

THE ONBOARDING CHALLENGE

Perspectives from Customer Success Boston



A Twin Peaks Research Report

INTRODUCTION

For many SaaS companies, onboarding is the make-or-break step in the customer journey. If customers fail to master a new product, retention is almost always a lost cause. But if onboarding is done well—really well—the result is likely to be a loyal, enthusiastic customer.

The trouble is, delivering a great onboarding experience is a lot harder than it seems.

Especially with complex, big-ticket products, there's always pressure—both from the buyer and the seller—to show quick results, to “demonstrate value,” to live up to the rosy expectations set during the sales process.

The pressure is even greater for complex products where the onboarding team has to support a variety of technical and less-technical end users. Basic end-user training is often the easiest part of these complex onboarding jobs: successful onboarding may also require customized curriculums, different styles of personal interaction, and a trainer's knack for convincing busy people even to show up for classes. If the student fails to learn, moreover, it's typically the onboarding team that gets the blame.

The good news is that onboarding is finally attracting attention—in fact, a great deal of attention. Customer Success Managers (and their bosses) are getting more skilled at identifying problem areas, developing better onboarding processes and teaching methods, and are often adding resources; meanwhile, customers are now asking more probing questions about the quality and effectiveness of vendor onboarding programs.

To help SaaS managers who are looking for better ways to deliver onboarding programs, Twin Peaks Research recently polled the membership of Customer Success Boston, a LinkedIn forum for Customer Success and Customer Experience professionals that we support. We invited forum members to describe **“the single most important onboarding challenge that you've had to overcome.”** The feedback we received appears (with some editing) in this research report. We invite you to

browse the pages that follow for an enlightening view of some of the most critical issues in SaaS onboarding today.

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MOST COMMON CHALLENGES

This poll was designed to collect open-ended comments, not statistical data, so we didn't present respondents with a pre-defined checklist of answers that could be easily tabulated. However, several topics made frequent appearance as "most important challenges":

- ✓ **The Sales-to-CS Handoff:** This is clearly the Big Issue for a great many companies. In a typical scenario, a new customer signs a contract with the Sales organization and is handed off to the CSM group for onboarding. That's a reasonable process—but apparently a significant amount of customer information often gets lost in the handoff. As a result, the CSM team may have to re-interview customers to understand customer requirements and goals. This inadequate handoff wastes time, but the bigger problem is that the new *customer's* time is wasted at a point when the onboarding team needs to make an especially good first impression.
- ✓ **Exaggerated Expectations:** Sales organizations also seem to be creating problems by misleading prospective customers about a variety of issues, ranging from product capabilities to the amount of time needed for onboarding. Again, the impact on the customer is likely to be negative unless the CSM team can manage to quickly rebuild trust.
- ✓ **Customer Empathy:** One response that also appeared quite often is the importance of developing a close "empathetic" relationship with customers. Several respondents pointed out that large-scale SaaS projects are likely to be viewed as risky or even threatening by end users. According to our responders, building trust can be one of the most difficult parts of the onboarding process.

- ✓ **Is anyone listening?** Another frequent category involved problems with teaching methods, curriculum, work load, and related issues. These may not seem important individually, but reading between the lines they *may* suggest an overall dissatisfaction with how many companies manage and support their onboarding process. If that's the real root problem, then the result is likely to be high turnover in customer-facing teams.

(A note on methodology: In order to encourage candid responses, we promised all respondents that we would not reveal respondent names, titles, companies, or contact information. We've also edited out any business details that might identify specific companies.)

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ABOUT TWIN PEAKS RESEARCH

Twin Peaks Research (TPR) is a boutique consulting firm based in metro Boston. We're focused on helping SaaS-based firms achieve outstanding levels of customer success. A basic element of our work involves identifying the core issues and challenges that our clients face, from customer activation, onboarding and training, to subscription renewal, revenue expansion, and long-term retention perspective; and then, working closely with clients to devise and implement a plan to improve their overall customer success process.

To learn more about our Customer Success solutions and approach, please visit www.twinpeaksresearchllc.com.

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HANDOFFS & TEAMWORK

Fixing the handover process: The handoff between Sales and Customer Success is often the biggest challenge I see. The customer is excited, they just got this shiny new tool that'll boost their productivity...and they hear nothing for days. What went wrong? Sales closed the deal without giving CS a heads-up. Or CS is swamped with other customers. Whatever the reason, the result is the same: the customer suffers.

We've learned to overcome this challenge in several ways:

- ✓ Sales is expected to do a proper discovery.
- ✓ The CSM is now brought into the deal-closing conversations.
- ✓ CS and Onboarding are split into two teams.
- ✓ We're developing an onboarding program with clear deliverables and timelines, touchpoints, collateral, and success metrics.

Handoff training: The Sales-to-CS handoff is the biggest challenge that we have. We are working with Sales to improve this handoff along with training our CSMs to be better at the value-based discovery that will help customers achieve their "desired outcomes".

Role definition: I'd have to say that the most common problem I see is a lack of internal role delineation throughout the onboarding process, from Sales handoff to customer goal-setting, training, and implementation.

When internal teams are not clearly defining their own roles in the process, it's confusing and leads to a bad experience for the customer.

Competing for visibility: My biggest challenge? Selling the importance of CS at the company where activities like marketing and sales are given so much more focus.

The silo mentality: I think one of the biggest hurdles to onboarding is a Sales team that over-promises to get customers to sign on the dotted line-- or at least a lack of communication about what it takes to become a successful customer (learning curve with platform, technical skills...). In place of the silo mentality that a win for “our team” is all that matters, we need to realize that a rising tide lifts all boats.

Keeping cross-functional teams aligned: I’ll go really deep into the weeds and say that our biggest challenge has been how to keep cross-functional onboarding teams aligned around their own individual roles. To do this we’ve used our CRM to assign several statuses that reflect steps or stages in the onboarding process that are either automatically updated or manually updated by our CS managers. That way, if a particular team or business unit is involved with an action at any step of the onboarding process, that team can see which customers are currently at that point and what’s coming down the pipeline. Our CS team also has a daily onboarding stand-up where we review each step and its corresponding statuses and then discuss what’s needed to keep things moving along.

Lost in the flow: As I think of the challenges that come with a new customer, the one thing that sticks out like a sore thumb is the word “transparency”. As the customer move through the onboarding process (Sales > Implementation > Production) at an organization, the customer often suffers from a lack of transparency as to where they stand in the process and what the upcoming challenges will be.

Often organizations spend a lot of time internally on projects (which makes sense) but don’t follow up with customers to update them, causing them to be left in a black hole. Over time, customers get frustrated due to a lack of

transparency and communication causing them to have a bad overall experience with onboarding.

Every CSM has had at least one customer where this has happened and it creates a Mt. Everest-like challenge for the CSM to overcome as they now have to re-build the relationship and rapport with the customer to establish trust.

Precious customer information: We've had a difficult issue when important customer information is passed on from Sales to Post-Sales. If a CSM isn't present during the sales discussions, a lot of precise customer information can get lost about goals, outcomes, business value, personalities, dynamics, and the like. The worst thing, in my experience, is to have a client go through the effort of restating this information when it wasn't recorded adequately the first time. (Similarly, there ought to be a recording of the "Sales to Services" handoff discussion as well.)

Stretched thin: My biggest challenge is providing a top-tier onboarding experience while empowering the customer to take ownership of the process over time. The separation between Onboarding and CS is relatively new to my company and since I straddle both roles, I'm trying to manage expectations better for my clients.

The basic problem is bandwidth. Our CS team is overloaded already, so the longer the client stays in the onboarding stage, the less time our CSMs have to work with new clients.

In addition, technical support has been an ongoing burden for us. Our products are highly technical and take a lot of time and effort to train users in troubleshooting/communicating solutions. The company has a Support team but their turnaround can take days or weeks for a full solution, so our clients prefer to use CSMs for level-1 support. This sucks up a lot of time and strains the relationship for the CSM, who instead of working on relationships with decision-makers, has to spend all of their time troubleshooting tech support issues. It makes life stressful and causes churn within the CS ranks.

SETTING EXPECTATIONS

The sales process: I'd have to say the biggest challenges I've encountered have really started during the sales process. In one instance, the customer was oversold on what was actually supported by the product and, in another instance, Sales committed to feature requests that took a lot longer to implement than what was originally agreed on. We were able to get past these issues eventually but, in both instances, it was a very challenging and lengthy process.

The disconnect: I believe the single most important challenge is that customer expectations are not set properly. I say this because there's often a disconnect about what the customer's role and level of effort will be, and about their understanding and commitment to the timetable.

To address this disconnect, after the contract signing we try to have a dialog with the customer about their experience with our organization. This is when we can get into the onboarding details and set expectations.

This process can be difficult to arrange at times if the Sales team is worried that we may scare the customer. So we have to carefully craft the message and then make sure that Sales is on board with why it's important for CS to communicate with the customer.

Capabilities and time needed: If I had to choose only one onboarding challenge, I would pick having to reset a customer's expectations either about the product's capabilities or the time needed to invest in onboarding to get the results that they expected from the product.

Transition fears: The biggest challenge I've seen new customers encounter is moving from their old system to the new one without breaking things. Typically, they'll need to move data from the old system to the new one,

learn to use the new system, sometimes teach others in the organization how to use the new system, and generate required reports from the new system, among other tasks.

In addition, onboarding trainers have to address more than just showing the customer how a new system works. They also need to convince prospective customers during the sales process that they can help new users through the transition. Fear about successfully implementing a new system stalls many prospects from moving ahead with a purchase.

Consistent expectations: To me, our biggest challenge is to achieve consistency with regard to what our client's expectations are. In the services business, expectations can vary wildly. You shouldn't feel that you're bending over backward for some clients, while others require little to no attention.

Honestly, I feel the ideal should be somewhere in the middle. To deliver that kind of consistency, you really need to get to the bottom of what truly matters to clients, and make sure that it aligns with what you're capable of delivering.

Why are we doing this? I think one of the most critical issues is getting the entire implementation team (both vendor and customer) to focus on outcomes instead of tools. It's very easy to get wrapped up in workflow or look and feel and miss the critical aspect of "why are we doing this in the first place?"

Misalignment: The most important onboarding challenge is that "we thought we understood what success would look like to our customer." The reality is often that we only understood what we heard from the people we spoke to during the sales cycle. That view might be different from the deployment sponsor. This kind of misalignment needs to be addressed from day one.

Getting users excited: The people you are onboarding are not usually involved in purchasing decisions. Thus, they haven't heard the sales pitch or gone back and forth with questions. There can be a major disconnect in not only their perception of value but simply about why the product was purchased. You need these people to be excited about the onboarding process, otherwise they might not absorb all the material you are providing.

We've found that a good way to generate enthusiasm is with a kick-off call. You can make sure everyone understands why the company bought this product and what problem it's going to solve once everyone is onboarded.

CUSTOMER RELATIONS

Customer empathy: Here's what I think is *most* important when designing an onboarding framework or program: *customer empathy*. All too often, we talk about what the customer has to do so that *we* can achieve our revenue goals. But our onboarding process should also look at the customer's view of the new product. I like to think of our software as providing the customer with a new digital team member—and our job is to make it as easy as possible for the customer to adopt (welcome a new team member), trust (adapt), and grow (expand) to depend on our software.

The customer's perspective: Most likely, the customer is new to your product and doesn't know what they don't know. But at this point a customer may have a preconceived notion of what success looks like—and it's your job to get the customer to clearly state their expectations. And then you should take their view of success seriously, because your customer knows more about their own business than they do, just as you know your own product better than they do.

To help make a connection, you should also try to get a clear statement about the specific problem your customer is trying to solve. That will help you achieve the best possible time-to-value from the customer's perspective.

Using a champion effectively: One of the most important challenges during onboarding is to recruit a “champion” on the customer side. Champions are usually volunteers, so their contribution may sometimes be limited. But a good champion can have a great deal of influence in several areas:

- ✓ **Adoption:** Your champion can not only help train other users but can also explain the value they're getting from your product.
- ✓ **Partnership:** Your champion can gather feedback frequently from their users and can work with you to find solutions to problems.
- ✓ **Evangelism:** Your champion can talk about your product with other groups in the organization. (This will usually lead to new opportunities.)

However—cultivating a champion can require careful timing. Usually, onboarding is led by Program Management, Operations, or IT. These organizations don't bring their Business teams (who are likely to be your best prospects for recruiting champions) into the discussion until the launch. And often these Business teams move on to other projects after onboarding is completed.

Ineffective champions: We always make sure we have at least one Champion for a new customer. But if a champion isn't able to rally the respective teams to do what must be done to onboard correctly, then we often find ourselves dead in the water.

Lack of buy-in: The biggest challenge I run into is when there is a lack of buy-in from the customer to do the work. People are busy and often doing many different things, so getting customers to spend the necessary time

working in and thinking about your solution can be a lot to ask. Especially for smaller customer teams, where individuals wear many hats, I see most customers are excited about the potential results but lack the time or willingness to do the things needed to get there.

Change management: For me the most difficult part of onboarding is helping my customers with the necessary change management and the noise that they hear from their employees. Often when customers come to our platform it means a major shift from what their own employees were used to. They immediately see it as a negative and react strongly, as you can imagine. The employees of the company start complaining to their managers, their managers start to complain to their managers, and the usual result is that the person who takes on admin responsibilities has to deal with all the angry employees.

In the end, most of these employees will end up getting net positive results in their productivity. The onboarding challenge we face is to quickly gain trust with the admins when the relationship is brand new—and then to encourage them to stay strong and not concede after just a few employee complaints. After a couple of months, the noise goes away and employees generally end up happy.

Investing enough time: It's essential to involve *everyone* in the learning process, even if you have to spend what seems like extra onboarding time. I've often found myself working closely with people who may not have been a part of the sales process, so they're unaware of the details of our new service and how it will help their business and make their lives easier. I've seen this lack of understanding lead to aggressive push back and an unwillingness to change from their current method of operations.

But I've also found that working strategically with these "out of the loop" people can help them understand the true *value* of our service. This can be a slow process that involves breaking down bad habits and negative perception and that ultimately leads to a trusting relationship--in a way, completing the sale all over again. But in the end, this investment of time

can help ensure the long-term success for your business and client relationship.

Never straightforward: For a complex technology solution like ours that solves mission-critical problems, onboarding is never as straightforward as we'd like. After all, not only do we need to configure our platform to each client's business realities—we also need to work with different client cultures to ensure we can go live as soon as possible. And since we're a SaaS company, showing value right away is the best way to create a sticky relationship with a customer.

Velocity: I would say that our biggest struggles with onboarding are around the challenge of velocity—the effort we expend to understand our customers very quickly and the problems they're looking to solve, as well as how to get them up and running on our platform as quickly as possible. We also want to get them up and running in a way that feels helpful to them and that matches their own pace so they don't feel rushed but are still getting to value really quickly.

Caught by surprise: It shouldn't happen too often, but there are occasional onboarding situations that can have a devastating impact on your rollout:

- ✓ ***Undocumented pitfalls:*** Sales organizations sometimes neglect to mention potential sensitive areas—for instance, influential stakeholders, legal roadblocks, and prior account conflicts—that won't show up until you've started the onboarding process.
- ✓ ***Unexpected detractors:*** These are people inside the customer's organization who will try to sabotage the project, perhaps to support a rival vendor.
- ✓ ***Sign & Pass:*** This is a surprise problem that can occur when a senior executive signs a contract for a technology project and then passes the project to another executive who has no interest in implementation.

A foundation for the future? As the name suggests, “onboarding” tends to focus on getting customers up and running. But then the educational process usually dies off. An important challenge, I think, is to lay a foundation during onboarding for the customer—or at least some customers—to gradually become power users and take advantage of more advanced features. Moreover, these users play a key role in long-term retention decisions, so they’re likely to become valuable champions for your product and your company.

TEACHING & TRAINING

The right people, the right information: I would say that the biggest challenge in onboarding is communication. Specifically, around getting the *right* information to the right people (or team) at the right time. This communication includes visibility to the company or organization being onboarded, the key contact (and other interested parties), as well as all of the teams involved in fulfilling numerous tasks needed to complete the process.

Improving video learning: Right now, our top challenge is to deliver onboarding via a virtual connection and to make video feel as meaningful as an in-person experience.

Learning to teach by asking questions: The single most important onboarding challenge I’ve had to overcome is “knowing.” Knowing is the enemy of discovery. And when we think we “know,” we create blind spots. Asking questions rather than having all the answers is the beginning of discovery—and of a successful onboarding experience.

Asking the “why” question: I think what makes for a successful onboarding experience is understanding the problem the customer is trying to solve. Very often they tell Customer Success Managers what it is they want, but not *why* they want it. Depending on that “why,” what they want may not be the right path at all. It’s all about getting to the heart of the customer’s need and then strategizing from there.

Asking about customer pain issues: Gathering, understanding, and tracking the customer’s most pressing issues and learning why your onboarding process will address their pain.

More than a checkbox: If you’re training a group of people, how do you know that they’re all actually ready? I’ve seen clients who have completed their training and say they’re ready... but they really weren’t. People are all different in how they learn, so we need more than a check box or a nod saying they understand.

Know your customers: In my experience, the biggest onboarding challenge is getting to know your customers and end-users. It’s important to understand not only why the product or software was selected, but also what challenges it will help your customers solve. Also, what’s each user’s experience and comfort level with technology. Sure, it’s important to have a playbook, but each client will be different.

Attention span: I think the biggest problem is attention span. People make purchases with high hopes for themselves and their organizations, and then they never get around to dedicating the necessary internal resources to make good use of their purchase. Very frustrating.

The limits of automation: Over my career, the single biggest problem I've faced with onboarding is getting customers to actually complete the automated onboarding walk-throughs apps.

Onboarding metrics: I'd say a major challenge is how you measure and prove the effectiveness of your onboarding program. This ties to value conversations that we have with customers all the time.

Covid-19 competition: Competing priorities have diminished the customer's sense of urgency about training. We've offered asynchronous training sessions to remove this barrier; however, data shows that customers who have not received live training are less likely to adopt the product and stay engaged.

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