



# **Sales vs. Customer Success**

**Analyzing the Relationship  
Between Sales and  
Customer Success Teams**



**Catalyst**



**Pavilion**



## Top Takeaways

- 1.** Customer Success and Sales have a generally positive relationship with each other, with CS feeling about 14% more positive about the relationship than Sales.
- 2.** Most CS professionals agree that CS should be able to stop a sale to a bad-fit customer, but most Sales professionals either disagree or are unsure.
- 3.** Both Customer Success and Sales agree the customer fit takes priority over contract value when signing a new customer.
- 4.** The vast majority of respondents support 1:1 meetings as the ideal way of handing off a customer, while only a small number believe using only Salesforce or other tools is adequate.
- 5.** The majority of Customer Success respondents believe that Sales' compensation should include clawback for churned customers, compared to only half of Sales respondents.
- 6.** There are only slightly more people who believe that Sales, as opposed to CS, should own upsells/expansions.



## About the Survey

This survey and corresponding ebook was done in partnership with Pavilion (formerly Revenue Collective). We received over 200 respondents from across the tech industry. Job titles ranged all the way from senior leadership down to CSMs and AEs, working in small to enterprise-level organizations.

For the purposes of this survey, we categorized responses based on their connection to either the Sales or CS function. In cases where their role is unclear or mixed, we counted them towards their closest equivalent.

All responses are considered confidential and the identities of the respondents will not be disclosed without explicit permission from the party concerned.



# The Sales-CS Relationship

There is a perception in the SaaS world that Sales and Customer Success have a strained relationship. There are those who say that due to conflicting incentive structures, Sales will sell anything to any customer (regardless of fit), and CS ends up with no choice but to make the best out of the situation.

As our new research reveals however, the relationship isn't actually that contentious. In fact, it's quite genial.

Both Sales and Customer Success rated their relationship quite positively, with CS (7.94/10) being approximately 14% more optimistic about the relationship than Sales (7.05).

When asked about the qualities of a good Sales or CS partner, the majority of respondents agreed on the following:

- Willingness to collaborate and engage with the other team
- Understanding of the product
- Understanding of the entire customer lifecycle

When asked about what value the other team could bring to the relationship, both sides agreed that communication and the free flow of information was key to a good partnership. However, Customer Success desired more due diligence and focus on fit over contract value, while Sales sought more assistance from CS in identifying upsell opportunities and setting implementation expectations.

Here are a few suggestions from each team that you can try out:

**Customer Success:**

- Communicate regularly with CS during the sales process to head off potential complications
- Keep all discovery documentation and records up to date
- Share deals lost and why

**Sales:**

- Creating a happy customer base
- Assistance identifying upsell opportunities
- Sharing customer insights

Customer Success	Sales
How would you rate your team’s relationship with Sales?	How would you rate your team’s relationship with Customer Success?
<b>7.94/10</b>	<b>7.05/10</b>
What do you look for in a good Sales partner?	What do you look for in a good CS partner?
<p><i>“Inclusive, sees Customer Success as a part of the account team. Understands the value of Customer Success and partners together to benefit the customer.”</i></p> <p><i>“A Sales team that sells on customer outcomes vs feature/functionality. And those outcomes are mapped to capabilities that our product can deliver.”</i></p> <p><i>“[Someone who doesn’t see CS] as a Sales “assistant”. Sharing customer information as needed.”</i></p> <p><i>“A global perspective: understanding and appreciation for how the whole customer journey works, and the importance of healthy customers to the company’s health.”</i></p>	<p><i>“Collaboration on contracting and implementation. Someone who doesn’t ‘block’ the deal but works with the sellers to create a construct that works for both teams!”</i></p> <p><i>“Attention to detail, quick and timely responses but can also identify opportunities with the client base.”</i></p> <p><i>“Understands how to ask probing questions and measures against client priorities, not just usage.”</i></p> <p><i>“Communication and curiosity. A willingness to learn by stepping outside of their CS comfort zone to experience a sales atmosphere.”</i></p>

*"Someone who follows the process and keeps all documentation clear."*

*"Ability to share responsibilities, own actions even after the sale is completed."*

*"Someone who knows our product well, doesn't 'over-sell' our capabilities or product and who works to create a solid hand off process with the CS team."*

### What's the best way Sales can provide value to CS?

*"Don't overpromise and remember CS's feedback and experience from past and existing customers to ensure the best possible fit. This way, CS will have a reduced number of hurdles to driving a successful experience and strong relationship with the customer."*

*"Sales should be keeping CS informed of their strategic plans for the customer so that CS can help gauge interest and can drive customer maturity to support the deal."*

*"Be willing to step in if there is an issue with the original sales, or provide assistance with an upsell."*

*"Clearly defined use cases for each sale and then a smooth handover."*

*"Helping to understand landscape of customer, the players, long term account plan, and proactive risk identification and supporting mitigation efforts."*

*"Sharing market trends, including why Deals have been lost."*

*"Communication. Keeping CS in the loop of any communication with the customer and any plays they are setting up so that we can work in unison."*

*"Housekeeping! Ensuring your notes are kept up to date and complete before handing them off."*

*"I value CS partners who like to stay close to the pipeline and understand what deals are coming close to signature. I also appreciate a CS partner who understands how impactful customer stories / testimonials can be from a marketing and sales perspective."*

*"Strong organizational, discovery/problem solving, and project management skills."*

### What's the best way CS can provide value to Sales?

*"Being involved during sales process to ensure SOW, implementation plan, KPIs and expectations are aligned across stakeholders."*

*"Helping sales understand the customer journey and components within (success plan, expansion plan, etc) to continue to build customer advocates post sale."*

*"By providing customer referrals, testimonials, success stories/case studies to help generate new businesses."*

*"By identifying upsell opportunities and giving sales insights for expansion negotiations."*

*"Sharing their knowledge of which customers are doing well / the right fit. Common questions/ misconceptions."*

*"Creating a great customer experience that results in a happy customer looking to expand their product usage. CS should be meeting at least monthly with their sales reps to execute on upgrade/cross-sell plan 6-4 months before renewal."*

*"Help measure an account's pulse on a regular basis."*

*"Creating a base of happy customers who are both growing their usage of the platform, but are also advocating for the company in their networks & amongst their peers."*



# Sales Process

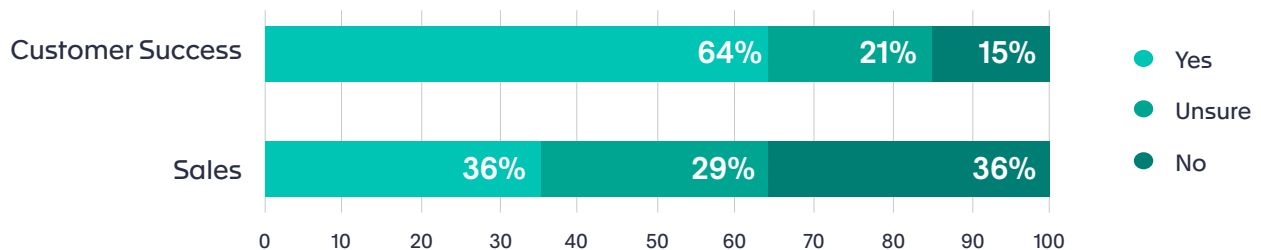
## If CS identifies a bad-fit customer during the sales process, should they be able to stop the sale from happening?

Most respondents agreed that CS should be able to intervene if Sales is about to sell to a bad-fit customer, but the CS team was most supportive of the idea, with 64% of CS people saying “yes.”

Interestingly enough, Sales’ opinion on the matter was evenly split. Their vote was 35% of Sales saying “yes,” 35% saying “no,” and 28.9% being unsure.

Henry Ford’s famous assembly lines had switches that allowed any employee to stop the conveyor system at any point if they saw something that was wrong or broken. This might have worked well for assembling cars, but there is more nuance when assessing a customer’s fit.

While it may not be the best option for anyone in CS to be able to outright pull the plug on a sale, there do need to be opportunities for conversations around any CS team concerns about potential bad-fit customers before the sale takes place.



## What is more important when signing a new customer?

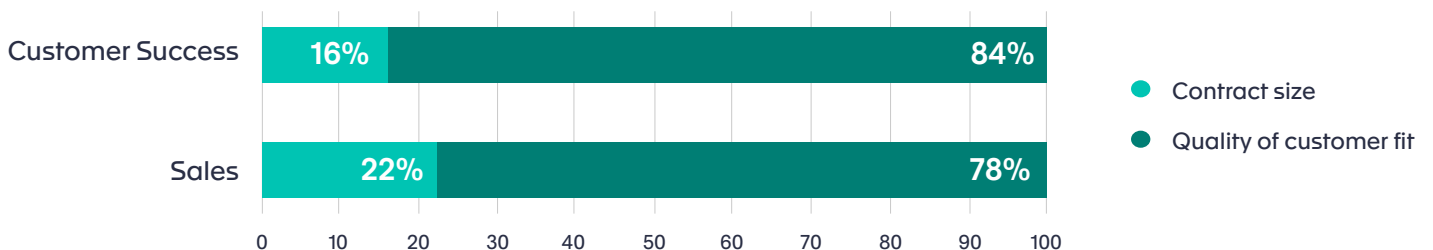
83% of Customer Success and 77.6% of Sales respondents agreed that quality of customer fit is more important when signing a new customer than contract size.

When asked to explain their answers, respondents that voted for “customer fit” did so because they believed it would be better for the customer and better for business growth.

Those that voted for “contract size” believe that contract size should be prioritized as long as the company is willing to expand the product to accommodate new use cases.

Quality of customer fit should definitely be the prime factor in signing a new customer. Not only does it improve the customers’ chances of success with using your product, but it also sets them up to be advocates of your brand. Their value as authentic product promoters will far outweigh the dollar value of their contract, because they will help you win more and better business further down the road.

The only time contract size would be the deciding factor, in our mind, is in extreme cases where the value of the contract (whether monetary or logo) is large enough that it is worth altering your process or the product roadmap. Even then, however, you need to fully understand the scope of the adjustments required and the potential downsides if things get out of hand.



## Explain your answer

### Quality of customer fit

*"If the fit is not there, we are likely going to increase risk of churn & load on the CS, Product, Engineering."*

*"Poor fitting clients are an issue because they require increased time and resources in order to get them on track, which reduces time that could be spent on customers who have potential to expand. They also lack advocacy, they often don't contribute to expansion, and they are at the risk of churning from day 1. Depending on the time it takes to break even, a customer that leaves in a year could end up being a net loss to the business since recovery of CAC is normally greater than 12 months."*

*"The CAC must make sense and if you sign bad-fit customers, have a high CAC, then you get zero value from the energy (and money) spent to bring the customer onboard."*

*"If a customer is not ready, a bad sale can leave the customer frustrated and lead them to churn to never return. If they don't churn right away, this also falls on CS to pick up the pieces with limited options & solutions, expending time that could be spent towards expanding and growing and nurturing accounts that are good fits and more viable as long time customer partner - more sustainable revenue."*

### Contract size

*"Obviously fit is important, but sometimes that fit must be expanded in order for the company to grow - also need product in the conversation."*

*"If a new customer is willing to pay enough, we should work to align our product to their need. Helps open the door to future similar accounts."*

*"Depends on the state of your company. We're in a sprint to 16MM ARR so contract size is currently the first priority."*

*"My company is focused on renewing and upselling - thus the contract size is most important. In most cases, our CS/SRM teams and other Ops teams provide exceptional service and assist with the fit."*

*"Contract size should be dependent on the quality of fit in the ideal state."*

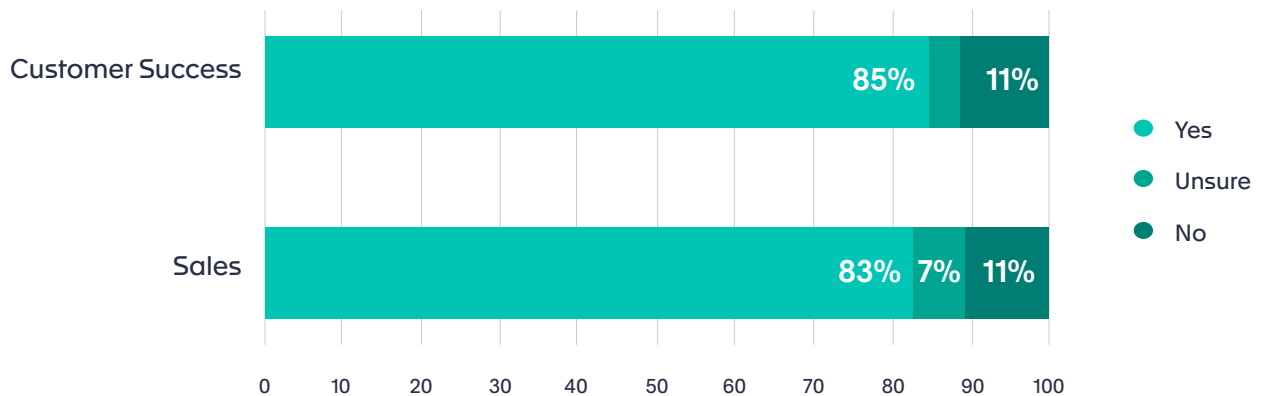
*"Contract size is very important for the company as a whole - that being said, Sales should be able to sign a large contract without negotiating the quality of a customer fit. Not all customers are going to be quality, that's just the reality of SaaS, and the CSM should work with sales to identify the customer fit and plan strategically for that customer."*



# Post-Sales Process

## Should the Account Executive attend the customer kickoff meeting?

Most respondents agree that AEs should attend the customer kickoff meeting. This speaks well towards the spirit of cooperation that has been indicated in the results thus far. Both parties are interested in making the transition from Sales to CS as seamless as possible for the benefit of the customer.

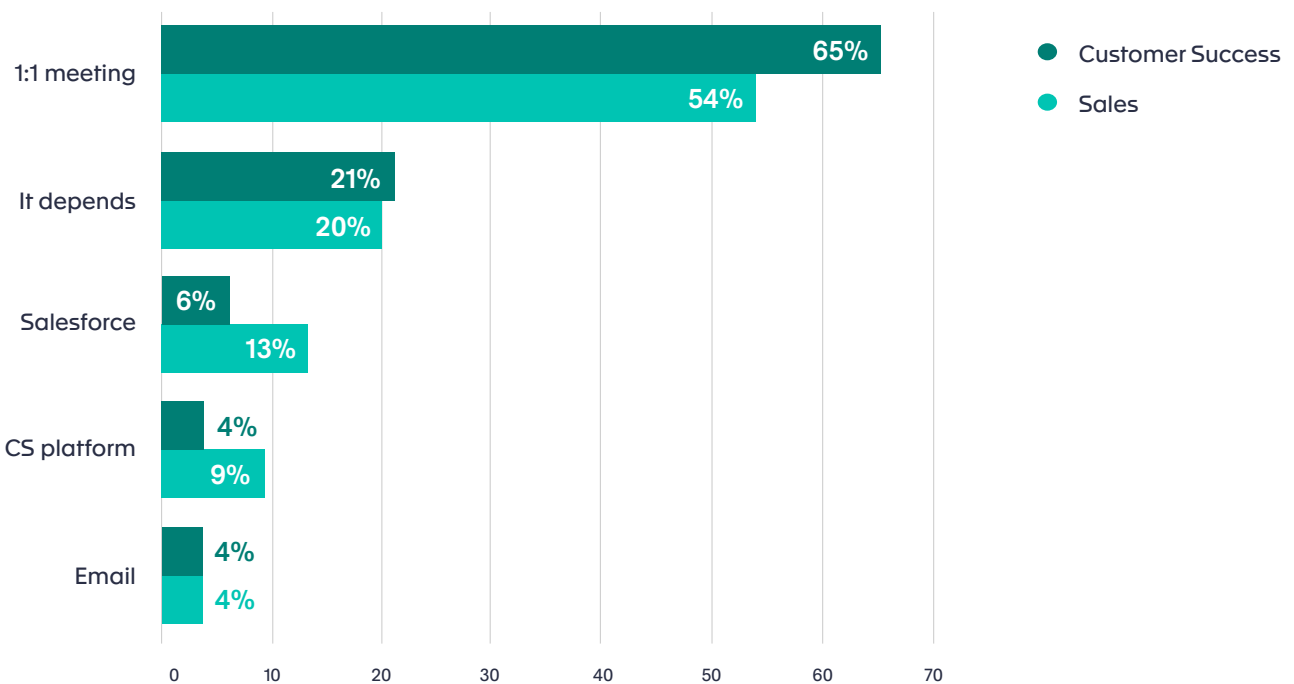


## How should Sales hand off customers to CS?

Opinions are more varied as to the actual method of handoff. Most recipients believe that 1:1 meetings between Sales and CS are the most effective hand-off method, while the rest are split between various technology tools like Salesforce, a CSP, and email.

A significant portion of both CS (21%) and Sales (20%) believe that the ideal method should change depending on the customer's size and complexity, which is a reasonable expectation given the varied nature of B2B services.

For instance, a large enterprise customer (or one with complex needs) will be best suited for a 1:1 approach where the CSM can ask detailed questions in a free-flowing conversation. An SMB or mid-market customer with simple needs, on the other hand, might be handed off relatively easily using email or updating the CSP or Salesforce. This is especially true if your organization has a high volume of customers that make 1:1 meetings impractical if applied universally.

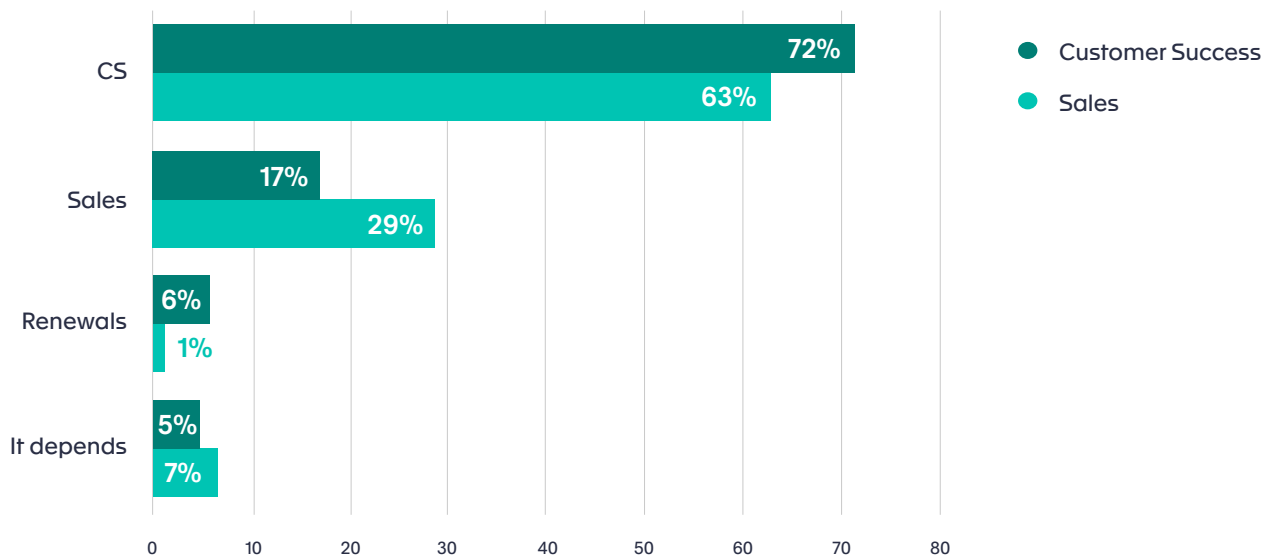


## Who should own renewals?

When surveyed, most respondents believe that Customer Success should own renewals, while considerably fewer on both teams believe that Sales should own them instead.

It makes sense for CS to handle renewals, because the transaction flows organically from what Customer Success is already doing. Sales doesn't assist the customer post-sale, and so they don't engage with the customer as often. Thus any new contact from Sales during renewal season would be sudden and feel disingenuous.

A dedicated renewals team is also a viable alternative to Customer Success, but few organizations are large enough to support that kind of specialized team function. CS is more than up to the task of owning renewals, regardless.

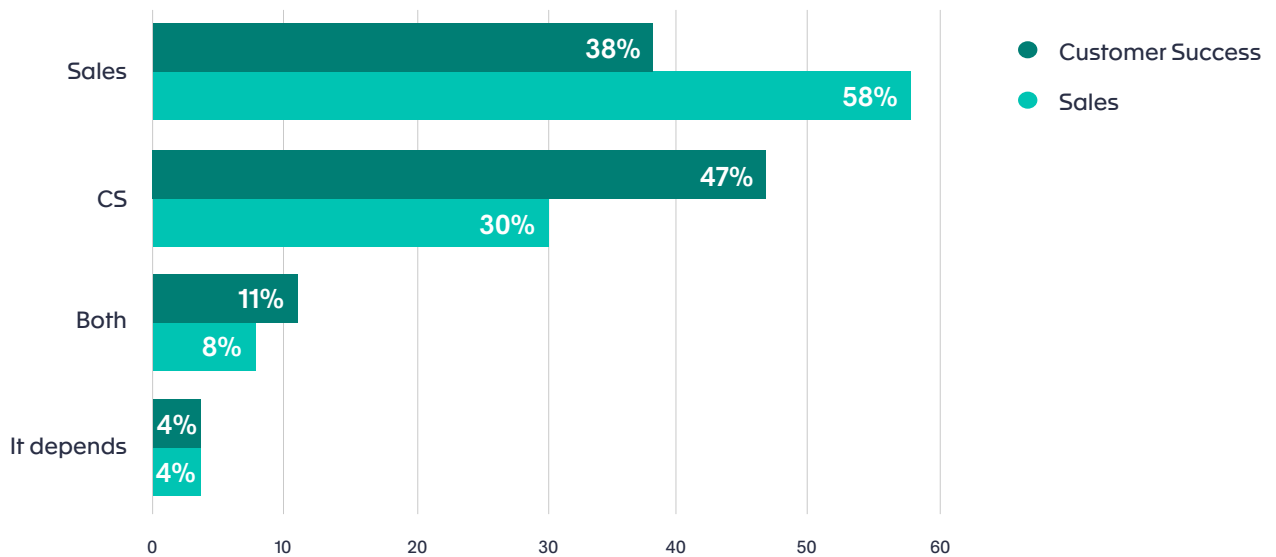


## Who should own upsells/expansions?

CS and Sales are somewhat at odds when it comes to upsells and expansions. Most Sales respondents (58%) voted that upsells should be Sales' responsibility as opposed to CS (30% of sales respondents).

However, Customer Success' opinions are more divided. More people in Customer Success (47% of all CS respondents) voted for CS to be in charge of the upsell process, but nearly as many (38% of CS respondents) voted for Sales to be in charge.

One potential reason for this divide is compensation structure. Many CSMs are compensated based on upsells/expansions, and will therefore not be eager to give them up without some sort of alternative. Possibly a compensation model that's weighted more heavily on the renewal element.

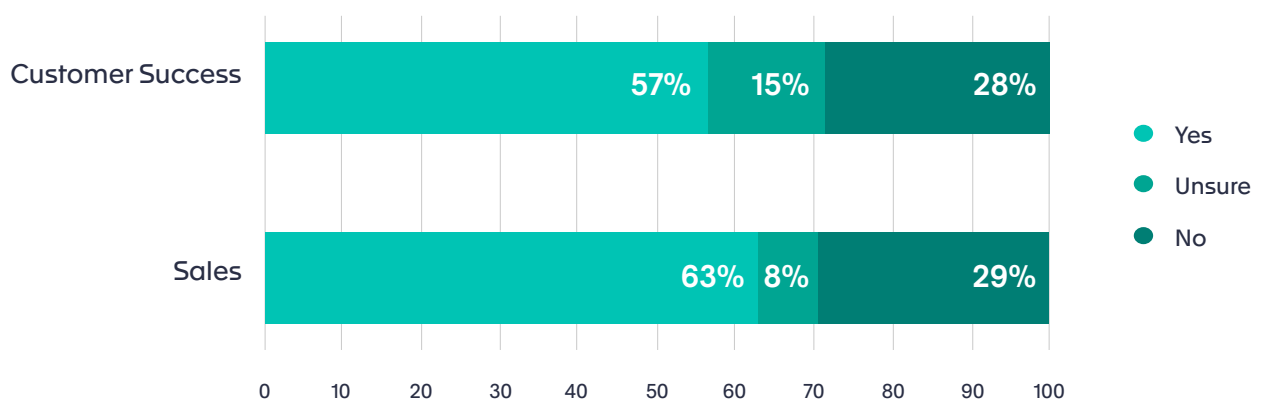


## Should CSMs have a quota for upsells/expansions?

Quotas are seen by both teams as an acceptable measure for managing the performance of CSMs. 56% of CS respondents and 63% of Sales respondents think that CSM's should have a quota for upsells/expansions, while only 28% do not across both teams.

One important factor to note is that many of this survey's respondents were senior leaders. This may have impacted the results, because if you're leading a team of CSMs or an entire CS organization, you might be more of a proponent of quotas than the CSMs themselves.

One particular key data point that surprised us was that, within both the "yes" and "no" groups, the responses were evenly split between CS and Sales. If your own team is divided on this topic, one strategy many companies try is instead of giving CSMs individual quotas, they have group revenue goals for the entire CS team. This group revenue goal affects a smaller portion of their variable compensation. That way the incentive is still there, but it allows for the pressure to be more evenly distributed, resulting in a lower risk of non-customer-centric behavior occurring.

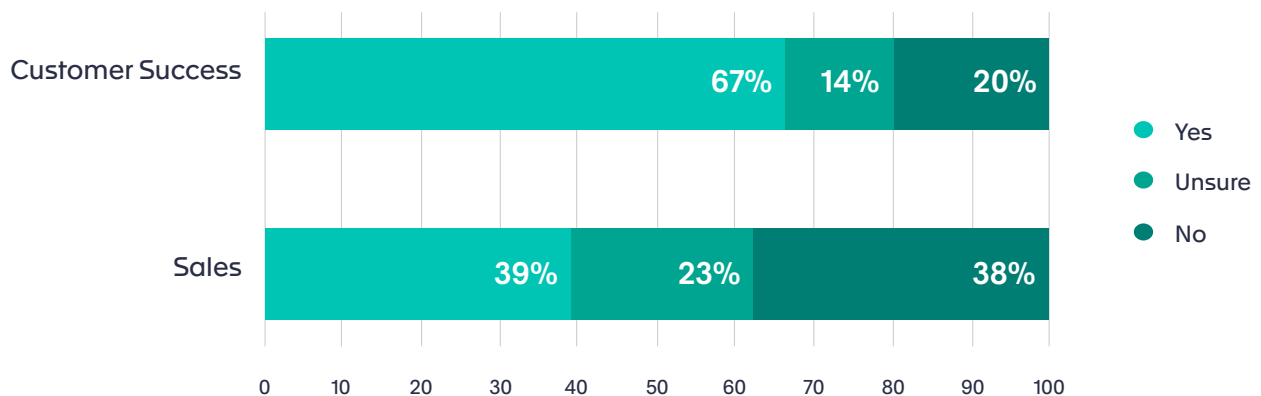


## Should Sales' comp include clawbacks for bad-fit customers who churn?

66.6% of Customer Success respondents surveyed believe that Sales' comp should include clawbacks for churning customers, with only 19% disagreeing. However, Sales' opinion is more divided, with 39% saying "Yes," 37% saying "No," and 23% being unsure.

Compensation structure is incredibly challenging to perfect, and companies of all sizes and stages struggle with it. At the end of the day, people do what they are paid to do, despite any fluffy talk of customer-centricity.

If companies want their CSMs focused on retention and customer experience, then they should be compensated based on those factors. If companies want their Sales teams selling only to customers that are a great fit, then the pay structure should incentivize that behavior.





## Conclusion

We're happy to note that, for the most part, Sales and Customer Success have a mutually beneficial relationship and work well together. Many Sales and CS professionals have a good perspective on their respective roles in the organization and how the customer is best served.

This positive attitude carries over to administrative policies that could potentially cause internal friction, such as clawbacks and quotas. And while disagreement still exists, it's not as stark and adversarial as one might expect.

This is fantastic news for us (and you), because it shows that Customer Success is proving to be a valuable component in many organizations, equal in standing to other areas of the business like Sales, Product, and Marketing. The tech industry has matured to the point where they recognize that customer opinions and outcomes are crucial to business success.

We look forward to seeing Customer Success and Sales work more closely together and find new ways of bringing each other value.

