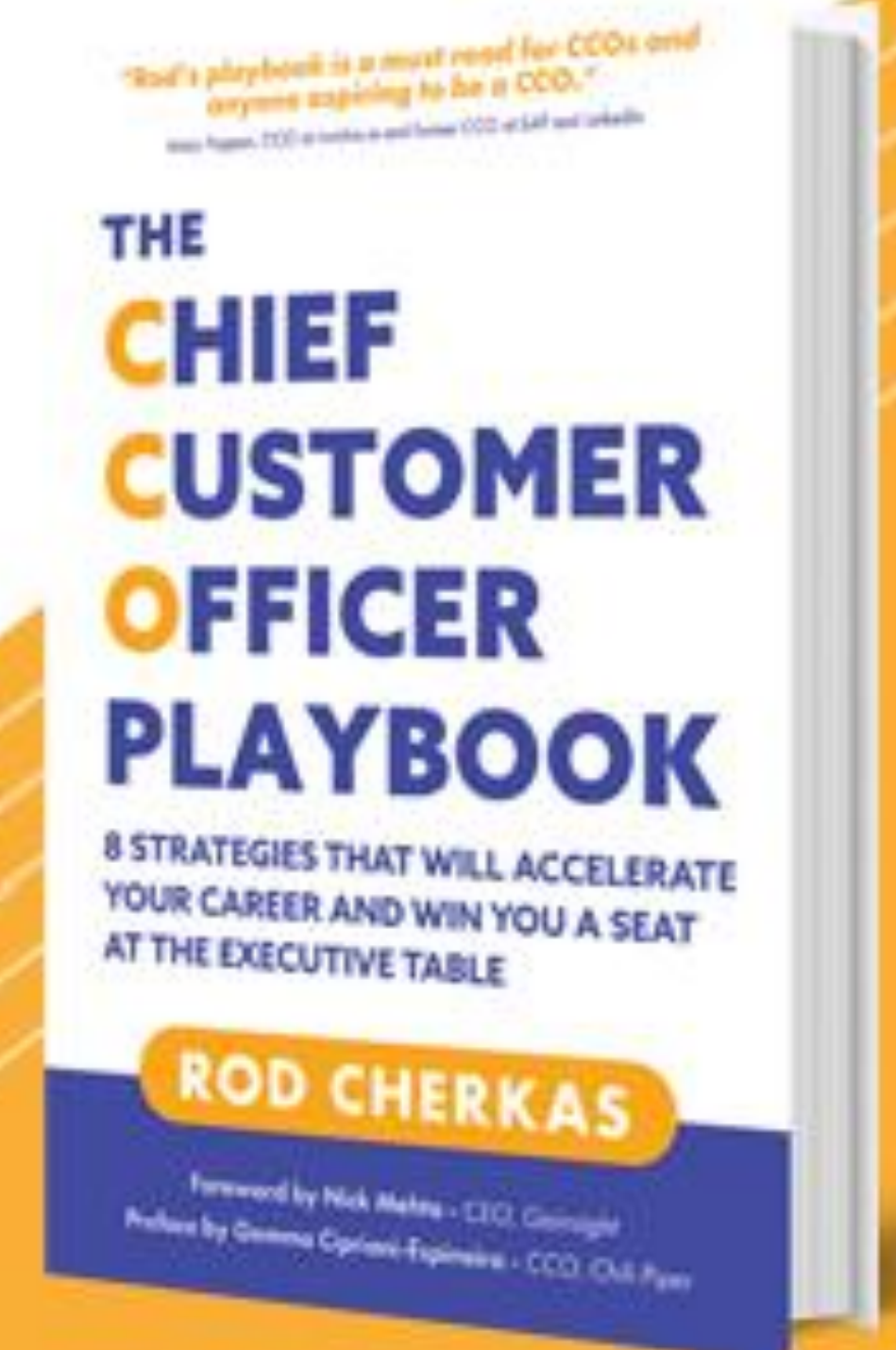


Driving Capital Efficient Growth

Tips and Strategies from
The Chief Customer Officer Playbook

Rod Cherkas


June 2023








Did you know?



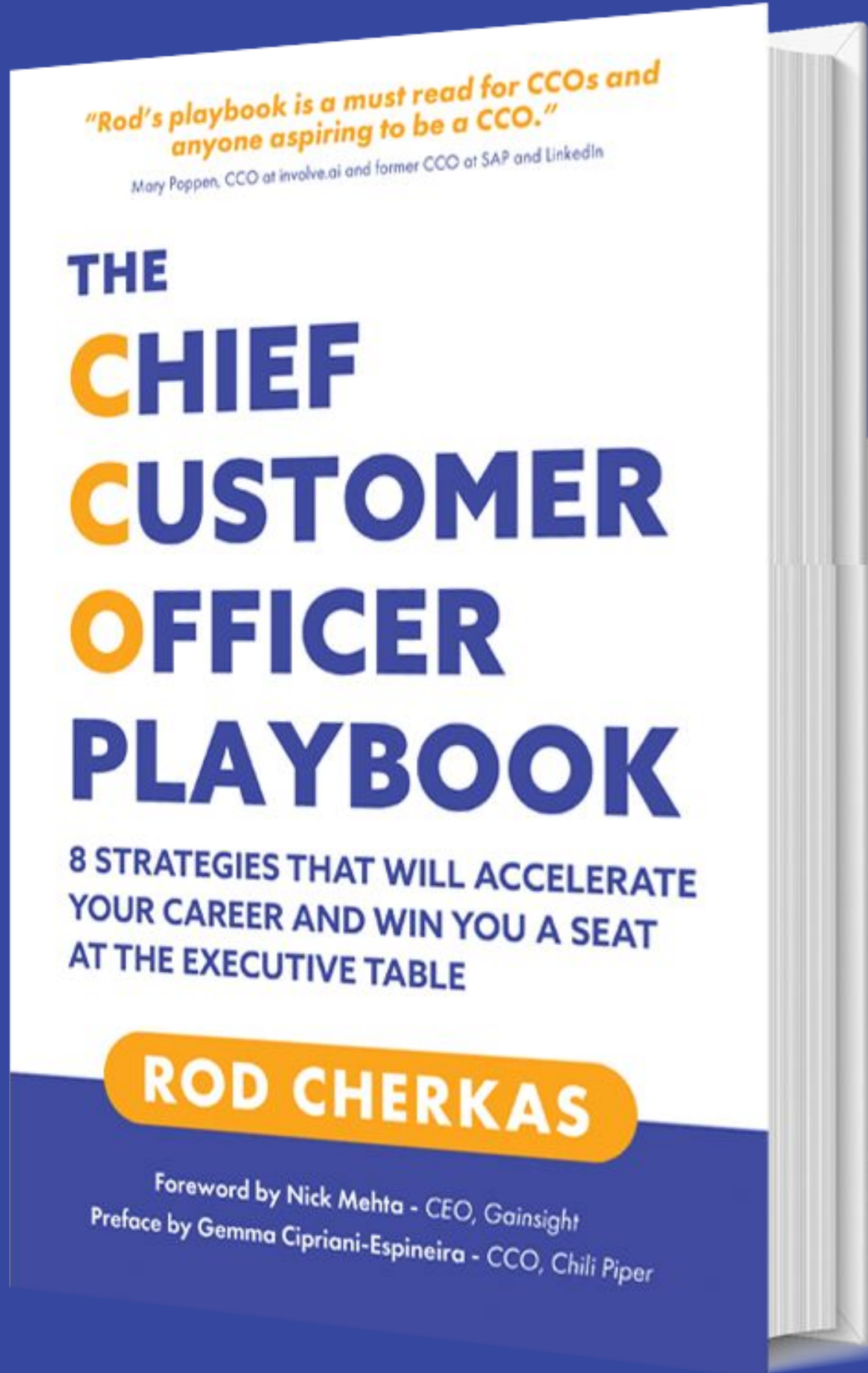
CCO is the 7th
fastest growing
C-level title on
LinkedIn out of
50+ titles they track



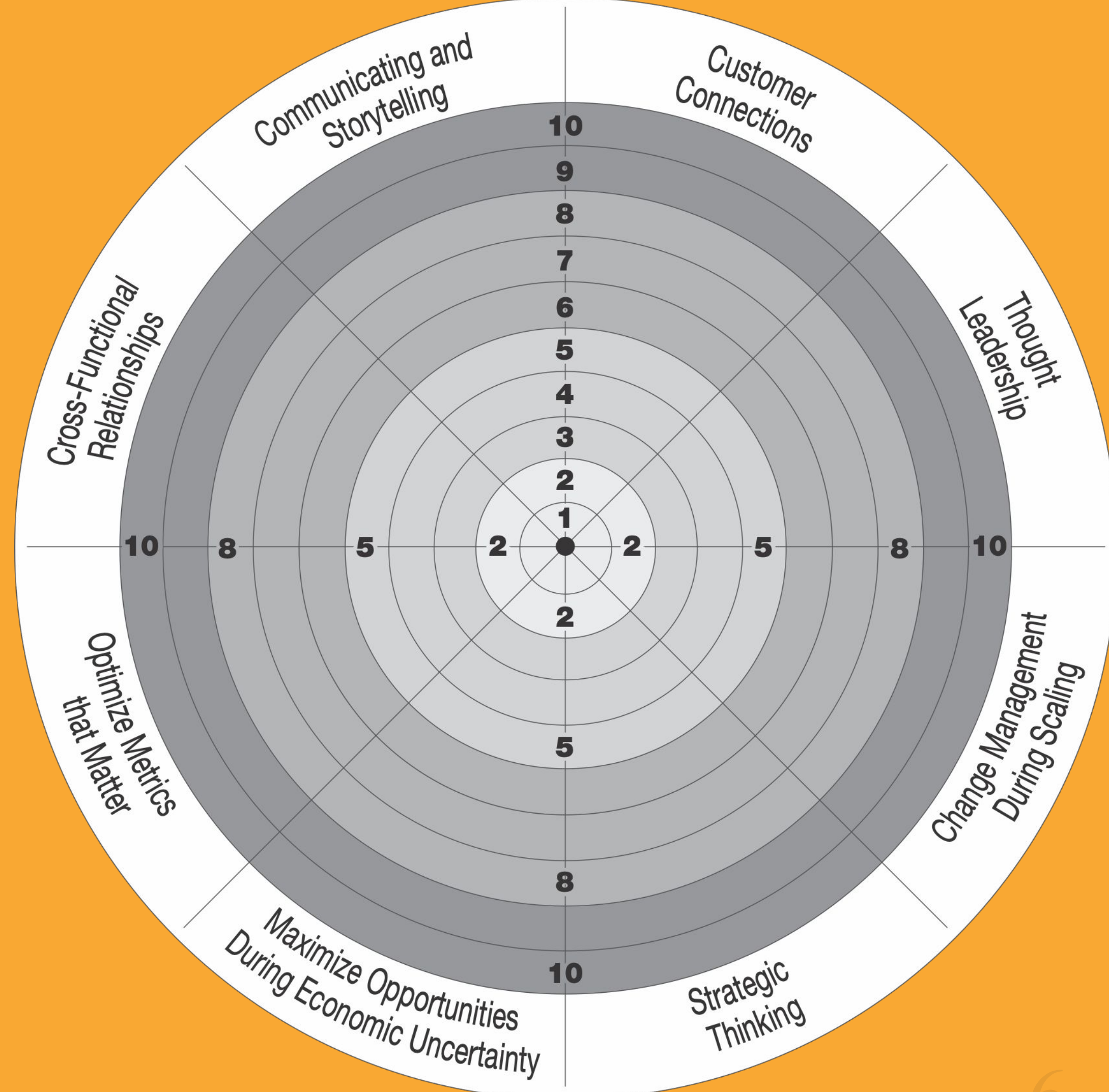
Only 4000 CCOs
globally compared to
57k CMOs and over
200k CFOs

Poll: How would you describe your org's growth in 2023?

- Grow your team and budget in 2023
- Team and budget are about the same in 2023
- Team and budget are smaller in 2023



CHIEF CUSTOMER OFFICER MATURITY MODEL™



Optimize Metrics that Matter

SALES PERFORMANCE



A bar chart showing sales performance over time. The y-axis ranges from 0 to 8. The x-axis represents time, with bars of varying heights. The bars generally show an upward trend, with a significant peak towards the end of the period.

SALES BREAKDOWN



Category	Percentage
Production	11%
Outsourcing	4%
R & D	3%
Distribution	9%
Marketing	15%
Sales	58%

A 3D pie chart showing the sales breakdown by category. The largest slice is Sales at 58%, followed by Marketing at 15%, Distribution at 9%, Production at 11%, Outsourcing at 4%, and R & D at 3%.

**Know
your
numbers**

**Understand
the levers**

**Connect
the dots**

**Deliver
functional
results!**

**Contribute
to results**

**Prioritize
your
metrics**

Cost of Delivery for Software

Implementation Costs



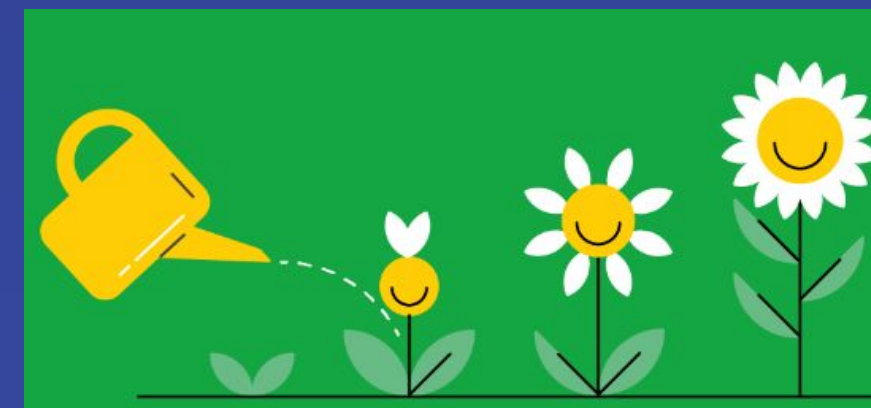
+

Support Costs



+

CSM Costs



+

Operational Costs



+

Other Relevant Costs



Divided by ...



of Customers in the Segment or Business

= Cost of Delivery per Customer

Cost of Delivery

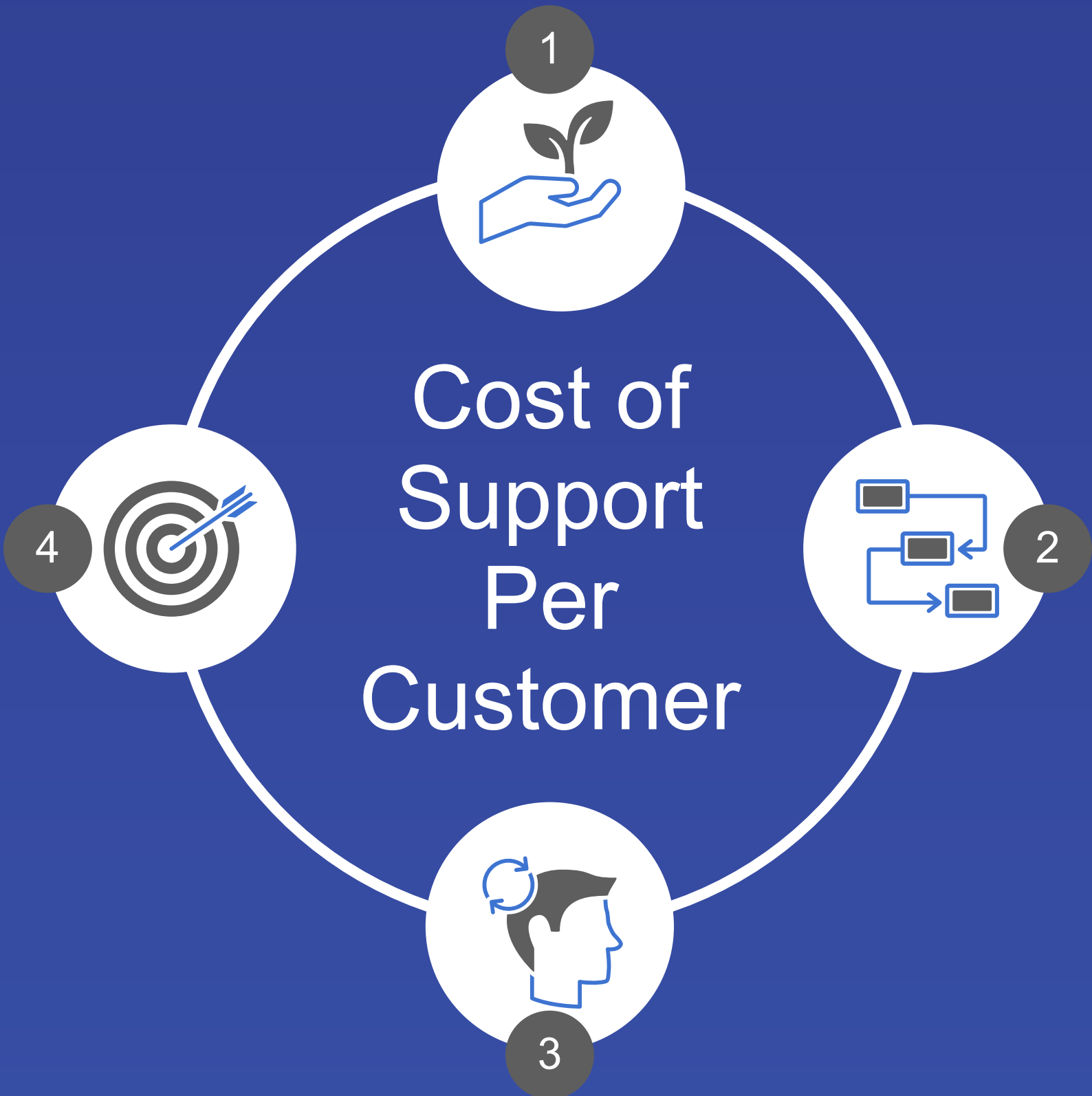
Marketing Software Company – SMB Segment

Situation: ARR = \$15k per year with retention rates ~75% GRR

Implementation Costs	+	Support Costs	+	CSM Costs	+	Operational Costs	+	Other Relevant Costs
\$4k per client (one time)		12 cases per year at 30 minutes/case x \$3/minute = \$1000/yr		\$180k per CSM managing 60 clients = \$3000/client per yr				

Decision: SMB was not a good business to be in to maximize EBIDTA. Focus on the Enterprise segment

Customer Support



1

Total Cost of Support
Cost of staff, systems, corporate allocations, etc.

2

Number of Support Cases
Cases by product line, region, segment

3

Cost Per Case
Function of Handle Time and
Cost of Resources Per Minute/Hour/Day

4

Prevention and Self-Service Capabilities
Ability to prevent or resolve cases without requiring live assistance

Levers to Improve

Decrease #
of Support
Cases Per
Customer

Shorten Time
to Resolve a
Case

Optimize
Cost of
Resources

Discussion and Template for Calculating Cost of Delivery

Customer Success Management and Customer Operations		
Starting Annual Recurring Revenue (ARR)	\$50,000,000	
Starting Monthly Recurring Revenue (MRR)	\$4,166,667	
Monthly ARR Growth	2%	
Average Customer Size	\$30,000	
Professional Services and Education - Cost Assumptions:		
PS Consultant OTE	\$150,000	
Education Team Member OTE	\$120,000	
Benefits, Taxes and Other Overhead	40%	
PS Manager OTE	\$200,000	
Education Manager OTE	\$180,000	
Revenue Assumptions - Professional Services		
Team Member Billable Utilization	40%	
Team Member Non-Billable Utilization	60%	
Book Rate Consulting	\$300	
Actual Hourly Rate	\$150	
Customer Success Management and Customer Operations		
CSM Ratio 1:	\$3,000,000	
CSM On-target-Earnings (OTE)	\$130,000	
CSM Ops Ratio 1:	\$12,000,000	
CSM Ops OTE	\$90,000	
CSM Manager or Team Lead Ratio	13%	
CSM Manager or Team Lead OTE	\$160,000	
Benefits, taxes, and other overhead	40%	
Revenue and Number of Clients		
	January	February
ARR	\$50,000,000	\$51,000,000
MRR	\$4,166,667	\$4,250,000
Average Annual Contract Value Per Client	\$30,000	\$30,000
Average Monthly Contract Value Per Client	\$2,500	\$2,500
Number of Clients	1,667	1,700

Download at

www.rodcherkas.com/resources

Career Accelerator
#1

Understand your
Cost-of-Delivery

Career Accelerator
#2

Work Closely with
your CFO or
Finance Business
Partner

Career Accelerator
#3

Prioritize Resource
Investments

Career Accelerator
#4

Evaluate Costs by
Segment or Product



Improve Efficiency and Productivity

WELCOME TO AXU!

First time visiting Automox University? Are you a new Automox Admin? Don't know where to start? We've got you covered! Click the button below to check out our *Getting Started* learning path!

GETTING STARTED



Register now for live sessions of our monthly Onboarding Webinar!

Latest Courses

ONBOARDING MONTHLY WEBINAR

Onboarding Monthly Webinar

Welcome to Automox! Register for an upcoming live session now!

POLICY RESULTS REPORT

Policy Results Report

Learn how to use the Policy Results Report to see success rates of recent policy runs and remediate failures.

8 min

THIRD-PARTY PATCH POLICIES

Third-Party Patch Policies

Learn about best practices for patching your third-party applications. *Third-party software patching is currently available only to Standard and Complete billing customers.

15 min

REMOTE CONTROL

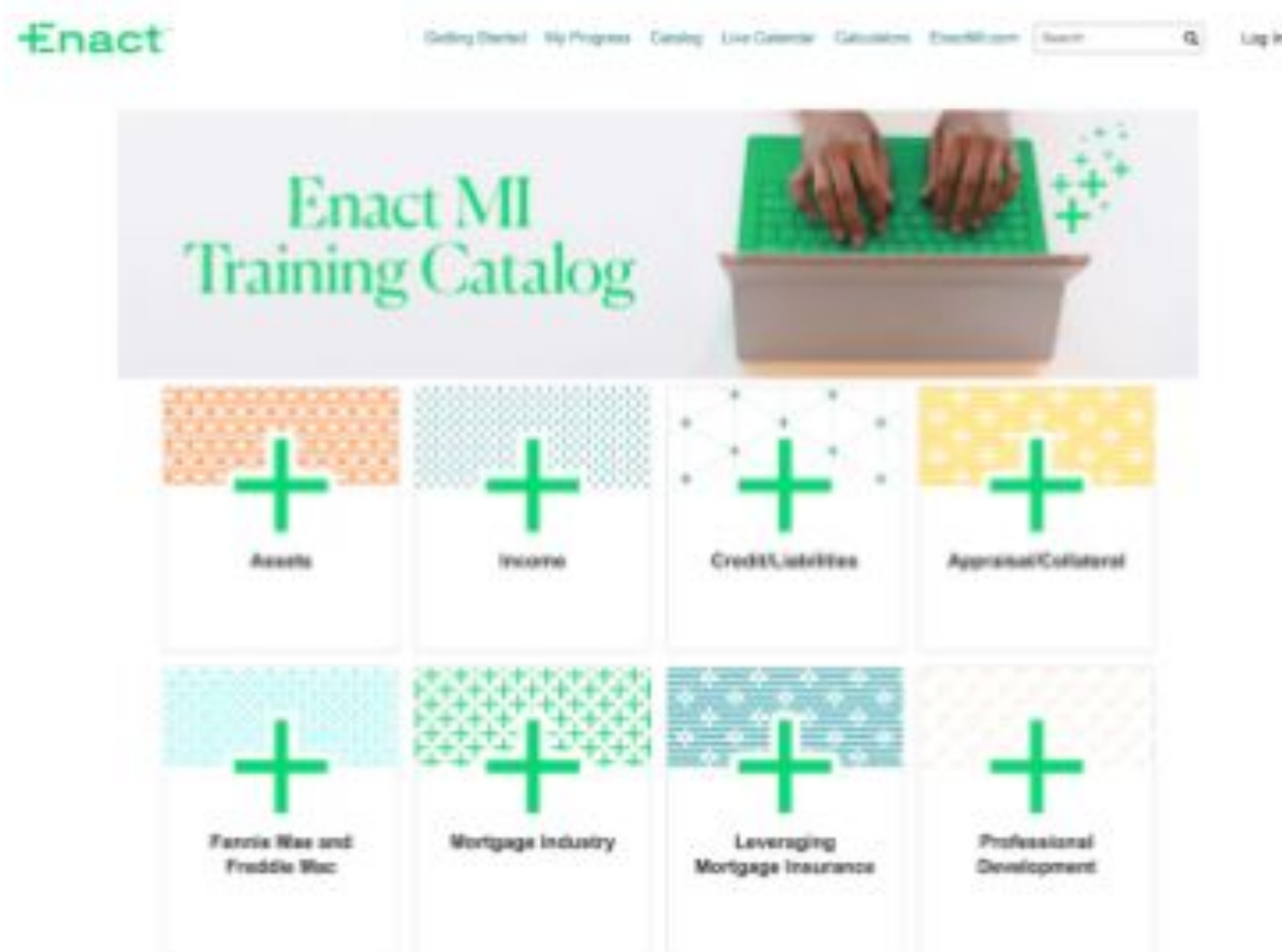
Remote Control

Take charge of your organization's remote endpoint management needs by leveraging the Automox Remote Control Module!

3 min

- Self-Service Learning Paths
- Best Practice Use Cases
- Lower Cost Implementations
- Faster Time to Value

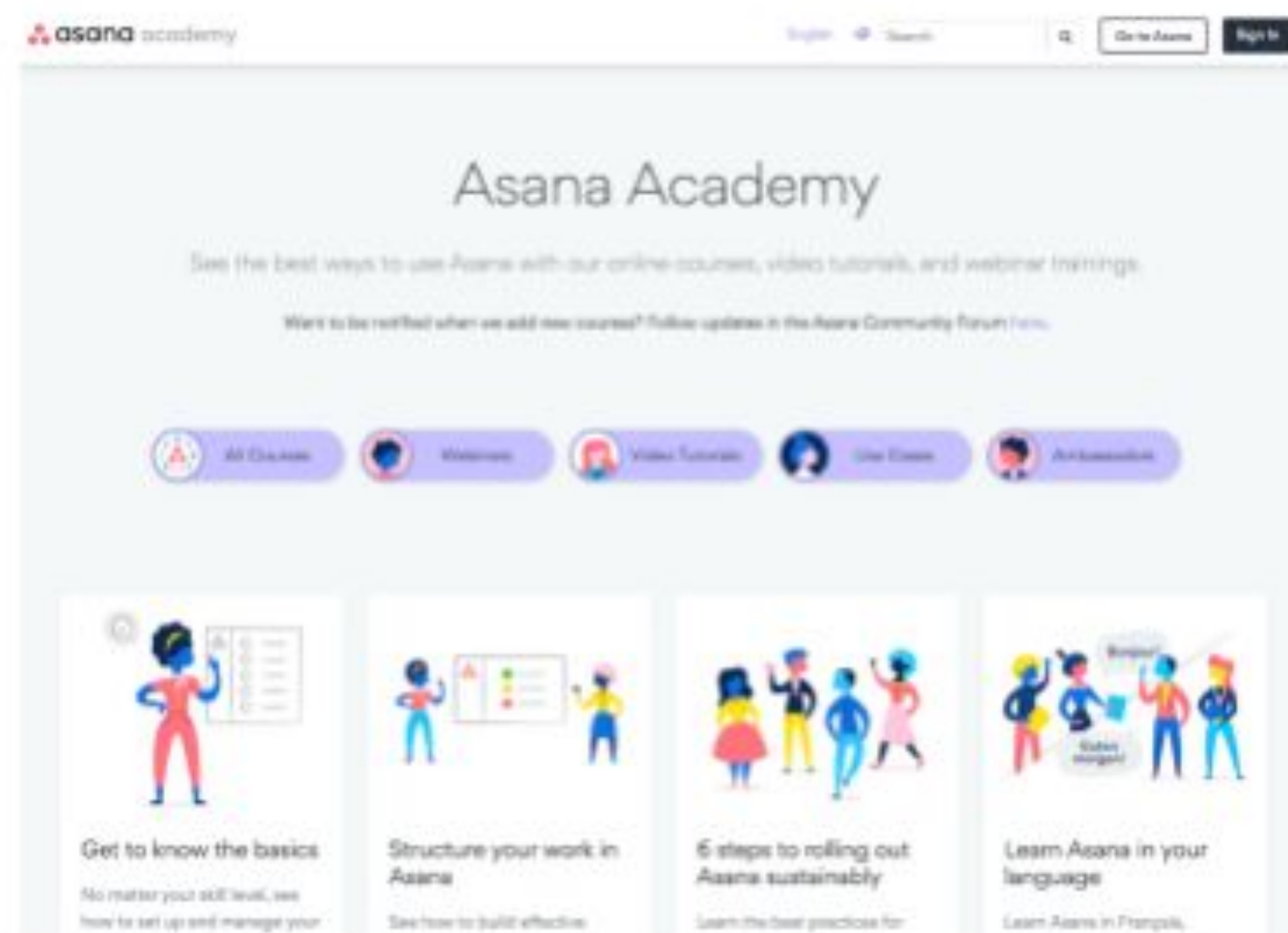
User academies driving smart growth



“We chose Skilljar because of the systems we could integrate with. Other providers did not have the extent of integrations that Skilljar provided.”

Marybeth Merkle

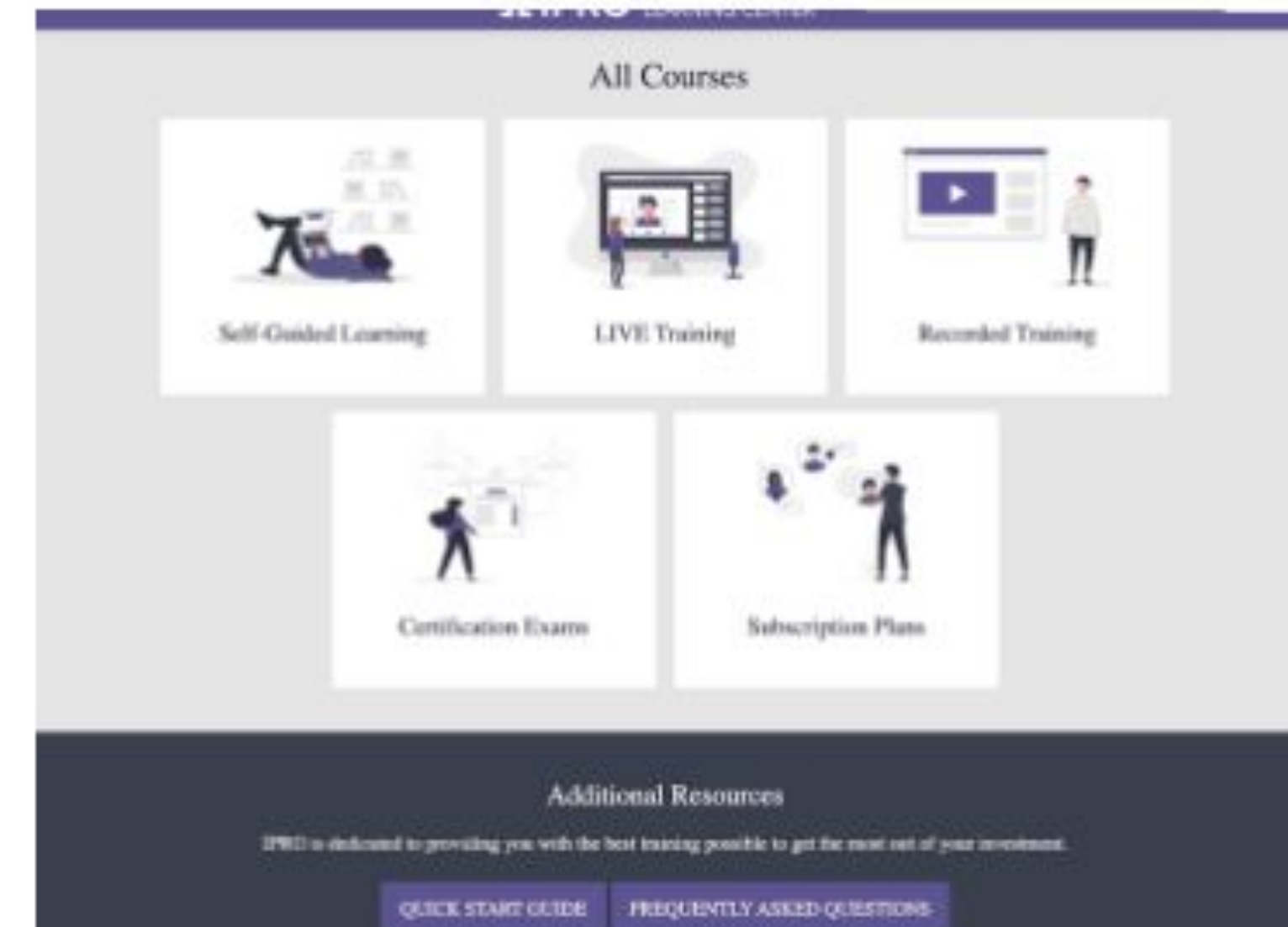
eLearning Strategy and Development Analyst, Enact MI



“I’ve never had this kind of love affair with my LMS before. I didn’t realize how easy and accessible an LMS could be until I found Skilljar.”

Carin D’Oliva

Customer Education Program Manager, Asana



“I’ve been in software for what seems like forever. Skilljar is a unicorn in terms of how amazingly responsive, proactive and engaged they are with customers.”

Julie Badger

Director of Product Learning Experience, IPRO

Webinars

Elevating TA - A CEO's perspective

New webinar series

Elevating TA - Session 2: How to Negotiate Your Way onto the Right Talent Acquisition Platform

Elevating TA - Session 1: Building the business case for TA Transformation

- **Session 1:** Building the Business Case for TA Transformation, with CEO Jerome Ternynck
- **Session 2:** How to Negotiate Your Way onto the Right Talent Acquisition Platform, with Elaine Orler.

Community

Welcome to the Automox Community

Search

1,612 Topics 4,012 Replies 1,697 Members Recently online

Community Categories

- Discussion** 570 topics · 2104 Replies
- Automox News** 335 topics · 445 Replies
- Automox Developer Resources** 473 topics · 1228 Replies
- Security News & Updates** 233 topics · 230 Replies

Recruiting Resources

Solving today's recruiting problems through the latest talent acquisition technology and strategy

Talent Attraction & Engagement	Collaboration & Selection	Management & Operating Model
Sourcing & Job Advertising	Remote Hiring	Analytics & Reporting
CRM	Text Recruiting	Compliance & GDPR
Employer Branding	Applicant Tracking System	Global Recruiting
Internal Mobility	Candidate Experience	AI
Diversity & Inclusion	Business Case & RFPs	Integrations

Best Practice Use Cases and Resources

Engage with Customers

Build out how you will actively work with your customers

Conversations

View and start conversations with your accounts directly within Vitaly.

VITALY

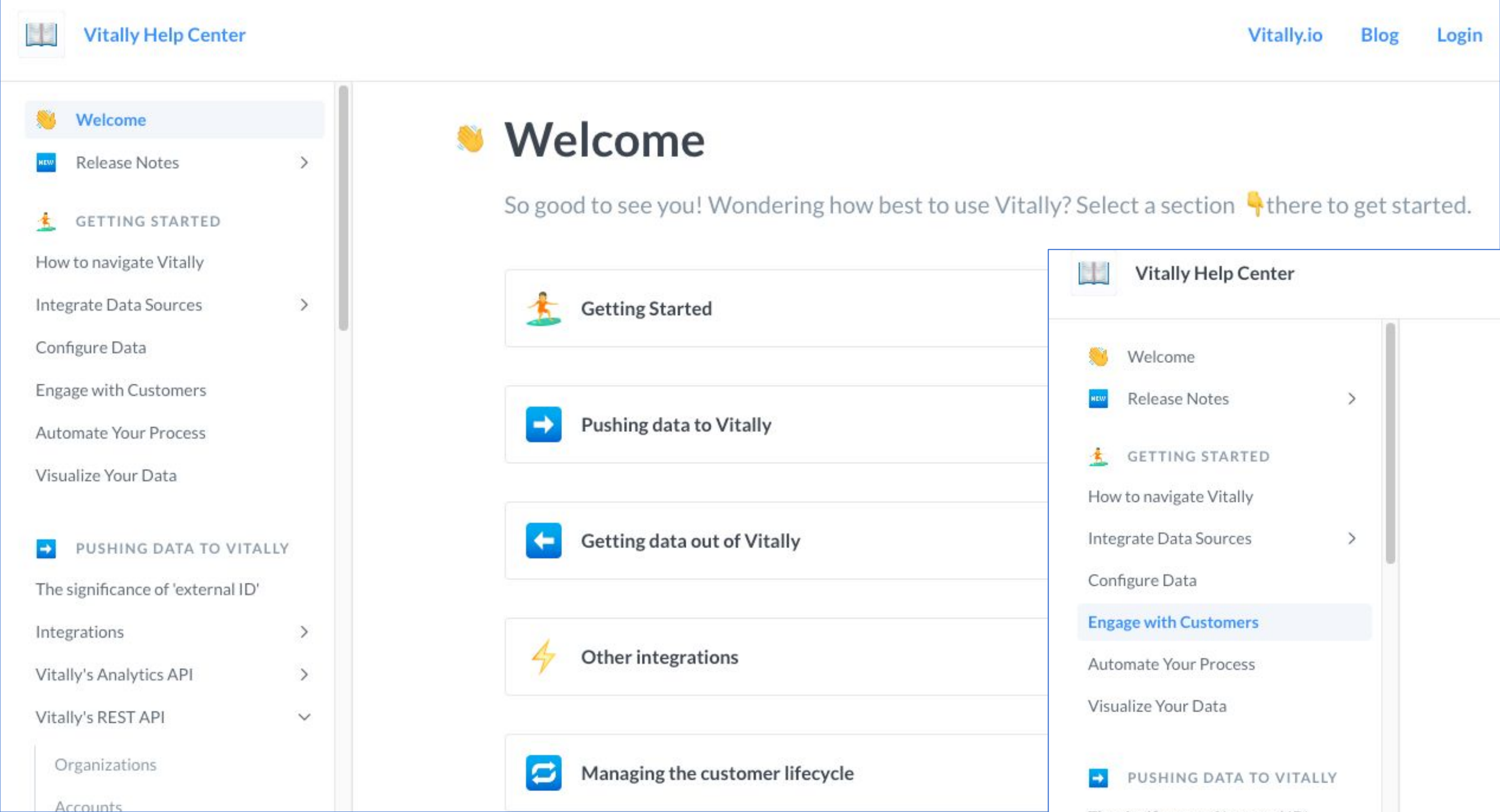
Feature Spotlight: Conversations

With Parker Moore, Manager of Customer Success

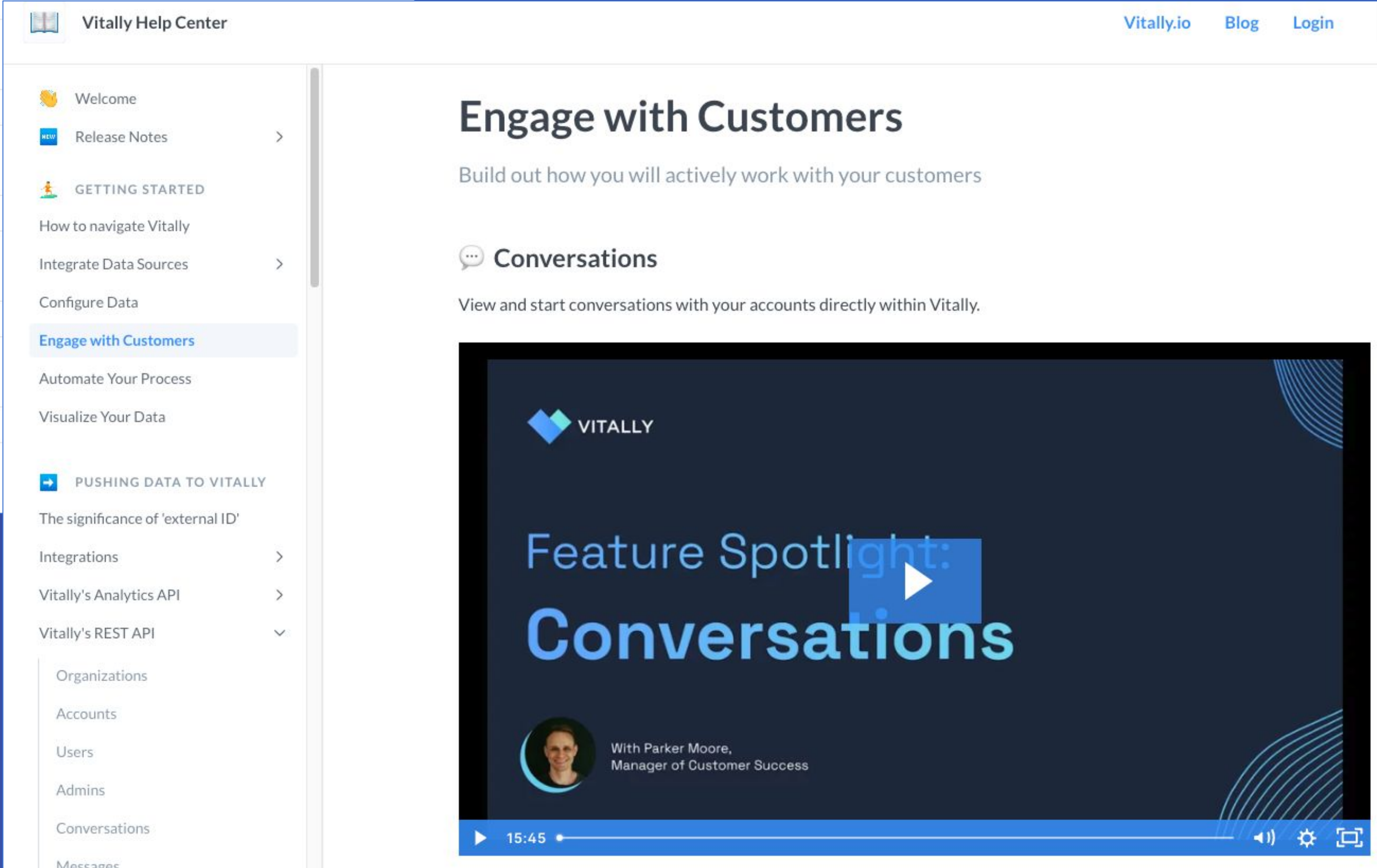
15:45

Easy to Use Self-Help

Building out a Help Center – Documentation, Screenshots, Videos



[Vitally's Help Center](#)



Templates in your Customer Success Platform

VITALITY

← Conversation Templates

7 conversation templates

NAME	CATEGORY	CREATED	CREATED BY	SENT	OPENED	REPLIED	BOUNCE D	UNSUBSCRIBED
Welcome email	Sales/Marketing	9 months ago	Unknown	0	0%	0%	0%	0%
Demo email	Sales/Marketing	9 months ago	Unknown	0	0%	0%	0%	0%
6 month pro-active reach out - primary contact... Auto e-mail if primary contact has not been corresponded to in the last 6 months.	Proactive Reach Out	9 months ago	Unknown	2	100%	0%	0%	0%

PERSONAL SETTINGS

TEMPLATES

- Profile
- Email Settings
- Notifications
- Conversation Templates
- Doc Templates

Welcome email	Sales/Marketing	9 months ago	Unknown	0	0%	0%	0%	0%
Demo email	Sales/Marketing	9 months ago	Unknown	0	0%	0%	0%	0%
6 month pro-active reach out - primary contact... Auto e-mail if primary contact has not been corresponded to in the last 6 months.	Proactive Reach Out	9 months ago	Unknown	2	100%	0%	0%	0%

Jeffrey from Vitality

Time to Collaborate Welcome to Docs! Take a look at this video to learn more about how to...

In-Product Guidance



Demonstrate Strategic Thinking:
Segmentation and Differentiated Experiences



- **Specialized expertise**
- **Match cost of delivery to value**
- **Right experience for the right customer**

Differentiate the Experience Based on Customer Needs and Value



Segmentation Model and Experiences - Template

	Strategic	Enterprise	SMB/MID	Digital Only
Characteristics	<ul style="list-style-type: none"> Global clients, often F500 Multiple business units and regions Potential to use full suite of products 	<ul style="list-style-type: none"> Mostly regional, sometimes global Commonly use point solutions Potential to use full suite of products 	<ul style="list-style-type: none"> Mid-market clients SMBs with high potential for expansion Small small division or BU of a larger company Primarily use point solutions 	<ul style="list-style-type: none"> Mostly SMB clients Use only 1 point solution Low potential for growth
Client Size	>\$250k ARR	\$100k-\$250k ARR	\$15k-\$50k ARR	<\$15k
CSM Model	<ul style="list-style-type: none"> Assigned CSM per client Global account responsibilities Starts engaging right after the sale 	<ul style="list-style-type: none"> Assigned CSM per client in region Two teams - Americas and EMEA Starts engaging right after the sale 	<ul style="list-style-type: none"> Assigned CSM per client in region Two teams - Americas and EMEA Introduced after implementation 	<ul style="list-style-type: none"> Pooled team Called Account Managers No new Tier 5 customers
Number of Clients	50 clients	300 clients	500 clients	750 clients
Total ARR per Segment	\$15 million	\$45 million	\$10 million	\$5 million
Team Size	5 CSMs plus a Manager	12 CSMs plus 2 Managers	5 CSMs plus 1 Manager	1 Digital Marketer
Average ARR Per Client	\$300k	\$150k	\$20k	\$7k
CSM Ratio	\$3.0 million/CSM 10 clients/CSM	\$3.7 million/CSM 25 clients/CSM	\$2.0 million/CSM 100 clients/CSM	\$5 million/person
Interaction Model	Very High Touch Weekly/Monthly Interaction Model Exec Sponsor assigned Mostly auto-renewing contracts	High Touch Monthly/Quarterly Interaction Model Mostly auto-renewing contracts	Primarily digital communications Pooled CSM Model Annual review 6 months prior to renewal Mostly auto-renewing contracts	Only reactive customer success All digital interactions Auto-renewing contracts

Download the
Segmentation Template at
rodcherkas.com/resources

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Career Accelerator
#1

Align to Company
Objectives

Career Accelerator
#2

Identify High
Priority Segments
or Customers

Career Accelerator
#3

Create Differentiated
Experiences and
Offerings

Career Accelerator
#4

Re-allocate Your
Scarce Resources

CHIEF CUSTOMER OFFICER MATURITY MODEL™



Where are you?

CHIEF CUSTOMER OFFICER MATURITY MODEL™



Where do you want to be?

Recap – Capital Efficient Resource Allocation

- ❑ Understand and improve your Cost-of-Delivery by segment
- ❑ Get to know your CFO or finance business partner
- ❑ Automate your implementation, charge fees and consider partners
- ❑ Segment your experience design to focus on high value clients
- ❑ Reduce the burden on your support teams
- ❑ Leverage self-service and one-to-many capabilities
- ❑ Monitor utilization and productivity of each functional team

Download these resources

rodcherkas.com/resources



Chat with me

rod@hellocco.co

[m](#)

READ MY BOOK
Available on
AMAZON

"Rod's playbook is a must read for CCOs and anyone aspiring to be a CCO."
Mary Poppen, CCO at involve.ai and former CCO at SAP and LinkedIn

THE CHIEF CUSTOMER OFFICER PLAYBOOK

8 STRATEGIES THAT WILL ACCELERATE
YOUR CAREER AND WIN YOU A SEAT
AT THE EXECUTIVE TABLE

ROD CHERKAS

Foreword by Nick Mehta - CEO, Gainsight
Preface by Gemma Cipriani-Espineira - CCO, Chili Piper



What's your Action Plan?



Action Step #1

???



Action Step #2

???



Action Step #3

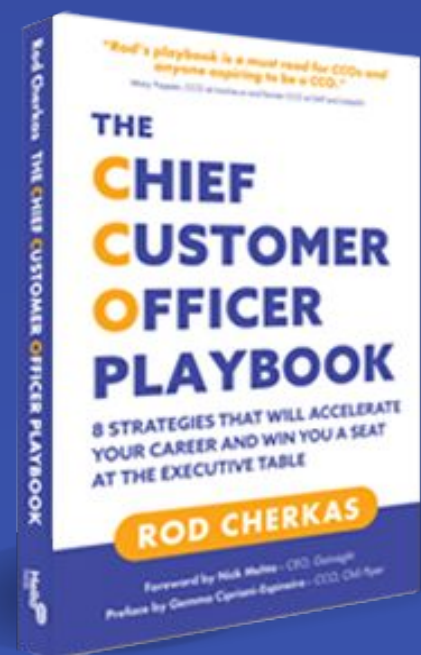
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Action Step #4

???

Q&A



“A must read for CCOs and leaders aspiring to be a CCO”

READ THE BOOK. NOW AVAILABLE ON **AMAZON**.

PLUS download helpful **resources:** rodcherkas.com/resources



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Amazon**