



# Prepare Your Team for Revenue Targets

Guy Galon, Executive Advisor



# Introduction

CSMs carrying revenue quotas face several challenges impacting their ability to drive revenue while effectively maintaining a trusted advisor position. The steps outlined in the playbook guide CS leaders and executives as they prepare their teams for their next professional challenge. The concept of “**revenue enablement**” will allow CSMs to maintain solid customer-facing approach while operating more commercially within the organization.



# The overall approach

- Revenue targets for the CS team can trigger different new responsibilities that can be overwhelming for the CSMs
- The playbook **assumes** that the CSMs will be expected to identify and qualify new expansion opportunities. However, they **will not negotiate** with their stakeholders or engage with procurement.
- They will **not draft contracts** while they can contribute and support the sales team, which will lead this activity.
- The incentives scheme will allow CS and Sales to partner and jointly benefit from new expansions.



# Preparing the Team – Multiple dimensions

- Team readiness and experience
- Training the team
- Alignment with the sales team
- KPIs and Incentives
- Phased approach to introducing revenue targets



# Team readiness and experience – What to consider?

- Can the CS team balance being a trusted advisor while also focusing on identifying expansion opportunities?
- Have they had similar revenue responsibilities before?
- Does their skill set align with this new task? i.e., how would you rate their ability to ask leading questions and value sell (vs. value promotion)?
- Will revenue targets become a “burden” while they handle a complex product onboarding and adoption?
- How confident are they collaborating with sales?



# Training the team – what to consider?

- CSMs join Sales calls or listen to recorded calls.
- CSMs learn to articulate the value in business terms (revenue, cost optimization, lead increase, time to market, risk reduction, etc.)
- CSMs share existing customers' success stories and define the prime business benefits.
- CSMs log opportunities with their existing book of business. CS leaders can create a playbook that includes the leading questions that CSM should ask to identify a new expansion opportunity.



# Training the team – what to consider?

- CSMs adjust their account plans (with the leader's support) to target specific opportunities
- Create case studies of previous successful expansion opportunities and present them to the team, highlighting the questions and answers needed to drive the opportunity to closure.
- Similar to the above, ask the CSMs to present their opportunities to the team and learn from each other's experiences.



# Alignment with the Sales Team

- CS leader joins the sales pipeline meeting to present the status of renewals and new expansion opportunities.
- CSMs present the sales team with additional opportunities to expand customer engagements. CSMs can then learn more about opportunity qualification as part of pipeline management.
- Ask the CSM to read about Sales qualifications frameworks (such as MEDDIC)
- Ask the sellers to explain their deal and opportunity qualification process (such as budget availability, budget approver sponsorship, timing, and business priorities)





# KPIs and Incentives

- NRR and Retention are lagging indicators with the most substantial impact on the company's targets and business plan.
- KPIs should correlate (and balance) between the leading and lagging indicators. For example, customers reaching a usage/ number of active users' threshold positively correlated with retention and expansion.
- CSMs can be measured on CSQLs, which they identify and drive (together with sales).
- CS leaders can monitor the number of CS opportunities (per CS/Period) and their quality. Quality can be measured by the rate of CS opportunities accepted by sales.



# KPIs and Incentives

- Sample commercial KPIs: Renewal ARR, Number of accounts to renew, Increase Upsells by X %
- CS Team can also be measured by the size and quality of the pipeline: X new opportunities per Q, % of qualified opportunities handled by sales (assuming the sellers eventually are tasked with the deal closure)



# A phased approach to introducing revenue targets

- **Start with group targets.** Encourage collaboration among the team where more senior members can support other less commercially savvy SCMs.
- **Promote the CSM ownership of their CSQs.** It will positively impact the SCM's self-confidence as they become familiar with the opportunity management process
- **Differential incentive structure.** Assign specific revenue targets with higher incentives to CSMs who are ready for the next challenge. Others can have a “milder” incentive plan to get them comfortable with the change
- The entire team has well-defined revenue targets with the corresponding incentive plan

# THANK YOU!

