Coffee is for Closers!
Fundamentals of Customer Expansion

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Chime in on the chat if...

You identify as a salesperson

YOU ACCEPTED MY LINKEDIN REQUEST

DID WE JUST BECOME BEST FRIENDS?!?

You've heard of this debate:

"Who should own expansion?"

You want (and need) to refine your sales skills

#opentowork

You've felt uncomfortable selling

A Bit About Me

3x Customer Success Leader & Consultant

- Qualia > Reggora > Tradewing
- Success Scaled Consulting

Specializations:

- Building CS from scratch
- CS expansion

Why are you here?

Our goal today: For you to leave this session with an actionable playbook you can implement to improve expansion

And as a result, demonstrate major wins within your company.
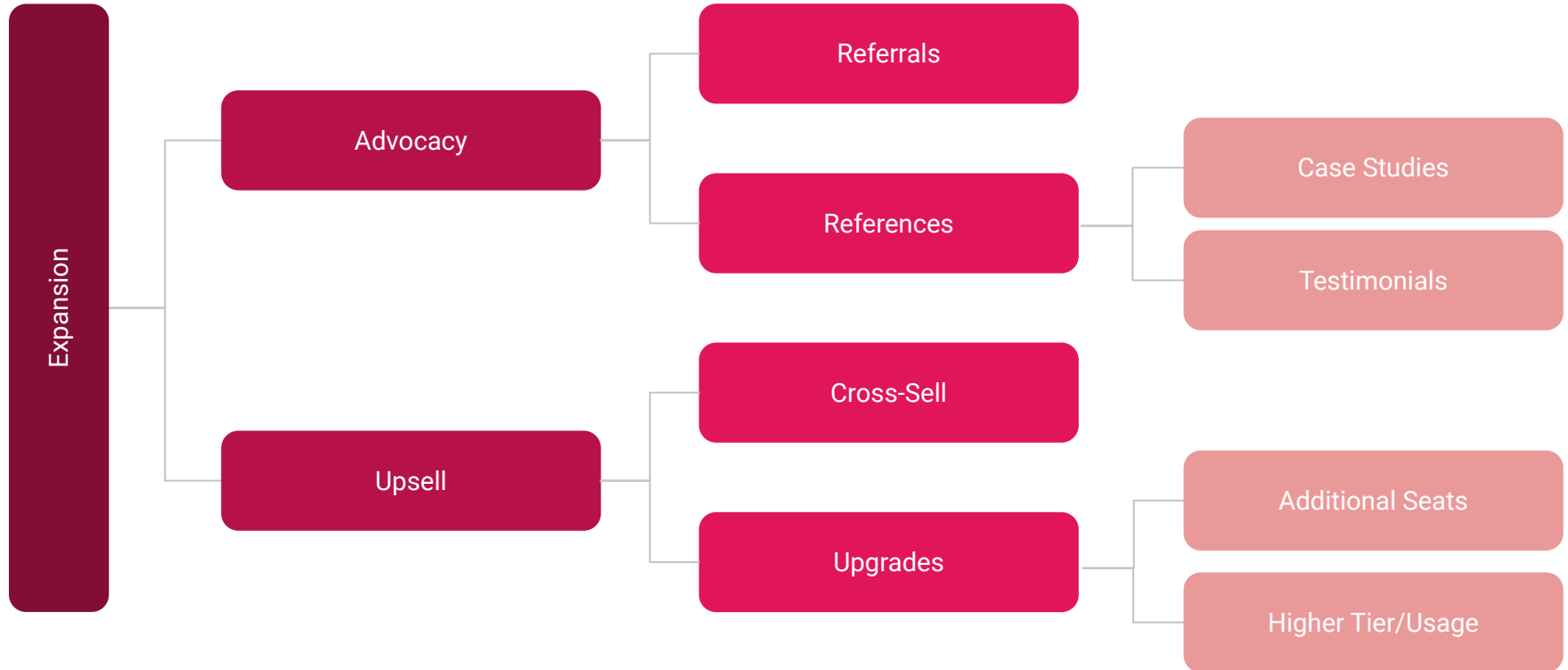
What even is expansion?

The increase in revenue attributable to existing customers

Note:

Most of us focus almost entirely on the top left of this diagram.
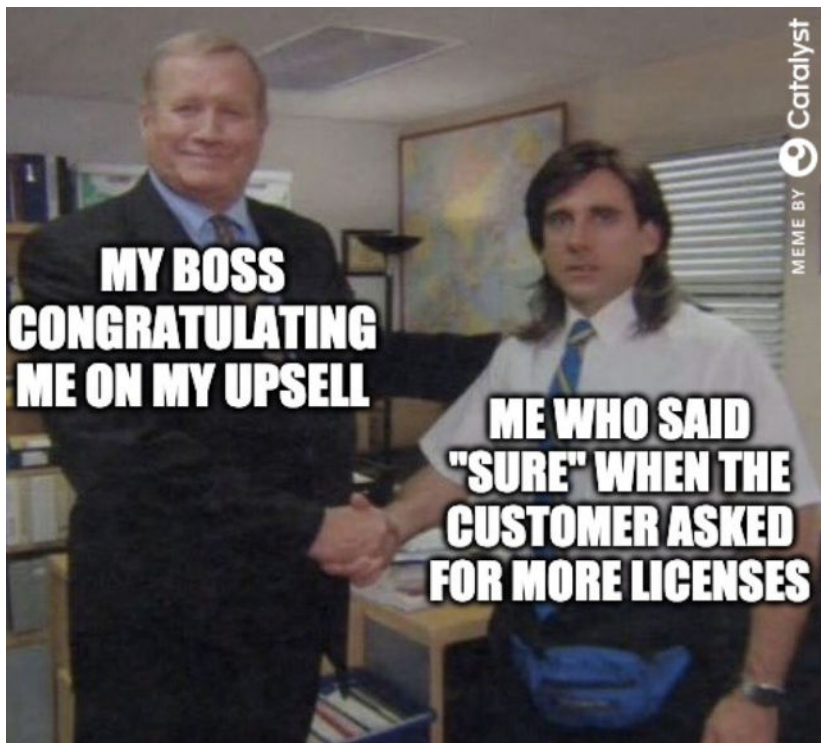
What is expansion?

Why is Expansion Important in Today's SaaS?

Beyond simply making more money...

1. Customers who buy more stick around longer
2. Expansion allows you to churn more customers, especially non-ICP customers
3. Expansion puts money in your pocket
4. Expansion helps justify hiring a large, well-staffed team (and maintaining your team)

Why is Expansion Hard?

1. You selling to a limited TAM
2. You running the risk of burning customer relationships
3. You're running the risk of burning out your team and/or missing quota
   - On CS, we often lack the bandwidth to sell
4. And we often lack the skills and practice

Phase 1: Making the Case

Day 0

How do I make the case?

Know your Numbers - CS Pitching to Leadership

- **The wrong way I did it**
- **Can you speak fluently about these terms?**
  - Sales efficiency
  - Burn ratio
  - Conversion rates & win rate
  - YoY and MoM growth
  - Payback Period
  - CAC
  - LTV:CAC ratio
    - Ideally 3-5
- **Do you know your workflows?**
  - Tracking dials
  - Cadences
- **Have you led by example?**
  - Wins company trust
  - Develops reasonable expectations
- **Do you have internal blockers?**
  - CS and Sales leaders should discuss before looping in the C-Level

How do I make the case?

Know your Numbers - Market Sizing & Forecasting

- How many total accounts do we have?
- What percentage are qualified?
- How will that number change over time?
  - Demoed accounts drop off
  - New accounts come in
  - Demoed accounts come back
- How do we segment the market?
  - Current revenue
  - Growth potential
  - Risk potential
  - Geography
  - Line of business

What's the right ownership model?
What are Pros and Cons of Sales Ownership?

	Pros	Cons
"Sales should own expansion!"	- Sales knows how to carry a quota - Sales knows how to manage a pipeline - Sales knows how to use automation tools - Sales knows how to pitch effectively - Sales can focus on selling uninterrupted. This means cold calling and fast response time	- Sales timing is off - Sales lacks context - Sales burns bridges with customers - Sales oversells - Net new sales logos drop off - Customers can leverage upsells against competing CS initiatives - CSMs "playing second fiddle" → CSM churn

What's the right ownership model?
What are Pros and Cons of CS Ownership?

	Pros	Cons
"CS should own expansion!"	"Just right" timing - Ample context - Wins customer trust - Cleaner experience for the customer - Reduction in operating costs	"Finding a unicorn" - CSMs lack interest, skill, or time - And you can't just fire an underperforming CSM on upsell - Risks burning customer's "trusted advisor" relationship - Risks AE frustration, especially at the commercial level

Hybrid Models?

	Pros	Cons
CSM owns low rev expansion; Sales owns high rev expansion	● Optimizes for quick CSM action	● Operationally complex ● Comp becomes complex ● Messier for customers
CSM owns low complexity deals; Sales owns high complexity deals	● Allows specialization	● Messier for customers
CSM owns demo setting; Sales owns closing	● Supposedly preserves AE time for the most commercial portion of the deal	● Clunky workflow ● Demos don't get set at a fast clip ● Highly adversarial

Hybrid Models

	Pros	Cons
Commercial CSM owns expansion	- Gains context on customer operation - Develops rapport with CSMs - Clean customer experience - Reduces oversell	Might not be affordable at early stages

Phase 2: Preparation & Iteration

Day 30

How can you mentally prepare CS sellers?

- CSMs often hesitate to sell
- We rarely invest in CS sales training
- Remind CSMs:
  - Imposter syndrome is normal
  - The customer wants to be sold to
  - What's the worst that can happen?
  - Practice on every willing ear

How can you mentally prepare CS sellers?

- Select low-risk deals to start
  - Your CAB
  - Your low-ARR customers
  - Gatekeepers
  - Disqualified deals
- Develop qualification criteria
  - Know when to cut bait

How do CS sellers learn to get in the door?

Getting over the hump is half the battle

Some tips:

- Champion development
- Learn to ask "What is your internal approval process?"
- Ensure you're targeting "VITO"
  - "Very Important Top Officer" *-Anthony Parinello*
- Research research research:
  - If it exists in the public domain, you're expected to know it
- Example opener

You're Live!
What talk track works?

Talk Track:

- "I'm not on the sales team. I'm on the Customer Success team. My job here is to make sure you're successful with all aspects of the product.

  What that entails is making sure you've adopted all relevant product lines across all lines of business.

  Do you mind if I show you this new tool?"

- "I'm perfectly fine with not proceeding. If all I get is feedback, that's a win."
- "That said, I do think there's ROI here and I want to work together."

Advice for CS Sellers
The Pitch

- Not selling "the F words"
  - Don't "sell me this pen"
  - Spend most time on pain
- Use Socratic questioning
  - Maintain 50/50 talk time
- When you get the answer you want, **shut up!**

Objection Handling

When Things Don't Go to Plan

- Teach CSMs "Feel-Felt-Found"
- Know how to handle "I have to check with…"
- For the love of all that is holy, schedule a follow up always
- **Confirm back "The Checkboxes"**

The Close:
Some Dos and Don'ts

Tips	Not Ideal ❌	Example ✅
Assume the sale: Book your kickoff before signing the contract or collecting the card	"Ok, we'll schedule the kickoff once we get the contract signed"	"Great, let's go ahead and get the kickoff scheduled since I know you're busy"
Utilize forced choices	"When is a good time to follow up?"	"Is next Tuesday or Wednesday better for you?"
Have a contract ready to go	"Ok, I'll send a contract after this call"	"I can send the contract **right now** if that works"

Phase 3: Scale

Day 60

Selling During Onboarding

- A lot of people fear this
- Ask yourself: **What incentive do customers have to expand?**
- Strategies
  - Book a demo on your kickoff
  - Spiff your onboarders
  - Incorporate a rebate
- This led to customer success owning **two thirds** of net new revenue in my past
- "The Valvoline Model"

Introduce "Support Selling"

- Support often manages massive numbers of inbound customer interactions
- Spiff them
  - My top reps made $3k-$5k/month

Staffing & Hiring

- Can we hire an AE?
  - Gone are the days when you could hire without proof of sales efficiency
  - **Build a model to show your reps are at least cash neutral**

Staffing & Hiring

IF ONE MORE INTERVIEWER ASKS ME TO SELL THIS PEN...

- How do we hire?
  - Many CS leaders have never hired for sales
- Don't overcomplicate hiring:
  - Press for evidence of repeated quota attainment
  - Ask to be sold
  - Ask for two client references
  - **Do not look for perfect culture fit**
    - "Kitchen cabinet"

Build Out Rev Ops

- Only now do you refine your sales ops
- Top advice I received:
  - **"Ready Fire Aim"**
  - "Do what doesn't scale first"
- Research sales automation software
  - Outreach
  - Salesloft
- Research sales quality assurance software
  - Gong
  - Rewatch

Phase 4: Iterate

Day 90

Become a Data Master

- Know your conversion rates
- Know your top logos
- **Know your closed won and closed lost reasons over time**

Obsess Over the Customer Journey

- Act as a customer regularly
- Play the devil's advocate to add robustness to your objections/rebuttals docs

Pipeline Management

- Set up and maintain a weekly pipeline meetings
  - **This is not your 1:1**
- Especially in enterprise environments, maintain a "Commit-Likely-Best" framework per rep
- Keys: Include **blameless post-mortems**

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Resource Recommendations

- 30 Minutes to President's Club
- Selling to VITO
- Revenue Builders Podcast

Contact Me

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