



# Abstract

In recent decades, servicification has been a trend. Industries that previously traded in products now trade in services. One of the early examples of this change is found in software and Software-as-a-Service (SaaS), but the trend is that everything can be delivered as a service (XaaS). This transition from product to service has led to a change from individual transactions to customer relationships. Services such as subscriptions and the focus on relationship building have led to a new role in the organisation, the Customer Success Manager (CSM), which will ensure joint value creation for customers and the service provider.

The first line (and especially Customer Success) in organisations is sitting on large amounts of knowledge about the company's customers and users. To bring about innovation that solves the customers' problems, it is necessary that information about the customer is spread to the rest of the organisation and forms the basis for further development of the services provided. Even though this is often a stated goal in XaaS organisations, there's often a poor flow of knowledge between departments, and innovations are not solving actual customer problems.

XaaS requires an organisation that is both customer centric and data driven. The new CSM unit is responsible for proactively managing the customer experience and engagement towards maximum value co-creation in partnership with the customer. We are only beginning to understand the implications of XaaS on the established organisation, and there are not much data or research done on customer success management. But just adopting a new Customer Success unit might not set the new unit up for success. For the adoption to be successful, it requires changes in the established organisation. I am using theoretical frameworks on the XaaS business model, customer success management and change management to research what organisational dimensions promote and inhibit the CSM's role as change agent.

The aim of this research is to supply insights that can make it easier for organisations to introduce the new CSM unit into the existing organisation and gain maximum value from the CSM role. My findings are that XaaS is changing the way companies earn money; and you need a new business model that reflects this. The new business model has implications for the established structure, culture, and power structures in the organisation. Adopting the new CSM role without also changing the established business model and the organisation is an insult to your new employee. You end up with frustrated CSM's that are ignored by the rest of the organisation, and that cannot contribute with anything but incremental changes. The potential of the position is an agent of change, both within their own organisation and the customers organisation, that can be an asset in making sure the organisation is both customer centric and data driven.

# Thank you

To everyone that agreed to be interviewed by me: I am blown away by your generosity. You shared your time and experience, and I learned so much from every one of you.

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# 1 Introduction

“At its core, this big data revolution is about how humans create and preserve a historical record of their activities. Its consequences will transform how we look at ourselves. It will enable the creation of new scopes that make it possible for our society to more effectively probe its own nature. Big data is going to change the humanities, transform the social sciences, and renegotiate the relationship between the world of commerce and the ivory tower.” (Aiden, 2013)

Anything-as-a-service, Internet-of-things and big data. The world is changing. The amount of data and the amount of data our things are collecting are growing. By 2025, IDC says worldwide data will grow to 175 zettabytes, 49% of the worlds stored data will reside in public cloud environments and nearly 30% of the data will be consumed in real-time. This is also changing the way we do business. Our business models are adapting to data being more important than the product collecting the data. We are also changing the way we consume. We don't have to own the things we use. Instead of buying a product, we buy access to services. This means that the customer relationship, along with data, gets centre stage. With this switch there is a new role, Customer Success Manager, that has emerged to focus on the combination of data and customer relationship. I will research how this new business model and role impacts the organisation. Or to be more specific: My research question is **what organisational dimensions promote and inhibit the CSM's role as change agent?**

I have tried answering my research question by exploring what XaaS means for the organisation through theoretical frameworks on the XaaS business model, customer success management and change management. I was fortunate enough to be able to lean on Hilton et al. that did a literature review on customer success management in 2020. They only found seven academic articles on the topic of customer success management (Hilton et al., 2020). This was a great starting point for my research, but I had expected to be able to find more on the topic. With such a small amount of research being done, I decided early that I wanted to do some exploratory work to get a feel of what challenges or dilemmas I should follow up on. Which is also reflected in my research design and the use of the SDI. At first glance this approach might seem like a linear process, but it is quite common to jump between the various stages depending on the results on the different tests.

While the same has been true for the process of writing this thesis, it has not been a linear process. There were some interesting dilemmas that showed up in the interviews, combined with the theory, I will show how it can be used to understand my findings. I will conclude with some advice to leaders about to adopt CSM into an existing organisation, and a few suggestions on further research topics.

## 2 Theory

My research question is **what organisational dimensions promote or inhibit the customer success managers role as an agent of change?** I will start with having a closer look at how we understand the organisation, before narrowing it down to the XaaS business model, what customer success management is, before I finish with what we know about change in organisations.

### 2.1 The organisation

ˈmæʃɪn/

noun: machine; plural noun: machines

an apparatus using mechanical power and having several parts, each with a definite function and together performing a particular task" (Oxford Languages).

#### 2.1.1 Machine?

The organisation as a machine is an idea heavily influenced by military tradition but came to be mainstream through the changes brought on by the industrial revolution, and the idea of division of labour by the economist Adam Smith. This is the classical management theory where you design bureaucratic organisations based on the view that organisations are much like machines. It is rational systems that should be run as effective as possible to perform its task. Frederick Taylor is the most influential proponent of this management theory. He advocated five principles:

1. Shift all responsibility for the organisation of work from the worker to the manager; managers should do all the thinking relating to the planning and the design of work, leaving the workers with the task of implementation.
2. Use scientific methods to determine the most efficient way of doing work; design the worker's task accordingly, specifying the precise way in which the work is to be done.
3. Select the best person to perform the job thus designed.
4. Train the worker to do the work efficiently.
5. Monitor worker performance to ensure that appropriate work procedures are followed and that appropriate results are achieved." (Morgan, 1997: 30)

This has been a tremendous influence on modern work life, and it has increased the productivity of organisations. But the main critique is that this increase in productivity has come at a human cost. This view of the organisation does not consider the human side of the organisation, and they are paying the price. While Taylor's approach to management has been criticised, these principles of mechanisation are still an entrenched in our thinking of organisations. While this approach works well "*where machines work well*" (Morgan, 1997: 34), as in stable environments where a straightforward task is reproduced repeatedly to produce the exact same product. This will create an organisation that does not innovate or change. It does not adapt well to changing circumstances, it creates unquestioning bureaucracy, it often unintentionally leads to the interest of individuals in the organisation taking precedence over the organisation's goals, and it has a dehumanising effect on employees (Morgan, 1997: 35).

### 2.1.2 Or organism?

As a response to the mechanistic view of the organisation, several organisation theorists started viewing the organisation more like an organism. This meant that the organisation was seen as systems adapting to their environment, we talk about the health of the organisation, the organisation going through cycles and the various parts of the organisation are interconnected and responding to each other. Influenced by Abraham Maslow the needs of the employees became a force which led to more meaningful jobs with more autonomy. This duality between the view of the organisation as machine or organism shows up in all organisations, and both must be reckoned with when working with the organisation. There is no such thing as the one best way to organise. It all depends on the type of task, who is performing the task and in which environment. (Morgan, 1997).

Beyond these views on what an organisation is, I lean on several dimensions of the organisation in my exploration of the following theory:

- Structure: How the organisation organises the tasks that needs to be done, to be able to reach its desired outcome or goal, between the organisation's groups and members.
- Power and politics: The actions taken by an organisations member to influence others, mobilise relationships and to meet the persons goals.
- Culture: Implicit norms of behaviour, mindsets, and social patterns within an organisation (Groysberg et al., 2018).
- Change management: How to plan and execute change and development within an organisation.

## 2.2 Anything-as-a-Service

In recent decades, servicification has been a trend. Industries that previously traded in products now trade in services. The most established example of this change is found in Software-as-a-Service (SaaS), but the trend is that everything can be delivered as a service utility through the cloud, or Anything-as-a-Service (XaaS). The most common examples of XaaS are found in services and applications accessed over internet, like platform-as-a-service, infrastructure-as-a-service, and storage-as-a-service. With the added combination of Internet of Things (IoT), we are seeing more examples like Rolls-Royce Jet Engine program where they are selling turbojet engines as a service (Rolls-Royce, 2017), and the Whoop fitness-band delivering "personalized recovery, strain, and sleep metrics 24/7" (Whoop).

### 2.2.1 The XaaS business model

While Michael Lewis summed it up very simply with "all it really meant was how you planned to make money" (Ovans, 2015). I will use Joan Margetta's definition of the business model: *"Part one includes all the activities associated with making something: designing it, purchasing raw materials, manufacturing, and so on. Part two includes all the activities associated with selling something: finding and reaching customers, transacting a sale, distributing the product, or delivering the service"* (Ovans, 2015). The transition from products to services has led to a change of focus from individual transactions to customer relationships. That it is subscription based, with a focus on relationship building, is a substantial change in the business model for most companies. It has also introduced new roles into the organisation, Customer Success Manager being one of them. This change also has an impact on the organisation and its structure. Where

the organisation used to be all about the one big transaction, which meant having a big sales department, with an added customer support department following up on the customer after sale. With XaaS, the sale is just the beginning of the relationship, and the organisation must find new ways to communicate to make sure they support that relationship the best way possible. All in the name of maximising the customers value from the service over time.

The switch from the established ownership model with companies trading in products, to products-as-a-service, opens a whole spectrum of new revenue models: Freemium models give away the service for free, try-before-you-buy starts off as free and has pricing tiers based on use, pay-as-you-go and pay-per-use are both usage based, subscription models have periodically fixed fees. While we do not have a perfect recipe of how the transition into XaaS should look like, this is a tremendous change compared to the established business models used for selling products. When you add the data from products becoming smart and connected, you add another level of complexity. Sometimes this even mean that the product is no longer the most important part of the business model at all. It is becoming a means for collecting data, and this must be reflected in the new business model as well (Porter and Heppelmann, 2015).

Porter and Heppelmann are using the experiences from SaaS as an example of how the organisations need to change, to be able to go through the transition from selling products, to selling them as a service. They have found five main themes:

- Shorter development cycles
- Product as a service business model
- Focus on customer success
- Products part of a broader system
- Analytics as a part of a competitive advantage (Porter and Heppelmann, 2015)

### 2.2.2 The data driven organisation

Where the product and the development team used to be the ones having the centre stage, it is as important to have data on how the product is used, customer preferences, and what friction the user experiences. With more products being connected, while it is the relationship that takes the centre stage, it is the data that is becoming the main tool in delivering value. The new challenge is how can the new organisation use the data to maximise value for all parts of the relationship?

### 2.2.3 An agile organisation

Porter and Heppelmann mentioned shorter development cycles as one of the main lessons from the software industry when moving into XaaS. Moving away from the waterfall model with its linear sequential phases and big periodic product releases, going agile means *"companies can get new products to market more quickly and respond faster to customer needs"* (Porter and Heppelmann, 2015).

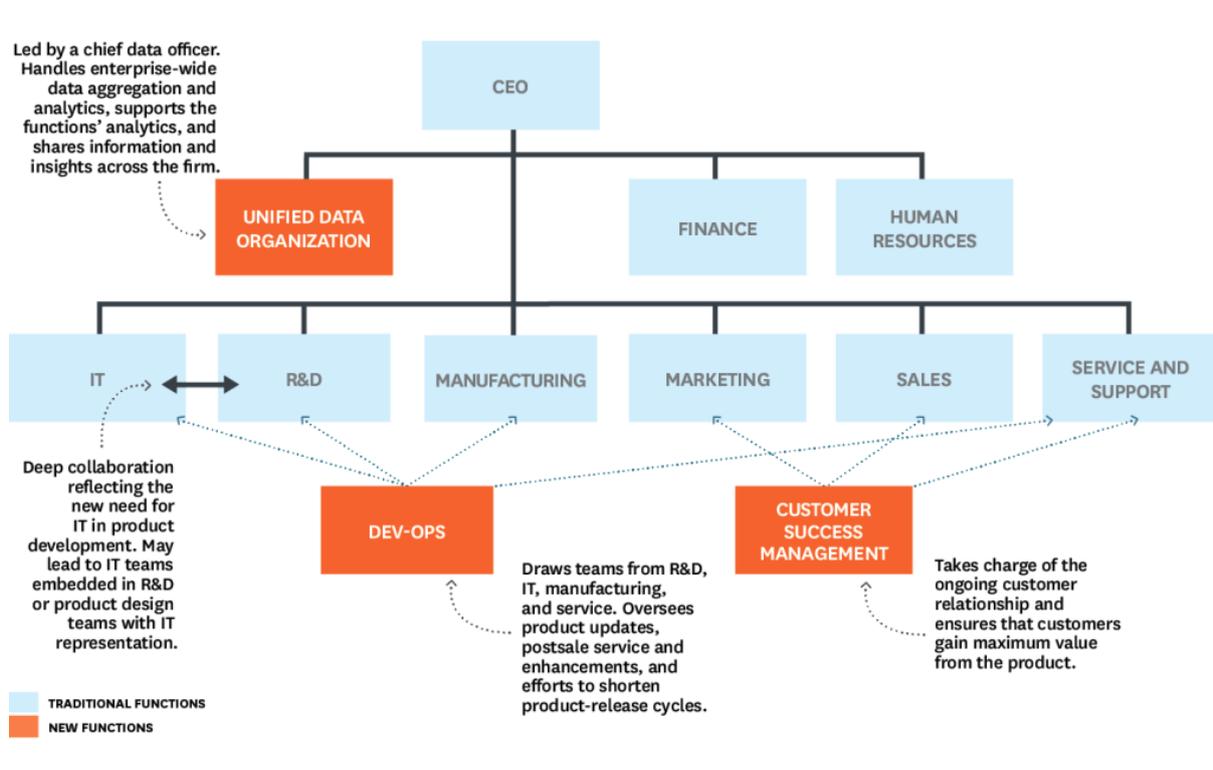
### 2.2.4 The customer centric organisation

With the shift from product to the relationship and value creation, we also have a shift in viewing the product as

"a means of delivering that value, rather than the end itself. And because a manufacturer remains connected to customers via the product, it has a new basis for direct and ongoing dialogue with them. Companies are beginning to see the product as a window into the

needs and satisfaction of customers, rather than relying on customers to learn about product needs and performance” (Porter and Heppelmann, 2015).

Porter and Heppelmann named customer success management as one of the biggest changes in the XaaS business model, and when selling is only the beginning of the relationship, the customer relationship itself is becoming a lot more important.



**Figure 1 The new organisational structure (Porter and Heppelmann, 2015)**

## 2.3 Customer Success Management

Customer Success Manager is a new role. Fewer than 5.000 held the customer success manager job title in 2015, over 30.000 in 2018 (Gainsight, 2019). 72% of CSM professionals currently in the role are in the Software & IT industry (Hilton et al., 2020). Despite the explosive growth, it has taken some time to establish exactly what the new role is about. The Customer Success Association defines Customer Success Management as “a long-term, scientifically engineered, and professionally directed business strategy for maximizing customer and company sustainable proven profitability” (The Customer Success Association). Gainsight defines it as

“the business methodology of ensuring customers achieve their desired outcomes while using your product or service. Customer Success is relationship-focused client management, that aligns client and vendor goals for mutually beneficial outcomes. Effective Customer Success strategy typically results in decreased customer churn and increased upsell opportunities” (Mehta).

Hilton et al. define customer success management as “proactively prioritizing customers’ experience and engagement toward maximum value-in-use” (Hilton et al., 2020: 38).

### 2.3.1 Old role in new wrapping?

But is customer success management really something new, or is it just old roles in a new wrapping or nametag? Does the customer success manager really do anything

different than a key account manager or a support manager? Hilton et. al. investigates this question, and while they found that *"initial articulations of CSM provide examples where CSM ranges from small iterations to a radical reimagination of customer management practices"* (Hilton et al., 2020). They discovered that CSM do follow established practises in customer relationship management (CRM), Customer engagement and customer experience. But the main difference is that customer success management have a proactive approach in prioritising customers experience and engagement towards maximum value. They also point out that *"Customer Success Management draws upon goal management, stakeholder management, and learning management research streams"* (Hilton et al., 2020).



**Figure 2 Research streams relevant to customer success management (Hilton et al., 2020)**

Porter and Heppelmann conclude with

“the customer success management unit does not necessarily replace sales or service units but assumes primary responsibility for customer relationships after the sale. This unit performs roles that traditional sales and service organizations are not equipped for and don't have incentives to adopt: monitoring product use and performance data to gauge the value customers capture and identifying ways to increase it. This new unit does not operate as a self-contained silo but collaborates on an ongoing basis with marketing, sales, and service” (Porter and Heppelmann, 2015).

## 2.4 Change management

Kurt Lewin's three steps of change is perhaps the classic approach to managing change. It is based on the idea that organisations are stable entities, that needs destabilisation to unfreeze, go through the planned change, before returning to the frozen stage (Lewin, 1947). But these days, change doesn't happen in an orderly fashion, one at a time. It's more like multiple changes happening in a continuous stream. The substantial changes are not something out of the ordinary. It is the new norm (Kotter, 2012). How can businesses survive this new reality?

### 2.4.1 Capacity for change

Meyer and Stensaker suggests that to cope with this, companies need to acquire a capacity for change. A company with capacity for change will go through change with less loss of productivity and effectivity than a company without it. The ability to change and at the same time focusing on continued operation is dependent on 1. The way managers mobilise the organisation for change and managing the change itself. 2. The employees' reaction to change, and 3. Established structures and routines in the organisation (Meyer and Stensaker, 2011).

There are three main categories of tools a manager can use to develop capacity for change: 1. Make existing resources available. 2. Add resources. 3. Develop resources for change. Stensaker and Haueng says that to ensure that the organisation manages to go through with the planned changes, managers have to see parallel changes as a whole and plan each process from that point of view. According to them it is about setting up good structures and processes that contributes to realisation, and mobilising and motivating the people responsible for acting out the change (Stensaker and Haueng, 2016).

They point to six common pitfalls:

1. The trust in top management is challenged.
2. Unclear managing structures with unclear responsibility and a lack of understanding for roles.
3. Middle management doesn't have sufficient space to use their power and authority.
4. Employees lack enthusiasm.
5. Getting value is turned into an exercise in number crushing and/or politics.
6. Rumours becomes the most important source of information for employees (Stensaker and Haueng, 2016).

### 2.4.2 Who is driving change?

With the legacy of the mechanistic classical management theories, we looked at earlier, it is a quite common idea, especially among managers, that change must come from the top of the organisation. The way it should happen is by the executive team producing a strategy, which are implemented throughout the rest of the organisation by translating the strategy into KPI's and operational targets and then rolling it down the hierarchy. To make sure these goals are met, management do follow ups by measuring the status and rewarding the completion of set goals. Still, *"two-thirds to three-quarters of large organisations struggle to implement their strategies"* (Sull et al., 2015).

### 2.4.3 Culture eats strategy for breakfast

Sull et al. says managers usually point to a lack of compliance and a weak performance culture to explain why organisations do not implement their strategies. But Sull et al. show that this type of process used for strategy implementation diminishes collaboration between units and instead promotes the creation of silos and silo-oriented leaders. This type of change implementation will also diminish the organisations' ability to innovate and inspire commitment from middle managers (Sull et al., 2015). The mechanistic organisation described earlier will by itself resist change, but also the culture of a company *"becomes a self-reinforcing social pattern that grows increasingly resistant to change and outside influence"* (Groysberg et al., 2018). This means that the type of culture will contribute to the organisations reaction to change. Groysberg et al. found

that the cultures that *"favor stability tend to follow rules, use control structures such as seniority-based staffing, reinforce hierarchy, and strive for efficiency. Those that favor flexibility tend to prioritize innovation, openness, diversity, and a longer-term orientation"* (Groysberg et al., 2018).

#### 2.4.4 Understanding the change.

Rydland points to the fact there is a clash between different views of what the organisation is, and that this clash is being clear in how change is being implemented. With a rational functionalist perspective, there is one objective reality, and the organisation is an adjustable tool consisting of interconnected parts. Change is seen instrumental and if it starts in one part, it will pass on through the rest of the organisation because of its interconnectedness. A contrasting view on this perspective is the social constructivist perspective. In line with this, organisations are natural and loosely connected systems, where change is more dynamic since the organisations members will interpret the changes in diverse ways. This also means that the result of the implementation of change also might stray from the ambitions of the implementation. It follows that it is not just top management or consultants that acts as agents of change, also different other members of the organisation take on this role according to the social constructivist perspective (Rydland, 2020).

#### 2.4.5 What is an agent of change?

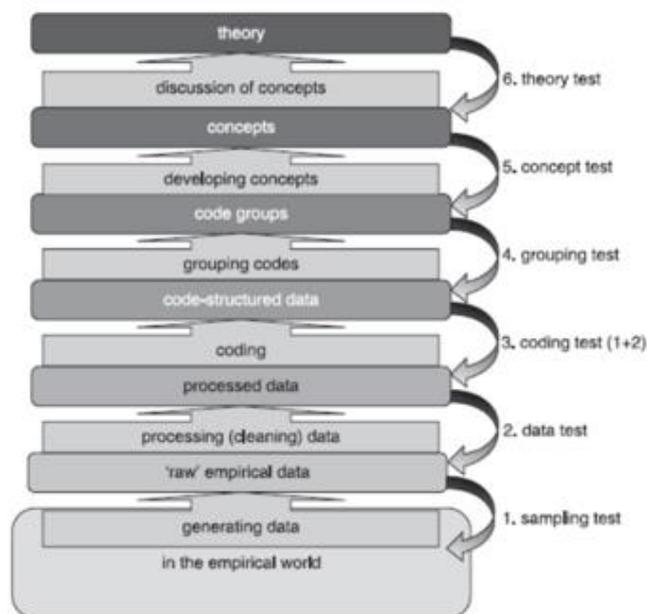
Rydland points out that top managers must recognize the importance of change agents at various levels in the organisation. These agents of change are shaping opinions, culture and identity through conversations and reflexions on the change process. For middle managers, one of their main contributions in these change processes, is giving meaning to the change for their employees and horizontally between different units in the organization (Rydland, 2020).

# 3 Methodology

I will here describe how I carried out my research, what choices I made, why, and what limitation those choices have had on the project. The research design sets the premises for the empirics and theory should be used, and how it should be linked. Therefore, the design should be chosen based on the research objects. I have chosen the research question **what organisational dimensions promote and inhibit CSM's role as change agent?**

## 3.1 The stepwise-deductive inductive approach

Because of the limited amount of existing research on customer success management, I have chosen an exploratory and empirically driven research design based on the stepwise-deductive inductive approach. One of the reasons for this choice was that I wanted to be able to generalise from my findings, which is of course the goal of most research, but if this is a necessity in qualitative research is still being discussed (Tjora, 2019: 149). Aksel Tjora describes three forms of generalisation in qualitative research: Naturalistic generalisation, moderate generalisation, and conceptual generalisation. "The SDI approach is directed towards the latter form of generalisation, where the goal of qualitative research is conceptual development, representing generalisation, and where this development can be performed and tested through stages" (Tjora, 2019:149).



**Figure 3 The stepwise-deductive inductive approach (Tjora, 2019)**

SDI consists of six main steps, going from raw data to theories, as seen in the model above: Generation of empirical data, processing of raw data, coding with empirical codes, grouping of codes, development of concepts and theory development.

"Conceptual generalization is the objective of the stepwise-deductive inductive approach (SDI), as we struggle towards findings in the form of concepts, such as typologies, models,

terms or metaphors that are not specifically linked solely to a study’s empirical data or underlying case. In order to ensure relevance beyond data analysed, previous research and theories that support a greater validity and generalization are used. This is done in the concept development phase of the SDI model” (Tjora, 2019: 154).

### 3.1.1 The interviews

Before making the interview guide, I did a round of exploratory interviews to explore customer success management, how the role as customer success manager was understood and if there were any shared challenges being mentioned. For these exploratory interviews, I used LinkedIn groups on Customer Success Management, looking for people that was visible within these groups, mentioned CSM in their profile, and had roles within customer success management. I then sent them a message where I described the project and asked if they would like to have a conversation with me. I also got a snowball effect from asking for recommendations on other people I should talk to, which I followed up as well. For this stage I did six interviews that was quite open but loosely based on this question-set:

- What is customer success management?
- What does the change and innovation process look like?
- Who is involved?
- How is the role received in the rest of the organisation?
- What are the shared challenges within customer success management?

**Table 1 Participants in the exploratory interview**

N.N.	Role	Company size (employees)	Industry
N.N.01	Executive Director	2-10	Research
N.N.02	Principal	1	Management Consulting
N.N.03	Head of Customer Success	11-50	Computer Software
N.N.04	CFO	11-50	Computer Software
N.N.05	Enterprise Customer Success Manager	11-50	Computer Software
N.N.06	VP of Customer Success	501-1.000	Information Technology and Services

It is the customer relationship and the cocreated value that was the main theme in the conversations. But most had different tools for accomplishing this, and different views on how to measure success. Of shared challenges though, it seems like they often were linked to the relationship between the customer success part of the organisation and the other departments. Culture, processes, and a change in business model was mentioned by several. Based on these findings I made an interview guide that focused more on the business model, CSM within the organisation, and how CSM was involved in innovation.

#### 3.1.1.1 The interview guide:

- How do you define XaaS?
- What are the opportunities and challenges of XaaS?
- Where do you think XaaS is heading?
- How do you define Customer Success Management?
- What are the advantages of CSM?
- What are the disadvantages?

- What are the main challenges of CSM these days?
- Describe CSM in your organisation.
- Do you have any processes in place to enhance the communication with customers or internally?
- How do you do product innovation?
- Have you've heard the Henry Ford quote "If I had asked people what they wanted, they would have said faster horses"? How does your organisation translate a request for 'faster horses' into 'cars'?
- Do you have any processes in place for facilitating this process?

Because of my added questions on business model, the role of CSM within the organisation and innovation processes, I decided to limit my selection to CSM-leaders.

**Table 2 Interview participants**

N.N.	Role	Size (employees)	Industry
N.N. 1	CEO	11-50	Information technology and services
N.N. 2	Head of Customer Success	51-200	Internet
N.N. 3	Program Director	5.001-10.000	Information technology and services
N.N. 4	Senior Director of Customer Success	51-200	Computer and Network security
N.N. 5	VP Strategy and marketing	201-500	Information technology and services
N.N. 6	Director of Client Success	51-200	Computer Software
N.N. 7	Chief Customer Officer	501-1.000	Computer Software
N.N. 8	Global Head of Customer Success	501-1.000	Computer Software
N.N. 9	Senior Director, Client Success	11-50	Computer Software
N.N. 10	Global Head of Customer Success	51-200	Information Services
N.N. 11	Director of Client Success	1.001-5.000	Computer Software

The interviews were conducted online. I recorded the meeting, and then transcribed the interviews. While transcribing, I chose to divide the text into natural sentences, but I have kept semantic errors and interrupted sentences, so it has kept its spoken style. I also chose to anonymise the data from the interviews in the thesis, so it will not be possible to trace the information back to the participants. All interviews lasted about one hour each, and after coding them in ATLAS.ti, I ended up with 231 lines of codes.

### 3.1.2 Coding and code groups

When coding, I encoded the entire text, and I kept as much as possible of the participants own wording. I also tested the codes by applying the coding test by asking two questions: 1. Could the code be produced before the coding process? 2. What does the code itself tell us?

**Table 3 Example of coding**

Transcribed text	Code
"The customer success team has to deliver whatever success means to the	"The customer success team has to deliver success to the end customer. And

end customer. And that is, you know, it is not something that you can easily define yourself as a starting point, you can put some parameters around, and you can put some, some structures, as you know, it is a banking customer. So, we know they are gonna want these five things, but they may want another five things, which are also also valid, but different from what our customers want. And you have to be flexible enough to accommodate that as well."	you cannot define yourself what success is. You have to ask each customer."
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I sorted these codes into eight groups based on repeating themes that are relevant for answering my research question. The codes that was not relevant for this, was left out.

**Table 4 Code groups**

Code group	Codes
Change in the organisation	34
The organisations culture	40
The role of data	39
Innovation	37
Processes in the organisation	77
The importance of the customer relationship	32
What is a customer success manager?	79
The XaaS-business model	77

### 3.1.3 Developing concepts

When developing the concepts, I am combining the collected data with the theory presented in the theory chapter. The last step of SDI is to develop theories, but because of the scope of this thesis, I will stop at the discussion of the concepts. I found the step going from code groups to developing concepts to be quite challenging. I have looked for patterns in the code groups and have connected that to the relevant theory. The final four concepts have captured the core features of the code groups and are as well communicating with established theories and will be discussed in the next chapter (Tjora, 2019).

### 3.1.4 Reliability, validity, and generalisability

Reliability, validity, and generalisability are all concepts used to evaluate the quality of the research. Reliability is used to evaluate if the results can be reproduced. SDI *"lays the foundation for such reliability with explicit data generation requirements, criteria and tests for how the analysis is developed from empirical data, and how theories are made relevant at a more adductive stage later in the analytical process"* (Tjora, 2019: 144). Validity is used to evaluate if we are answering the chosen question. *"Validity involves a logical consistency between the project's design and its findings, and the questions to which answers are being sought. Generalisability is linked to the relevance of the research beyond the examined items"* (Tjora, 2019:144).

#### 3.1.4.1 Weaknesses of the project

There are some weaknesses following some of the choices I have made in this project. For example, the selection of people I have spoken to will have an impact on the results,

and the fact that some of the recruited participants came from recommendations, might have meant that they got some information on the questions up front. I tried to avoid influencing the participants during the interview, and while it is impossible to completely avoid it, I tried to stay aware of it during the interview situation. The same is true for the analysis of the collected data. By using the SDI approach, I have aimed to stay close to the empirics, but there is of course a certain degree of interpretation, which of course impacts the reliability and validity of the project. It is impossible to go through with a project like this without any methodological weaknesses, but I have tried to be aware of mine, and to navigate them through the combination of collected empirics, analysis, and theory to be able to present findings relevant beyond my dataset.

## 4 Findings

When sorting all my codes, I ended up with eight groups based on the repeating themes that are relevant for answering my research question of what organisational dimensions promote and inhibit the CSM's role as change agent? The eight code groups were:

- Change in the organisation
- The organisations culture
- The role of data
- Innovation
- Processes in the organisation
- The importance of the customer relationship
- What is a customer success manager?
- The XaaS-business model

From these I identified four organisational dimensions that is most relevant for the CSM as change agent:

- Structure
- Politics
- Culture
- Change

### 4.1 Structure

What I found was that everyone thought that we have only scratched the surface of XaaS. This is a change that will continue, and if it is still unclear what the impact is on the organisation, it will continue to evolve. Several mentioned that XaaS has democratised technology and innovation, by making it more available for everyone. Everyone can use AI, machine learning, or any innovative technology. Which means that when the barriers are a lot lower for not only using technology, it is also a boost for entrepreneurship, and the competition is growing as well. While there are different revenue models for XaaS, all the participants only mentioned the subscription model. *"People subscribe to it. So people, their business model is such that people pay as they go. And once they stopped paying, then they basically, they don't own it anymore."* Everyone also agreed that XaaS means another important shift as well. The organisation must be much more customer centric.

*"The power is all with the customer. The decision making is all with the customer. We're just offering this simplicity, the lowest friction available in order for them to obtain their outcomes and derive value from whatever it is that they are giving us \$1 for. And so it would seem to me that the closer if you want to be able to be nimble, to adjust to, and react, and to build forward. Then you really need to know what it is your customer wants and expects, and it is going to be profitable, for it is always serving the customer."*

Another change most of the participants brought up was that with XaaS, data becomes a lot more important, and the whole organisation must change to become data driven. *"When you move to subscription based stuff, you actually have to get, develop a very different skill set, which is how do you use data to run the business?"* One of the reasons for this that several mention was scalability. *"When anything is a service, and when*

*you're going in any direction, and we can't just keep throwing on people to have a one on one connection, right. To be able to go through that. So I think it's really being able to take advantage of the data to be able to scale.*" But several also mentioned that this also helps bringing the rest of the organisation on board with the customer centricity and what it meant in terms of necessary upcoming changes

"Customer success has a perception of being quite touchy feely, you know, we relationship builders, we're farmers, we're lovely. But it's data driven, you know, here's the data. And one of the things that I like to do to my bosses when they weren't listen is here's some data, this is how much time we spend doing this. This is how much money it costs us, this is how much money it loses us. [...] and when you when you have that kind of data driven approach, it makes it a lot easier to prove the point [...] I think that's what a lot of businesses will start to really see the power in. Because customer feedback verbatim is lovely. But it's not very powerful unless you have lots and lots of it."

The subscription model also means that the moment of sale is no longer the end of a process, it is just the beginning. Which is reflected in the organisation as well.

"The sales teams were very large, and everything else was called support. And there was some professional services that you had to pay for. Right? I think that has changed, because now selling is an interesting moment. But it means actually nothing, because they can go back after three months and stop using your service. [...] So that has really brought into, other disciplines like customer success, a real kind of much more tangible focus on retention, etc. So I think that transition has been very, very hard for many of the existing companies"

Some said that this meant their business strategy had to align with the customer success strategy, others described it as a customer success mindset where the whole company had to be responsible for customer success, others mentioned that every role in the company must be measured on customer success. It all boils down to the relationship with the customer and making sure that it turns into repeatable business. *"It's to make sure you have customers who are repeatable, even if you don't have a promised length of engagement."* Having this close relationship with the customer also meant that the company could optimise for what customers are going to use, as opposed to what you think they will use. Several mentioned that this meant they had to struggle with elevated expectations from customers.

"People are so used to, in their private lives of using easy to use software that they just don't tolerate, clunky, difficult B2B, you know, big systems in their professional lives. So then, of course, when you get that pressure from inside from employees that I don't want to use this, like difficult systems in the work either, then that's change obviously."

While everyone agreed that XaaS means that the company needs to be customer centric, and that the customer success manager are the bridge between the customer and the rest of the company. It seems like there is a struggle to utilize the role well in companies that does not also change the organisation in other ways than just to adopt a new role.

"I still don't really understand why more companies aren't listening to what their customer success team is saying. And I think it's it just a culture change that will have to happen over time. And because it is a big change, you know, certainly for big software companies that have decided that customer success is trendy, and we need to listen to our customers. So let's hire some Customer Success managers, and then ignore them. It makes no sense. And I'm just like, this is silly. So I think it's a cultural change that will happen over time as people recognise that subscription is coming."

Several described several types of resistance toward this change: *"A lot of the leaders have trouble moving from, like a world where they were sort of like the quote, unquote, like, owners of like specific lines of businesses, to this extremely transparent cross organisational work that needs to happen."*

"The risk is that it's not an easy transition to make, you know, the whole operational setup has to be different. [...] you know, there's always a hierarchy within software organisations. It tends to be that in the hierarchy of geeks, at least the software developers live at the top of the tree. They're the guys who have the deep knowledge, they understand exactly what's going on, and how it all hangs together. And they, you know, do what they think is right, and the rest of the business has to live with it. And that, you know, they're very genuinely brilliant experts. But actually, in the software as a service world, that is not the only valid point of view, you have to be much more alert on what your customers are asking for, you have to be much more clever operationalising things"

Several mentioned that even if the change in the organisation was painful, most did not see that they had an option not to change. *"We get a modern company, we have a competitive edge, expand our customer footprint with more customers, more users, and frankly, safeguard our business because the cloud, the cloud is coming, people are moving that way."*

## 4.2 Politics

The participants that had experienced changes in the business model shared that some of the biggest problems that they faced was how to work across silos.

"If you want to get into a subscription business, and your entire org structure and your operation is silos, you need to break that first before you change your product lines. Because if you don't change that, you can't change the product lines, and it's not gonna work. So I do think silos is a really a really, really big challenge. And, but it is a combination of legacy data, then the data needs to be combined. And all of this work needs to happen. But if every business leader is optimised for their own short term outcomes, right, which is how they get their bonuses, how to make the company good look good in the short term, then you're the data that is going to connect marketing, to support and to success to feed the insights of the product is never going to happen. Because it takes a lot of time to actually build those bridges, you know."

Some pointed out that it all came down to communication

"what siloed companies often lack is a reason for people to share information or reason for people to interact, or in the largest organisations, it's people holding on to power [...] And so I think creating a culture of collaboration, creating a culture where both socially people are interacting, but also that people are interacting as part of their jobs, you start to create that internal network, that a really successful company needs."

While others pointed to leadership

"Silos is a leadership problem, and not a team or a process or data problem. If the leaders are like, all optimising for their organisations, you can put all the data, all the reports, everything else, and it's continually going to be siloed. But if the leaders are making sure like they are, firstly accountable for connecting and making things work together, it will be different."

But everyone agreed that with the customer success team being closest to the customer, it is crucial that they collaborate closely with the rest of the organisation, but especially the product team.

"The product team predated the customer success team. Probably going back to the start of the organisation. Probably particularly at larger organisations, customer success is probably a much more recent addition on as you said it sometimes there is some murkiness around it kind of what exactly do these people do? Why are they here? You know? [...] So I think a lot of it comes down from, comes down to not understanding the benefit of the customer success team. But then also internally, I don't think that there's a structure in place to clearly communicate between these two teams and expectations."

The risk with not having great collaboration between the customer success team, the knowledge of the customer gets stuck with within the CSM team, but with the growing

amounts of data on the customer, it will be hard getting an overview without the collaboration. *"How do you convince somebody continuously to use the product and make the product of value that is like a very different set of mode of operations, much more operational rigorous required, much more data is required, much more connection is required internally in the company."*

"I think one of the biggest challenges, and it's the centralization, right of that, you know, when I think about, again, whether I think about personally or professionally, I think there's this element of decentralisation where I'm going kind of here for this service or here for that service, or the the data or the management of that is sort of all over the place. Right. So I think that that that's one of the biggest challenges, then is then how are how is the consumer or how is the business then centrally managing all those different interactions."

Several meant that power struggles and politics was often barriers for getting to the right level of cooperation and data sharing. They also thought it necessary to prevent this not only by relying on people to communicate more, but also establishing processes and adopting tools that support this sharing.

"I think that has to be processed, driven. It is helpful if it's tool driven or automated. And, you know, in the early days, we used Salesforce, and we would just automate all kinds of workflows. So that, you know, if if someone was was on the phone with a customer and felt that there was new risk in the account, they could go to that account page, click a button, and everyone on that account team would be aware, hey, this person down this, they could type in things or sometimes the instruction would just be, you need to have a meeting within, you know, within the next week, to talk about this and determine what you know, what the action plan should be. I think automating the process so that client management is not just dependent on conversations at the watercooler or over over the cubicle wall, especially now, because we're so distracted."

### 4.3 The Customer Success Manager within a corporate culture

Asking about a definition of customer success management made it clear that the view of customer success management is quite consistent, but what it means for the role responsibilities as customer success manager, and especially the rest of the organisations view of the role is a bit unclear. Several mentioned that with customer success management trending, a lot of companies have jumped on the trend without articulating what it means for the organisation. *"If you're not able to articulate why you have Customer Success beyond, everybody has it, or it looks like this is something we need, then, then there are definitely going to be disadvantages to your organisation."*

Several mentioned that, if not necessarily in their own organisation, it was quite common to think of the role as *"a version of sales. So they get some salespeople and try to sell more stuff, which also doesn't work because the customer doesn't want to talk to a salesperson, they want to actually figure out how to use the product."* Others mentioned that customer success should be responsible for selling less. Or at least, selling to the right type of customer.

"Everybody knows that sales can sell everything, they can sell the mother, the grandmother, they can sell everything, the customer success is there to make sure that whatever is sold, can be delivered in a successful way. You know, sometimes you need to raise the flag, look, we are taking a risk."

Everyone agreed that even if the customer success organisation have a good understanding of their role, that understanding is often lacking in the rest of the organisation. And a lot of the participants said they spent a lot of time educating both their own organisation and the customer on what the CSM role is.

"There is often quite a lot of confusion in as an industry, customer success really needs to get to terms with what it is we tell people we are, because in a lot of businesses that I've certainly seen, it does seem to me that customer successes is just a nicer word for customer support, and kind of user training."

Another common interpretation of the CSM role was as a version of support.

"I think a lot of people say they're doing customer service, or they have customer success, and they don't, and it's effectively just customer support. And I also think that we've made a bit of a rod for our own backs. Because it's such a new thing, we haven't really defined what we are properly. And that's why it's so variable between all these different businesses. So it's, it can be a bit of a challenge to kind of outline what it is you do and how you do it."

"Confusing customer success with support is truly reactive, which is I have an issue I call you, right? That's what support is like, if something broke, I call you. And the expectation is I fix you fix this with you. A customer support is not the right place to go and say, Hey, I or somebody to proactively look at your account and say, you have 20,000 ad groups, you are, you know, a million dollar business, you shouldn't have to 1000 ad groups, you have configured this thing wrong. Okay? Let's sit with you so that you can get what you need to do, it's going to save you a lot of time, it's going to make the whole thing better over here, right. So that's the difference. It's much more proactive."

A comparison that was repeated a lot, was the view of the CSM as the orchestrator, or quarterback in one instance. This is the main point of contact for the customer, it is the part of the organisation that is closest to the customer. This also means that the CSM is the bridge, not only between the customer and the rest of the organisation. But also, between different stakeholders in the customers own organisation, and different stakeholders in their own organisation. Several compared this to being a translator.

"You need people who've got really quite deep expertise, it's a, sometimes even a difficult skill set to have, because you need people who understand the product, understand the capability, understand the business, and also are good at talking to other people, the folks who can relate to a business user, who can translate between, you know [...] all of that in business language, I think is an interface between technicians and business people, it's a difficult skill set to have. So the people you hire to be CSM. I am not so arrogant as to say that they are unique, but they are rare people in some respects."

"I think one of the real advantages of a customer success manager is, it is that person or human that's really focused on the full end to end cycle, right, I think, you know, a lot of areas of the organisation they're focused short of on their, their piece, right of the pie. And so I think when you bring a customer success manager in, they see everything, right, which presents the opportunity for them to understand and identify where things might be breaking down, or to pump in and help them, you know, facilitate moving things along to see longer term opportunities."

So, while everyone agreed that the CSM role is all about making sure the customer understand the value of the product, *"we all have a different vision of what it should be. But I think in the simplest terms, it's really value realisation. So it's the process of making sure that whoever is using your product is using it properly and is getting what they paid for."*

A lot of the participants mentioned that what value means, differs a lot between customers. They also made a point of the fact that understanding what value means, not only required soft skills and the ability to dig deeper, but it also required data, and the ability to translate both the data and the customer feedback. Several meant that curiosity should be the driving force of a CSM:

"So if I have, let's say, I have a banking customer, I can go to them and say, Hey, customers, like you, or other customers that are banking customers, they are also doing this, this and this with our products, or additional products and additional services. And

they're asking for these things. And it's also helped to round out our product base. What else do you want this product to do? What else could we do? What else? Could we broaden our footprint with you? What? What can we do to help drive more value for you? What would be helpful if we could you know, so it's all that feedback to the company? In regards to you know, what we can do? It's also finding efficiencies, you know, if we have to go to every customer and operate in a step by step process, how can we as a company, not just the customer success, but how's the company? Can we streamline our product? How can we make a smoother delivery? How can we realise value quicker? How can we go live with the customer faster? How can we get to first value faster? And so you know, it's communicating back to our company as well as to the customer. What organisations are doing in their verticals?"

While several mentioned discussions on who should own the upsell, if customer success should be a revenue centre, and how to show return on investment (ROI), most agreed that either way there had to be a willingness in the organisation

"to invest in understanding who your customers are, and understanding what they actually care about, what are the problems that they're facing, but I think at the end of the day, it really comes down to more about what does value mean to them. And that's something that that varies wildly, you know, we have 1000s, and 1000s of customers, and also spread out all over the world. And so, you know, the idea of what value means to someone in France versus someone here in the states is very different, you know, how much they're willing to pay is also very different from place to place in the world. So I think acquiring customers is probably the easiest part. Keeping them is, is really what what makes a business viable. And so I think it requires and this is what I feel like Customer Success is Customer Success is in an investment in understanding and maintaining customer value over the duration of your relationship with them. And the better that you are at, at doing that. And at connecting with the core of their value proposition. Not only are they willing to stay and continue to pay for your service, but they they begin to trust you they begin to become loyal to you."

#### 4.4 How do we do change?

While everyone agreed that the CSM are closest to the customer, not every participant found it easy to share their knowledge of the customer with the rest of the organisation. What several mentioned was that the degree of transparency made a difference. *"All of our data, all of our success, all of our failures is all out there for everybody to see. But that transparency builds trust within the organisation, and it makes sure that the leaders don't have to come through me to see what they want to see."* While several mentioned processes put in place for improving the flow of information between product and customer success, several pointed out that to really have an impact the collected data must be shared with everyone.

"Getting to the underlying issue, I think, is probably the most effective tool that we have. And then we try to synthesise that in a way on a weekly basis that we can then share with the teams because like I said, we're playing those clips, but the clips are the symptoms, the clips are not the problem. So our part rather than advocating more for the symptom is saying, what they're really trying to say, or the root issue of this is that. And so that's our job is to be that bridge between, you know, what the customer is saying and what they really need that solves this problem. And potentially even more than that"

While everyone agreed that being customer centric meant that the company needed to understand the customer, and then react on the information collected. When discussing innovation, several participants thought of CSM as driving incremental changes only, not innovation. So, while the CSM was described as driving change and innovation, especially on the customer side, this was not as clear within their own organisation.

"Because we know humans don't like change, and the harder it is, the less likely someone's going to actually do it. And, you know, from from a software perspective, you know, normally there, there is change, whenever a new product is purchased, there's a degree of

change, and the easier that can be, the better. And, and so I see customer success as a really important part, especially of complex solutions, you know, or, or when, when a company is trying to automate new processes that haven't maybe been so smooth before or haven't been automated before. And so I think there's the initial, you know, what are, what are the goals? What are the outcomes we're looking for. And then the customer success manager is really about ensuring that the customer gets there and achieves those, they work with other other parts of the organisation to remove barriers. And, you know, ultimately, ideally, the customer is having their objectives fulfilled, and they'll continue to use the product, I do think that something that is different within as a service model is it really needs to be something that is that someone needs to do repeatedly."

*"Customer success has a really great opportunity to help customers innovate, or help customers keep up as the product continues to grow and evolve. But again, that there has to be a real connection with something that is a pain point for a customer."*

Participants described organisations that started they wanted information on the customer because they wanted to be customer centric, but the processes for innovation or for driving changes, often was not described as to include customer success. *"We've decided that it's, uh, well, other people decide, that's kind of owned by the the head of the product team, because we are a technology company."*

"I don't think necessarily the customer success can drive innovation. If I'm honest, I think that customer success, you know, part of my job is to be a customer advocate, I have to represent my customers to my company. But my customers are all asking for faster horses. So I need, there might, my job is to tell my employer that the customer wants faster horses."

"So we put faith in our research teams, and our marketing teams that they are doing their job. And they're defining what the product needs to do next, and where it needs to go. And then as our product team builds that we educate our customers on, here's where our product is going. And these are the things to be prepared for."

So, while the participants disagreed on if customer success can be driving change and innovation, some mentioned that having the *"ideas is part of innovation, but actually following through is where the real work and that's not as sexy and often takes long periods of time. Right. So I think it's a, it's a balance of bringing that to the table, but also then following through on the innovation and sticking to that over the long term."* This also meant that the whole company had to be involved, because *"it's not something that just kind of happens on its own, especially after a company reaches a certain size."*

Some pointed out that a lot of top management in companies say they want to be customer centric, but *"a lot of business leaders want feedback when it validates their worldview. And if I'm honest, and sometimes to hear that you're on the wrong track can be difficult."*

"If I lived in just kind of this ideal world, there would be some percentage of work done in a service organisation, where you could directly tie it back to this is us listening to our customers. Call it like 20%, you know, like, I don't even think it needs to be 50%, but some percentage, all of the time, where you are really focusing on improving, and having that improvement be driven by specifically your customer feedback. And then the other percentage can be innovation, whatever it is that you want to call it, knocking into new markets, you know, whatever that is [...] Everybody pays lip service to it, like everybody does. And a lot of the time you don't see it. And that's probably a, it's definitely been a driver for me switching things like switching my phone company, you know, like you obviously didn't care. You didn't care about me at all, you know, and not the phones have evolved all that much. But the fact that I saw nothing in it for me, and you just kept wanting me to pay for more features led me to go some somewhere else. Whereas I feel like if they had just spent more time trying to show the people that are already paying them that they care even a little bit that could go a lot further."

While some participants described it as the tension between letting the customers driving the roadmap and being innovators, others stated that the innovation had to come from the top.

"But people focus, they tend to want to focus on the big thing, you know, what's the next iPhone, you know, or the next thing that's going to completely change everything. And that's interesting and great. That's the kind of innovation that we depended on our, you know, the CEO, to gather by, you know, talking with customers and you know, at executive level folks"

Because "customers are only able to, like extend their sort of view of what the platform could be from them, sort of what they see there. And I think it's a constant struggle in every small company where the resources are still kind of limited. That how much of the productive development resources we put to developing something that we have heard from customers directly, and how much of them we put to some longer term direction that the for instance has company founders have, and believed that would be a great like leap towards the future."

## 5 Discussion

From the code groups, I identified four organisational dimensions that is most relevant for the CSM as change agent: Structure, politics, culture, and change. These organisational dimensions are as well linked to the final four concepts that have captured the core features of the code groups and the established theories from the chapter on theory: **The CSM crash**, **Customer data silos**, **The humiliated CSM** and **the CSM as agent of change**. I will explore these further in this chapter.

### 5.1 The CSM crash

Porter and Heppelmann named the focus on customer success as one of the main lessons when adopting the XaaS business model (Porter and Heppelmann, 2015). While this has been adopted by lots of companies, as we can tell from the explosive growth of the CSM role during the recent years. My research has showed that while CSM has been adopted by many companies, it seems to have been adopted without necessarily changing the organisation. What a lot of the participants described was the crash happening when the CSM hits an established organisation not prepared for the new role. It is not as easy as just to hire a CSM and expect the new role to fix the customer relationships happily forever after. Neither can you expect the CSM to manage the relationship on their own, or to show the value of the services on their own. These are tasks that requires the whole organisation to sustain that relationship and the cocreation of value in a partnership with the customer. The whole organisation must be customer centric, not just the CSM.

Another of the main themes that Porter and Heppelmann mentioned, was turning analytics into a competitive advantage (Porter and Heppelmann, 2015). My finding supports that data is needed to understand the customer, but also that it is needed to enable the CSM in making sure that the customer gets maximum value from the service. What my findings also showed, was that this could not happen in a tiny loop between the customer success department and the customer. To turn analytics into a competitive advantage and to enable the CSM, data must be shared, used, and understood by the whole company. This confirms what Porter and Heppelmann says about product usage for example being important sources of data on the customer, but this information cannot stay put in the different divisions, with the CSM, or with the data analyst. The whole company must be data driven (Porter and Heppelmann, 2015).

**The CSM crash** describes what happens when the established business model and the structure of the organisation stays the same after switching to XaaS, and then adopting a CSM division. While CSM are central in making the organisation both customer centric and data driven, keeping the established structure will inhibit the CSM.

### 5.2 Customer data silos

Several of the participants mentioned silos as being one of the biggest challenges to customer success management. While keeping established structures in the organisation makes it hard to become customer centric and data driven, the same is true for politics and power structure in the organisation. Having silos will also make it impossible to both utilise data and being customer centric. This is repeated through the theory, and it is

firmly confirmed by my findings as well (Sull et al., 2015; Porter and Heppelmann, 2015). Both require cooperation across divisions, so working across silos are one of the biggest challenges for customer success. Several mentioned that it was politics that came in the way of this collaboration, and that bonuses and performance metrics are often cemented this trend. This is confirming what Sull et al. found on established strategy implementation diminishing collaboration between units and instead creates silo-oriented leaders (Sull et al., 2015). While the CSM crash describes structure, **Customer data silos** describes how politics can prevent the flow of data between employees, units, and divisions. Several participants mentioned that it was important being rewarded on customer centricity and data flow. What is certain is that politics are one of the inhibitors of CSM, and there must be tools and processes in place to counteract this and to enable data sharing and transparency across the organisation.

### 5.3 The humiliated CSM

Hilton et al. define customer success management as *"proactively prioritizing customers' experience and engagement toward maximum value-in-use"* (Hilton et al., 2020: 38). This is a definition that is backed up by my findings. The participants share this notion of customer success management being proactive and focused on value. While it seems like the CSM and those working within the area of customer success management know what the role is about, it seems like the rest of the organisation are not that sure. Further, what I found was that the role often does not fit into the already established culture. This supports Groysberg et al. finding that cultures that *"favor stability tend to follow rules, use control structures such as seniority-based staffing, reinforce hierarchy, and strive for efficiency. Those that favor flexibility tend to prioritize innovation, openness, diversity, and a longer-term orientation"* (Groysberg et al., 2018). **The humiliated CSM** is describing this dilemma of the CSM being hired within an organisation and culture that is not ready for it: *"It is a big change, you know, certainly for big software companies that have decided that customer success is trendy, and we need to listen to our customers. So let's hire some Customer Success managers, and then ignore them. It makes no sense."*

The CSM is hired and then ignored. With customer success management trending, a lot of companies have jumped on the trend without articulating or communicating what it means for the organisation. *"If you're not able to articulate why you have Customer Success beyond, everybody has it, or it looks like this is something we need, then, then there are definitely going to be disadvantages to your organisation."* Not only a disadvantage to the organisation, but also to the CSM since my research shows it is a challenge to outline what it is you do and how you do it to the rest of the organisation. Often management did not do their research and did not understand the role. They just jumped on the trend or got told by a VC-firm that they needed the role, and then got a CSM that did not get listened to. Often this also meant that it became unclear what tasks should be done by the CSM, and they often turned out to be a combination of fire fighters, sale, and support employee. Rydland pointed out that one of the main tasks of a change agent is shaping culture (Rydland, 2020), and while this is being supported by the examples of successful adoption of customer success management, an ignored CSM is hardly able to be influencing the organisation.

## 5.4 CSM as agent of change

Another dilemma that showed up in my findings was that while the participants agreed that the company should be customer centric, and that CSM is closest to the customer. Most did not think it natural for the CSM to be driving changes or innovation. At the same time, they stated that the CSM should be driving the cocreation of value in partnership with the customer, and several mentioned that this meant driving change in the customer's company. And while most mentioned that the CSM should be involved in some way in the innovation process, at most they should be driving incremental changes, because innovation and change should come from the top. I started the chapter of theories with the notion of the organisation of the organisation being as a machine and Taylor's principle of managers doing all the thinking relating to the planning and the design of work (Morgan, 1997). We then revisited this notion in the clash between the rational functionalist view of the organisation and the social constructivist perspective. This clash is also being confirmed in my findings.

Developing a capacity for change is according to Meyer and Stensaker depending on the organisation's structures, reaction to change and how managers mobilise for change. They also make it clear that this is something that can be developed by making processes that contributes to the realisation, and mobilising and motivating the people responsible for acting out the change (Meyer and Stensaker, 2011). Rydland also points out that it is managers that must recognise the importance of change managers (Rydland, 2020). **CSM as agent of change** refers to the potential within the CSM role if the other organisational dimensions allow it. The role can do incremental changes for sure, but the potential lies in how the role can give meaning to continuously change. Both within their own and the customers organisation, driving change and innovation through customer centricity and data.

## 6 Conclusion

I have answered my research question, **what organisational dimensions promote or inhibit the customer success managers role as an agent of change**, by combining my research with the theory presented and the SDI methodology. Through this I developed four concepts: The CSM crash, Customer data silos, The humiliated CSM and the CSM as agent of change. When adopting customer success management and the CSM role, you can of course do this without doing any changes to anything else. But what the four concepts describes are the potential you will be losing out on if you do not prepare for the new role.

### ORGANISATIONAL DIMENSIONS AND THE CSM AS AGENT OF CHANGE

INHIBIT	DIMENSIONS	PROMOTE
Product centric organisation, keeping the established business model	STRUCTURE	XaaS business model, customer centric and data driven organisation
Metrics and bonuses that enforces silos, data being stuck in silos	POLITICS	Metrics and bonuses that enforce cooperation and customer centricity, data transparency
Prefers stability, rules, hierarchy, and efficiency.	CULTURE	Prefers flexibility, innovation, openness, diversity, and a longer-term orientation
Change and innovation must come from the top	CHANGE	Building a capacity for change, having multiple change agents

**Figure 4 what organisational dimensions promote or inhibit the customer success managers role as an agent of change**

By doing changes in the structure, politics, culture, and reactions to change in the organisation, you are preparing the organisation for XaaS, but you are also preparing the organisation for the potential that lies in the role of the CSM as an agent of change. Which means a role that will be invaluable in making an organisation that is customer centric, data driven, transparent, agile and with capacity for change.

The effect of XaaS, IoT and big data will change the way we do business. These are changes that will affect all industries, and it is safe to assume what we have seen so far is just the beginning of rewriting the organisation as we have known it the last decades.

### 6.1 Further research

I echo Hochstein et al. in asking for more research on the performance benefits of customer success management (Hochstein et al., 2020). It would also be relevant with

more research on the degree of implementation of the CSM role being adopted, and the consequences of that degree for performance benefits.

## 6.2 Advice when adopting customer success management

If you are a business leader that are about to add customer success management to your organisation, these are my advice to you:

1. The adoption of CSM must be reflected in the business model, it is the relationship and the data that are the main drivers in generating revenue, which in turn means the whole organisation must be customer centric and data driven.
2. To be able to do this, you must change the structure of the organisation to accommodate this, and you must put in work to kill off silos. Otherwise, it will be impossible to both utilise data and to be customer centric.
3. The CSM is a new role that does not fit within the established organisational chart. CSM is not the traditional sale/support/marketing with a new name. And it cannot work on its own. It is a new role that works proactively on cocreating value in partnership with the customer, so it is a role that must be working closely with the rest of the organisation, and it must be data supported cooperation.
4. To be able to implement the changes in the business model and organisation, you must give up on the idea that change, and innovation only comes from the top. The whole organisation must work up a capacity for change, and you need several agents of change in the organisation that can help make change and innovation happen.

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