

# Increasing Return on Customer Success

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Practical guidelines for outsourcing to ensure that customer successes are properly articulated in a consistent voice.

Return on Reference<sup>SM</sup> Series White Paper #2

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## Introduction

I've heard that success stories are becoming passé. Sales calls them "marketing fluff." Reps are less than satisfied with their impact during a sale, up-sell or resell. They are leery of stories because they don't believe that buyers trust them; after all, how many CIOs eagerly sign on the dotted line after reading a few success stories? Some believe that prospects are cynical when they hear the words "success story," wondering how many problem implementations are behind each "success" shared in a story. As a result of this skepticism, management perceives investment in success stories as a black hole into which money disappears.

Yet a look at the data shows, and our enterprise consulting experience confirms, that success stories aren't going away anytime soon. Why? Because success stories are expected in the technology industry, and because companies have heavily invested in them.

**Companies and prospects want success stories—whether they are good or not.** The Phelon Group's Customer Reference Program Benchmarking Study indicated that success story writers and agencies comprise the largest dollar-value line item in reference program budgets; this was true in both 2004 and 2005. The study also showed that the number one reported measure of a reference program's success is the number of stories developed—programs are therefore wired to "crank them out." In our Customer Perspectives Study conducted late in 2004, we learned that 59 percent of reference customers are willing to participate in success story development. Even more enlightening, this same study revealed that success stories influenced the purchasing decisions of 46 percent of technology buyers.

So what's the problem? With data indicating that a little more than half of technology buyers expect success stories—whether they're good or not—as part of the buying and selling process, why isn't there more support? Well, 50 percent of anything means that there is another 50 percent on the other side.

How can those charged with success story development increase that percentage? How do we convince the other half—not to mention sales and those holding the purse strings—that the success stories we produce are valuable? How do we fix what's broken? How do we increase our return on customer success?

**Writers and story vendors are only a small part of the challenge.** Story consumers expect success stories to *accomplish* something. Sales expects stories to motivate buyers and overcome objections. PR expects them to demonstrate company momentum and leadership. Other success story consumers, including most prospects and industry analysts, expect stories to deliver the gritty detail on how it was done and how your company uniquely delivers on its promises.

Faced with complaints about success stories, those charged with their production often hire and fire writers and firms hoping to find better ones that meet various user expectations. And while the

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right writer or vendor is indeed part of the solution, the right writer/vendor is not the end of the story.

### **The Solution (or at least part of it): The Success Story**

**Development Process.** The Phelon Group has uncovered the second part of the challenge in the “success story” story: *the process* of success story development itself. Because the process tends to vary between in-house and outsourced production, and because we see more and more program managers moving toward outsourcing as they seek to devote scarce human resources to more strategic activities, we recognize that guidelines for outsourcing success story development are needed, particularly in the area of evaluating and managing vendors.

Practical guidelines for outsourcing this function ensure that customer successes are properly articulated in a consistent voice. Guidelines help you choose the right vendors and to inform, educate and leverage them for greater efficiencies. Guidelines lead to more stories with consistent messaging at a lower cost and allow you to maximize your program’s financial resources and team productivity. Most importantly, guidelines—in action—empower you to deliver consistent program results and quiet grumbling stakeholders.

In this white paper, I present a series of guidelines for those who outsource, or are considering outsourcing, the success-story-writing function. I begin by sharing a few field- and research-gleaned outsourcing basics, continue by presenting proven and practical vendor evaluation criteria, and conclude by illustrating how you can effectively manage vendor relationships by looking through the eyes of your company’s customers.

### **This paper includes the following sections:**

- The Basics for Outsourcing Customer Success Stories
- Criteria for Evaluating Success Story Vendors
- The Return: How to Get More from Customer Success
- The Next Step: Take a Step Back

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