TSIA RESEARCH · WHAT DOES GOOD LOOK LIKE?

Customer Value Management

How technology providers close the “promise gap” between the value they sell and the value they prove.

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The future of the AI customer lifecycle

WHY NOW

Proving value is now a commercial control point

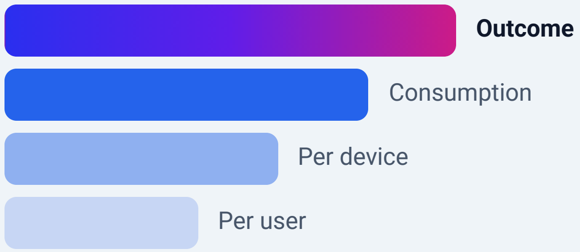
The buyer-seller conversation in technology is moving to business outcomes, even if your pricing model isn't. Customers want to know what business result they'll get, and they want proof they got it before they renew. Most providers are getting good at the first half of that conversation and remain weak at the second.

THE PROMISE GAP

The inability to deliver and prove the business value you promised the customer during the sales process.

Customer Value Management (CVM) is the discipline that closes the gap: discover where value can be created, prove it was delivered against a baseline, and tune the account to sustain and grow it across the lifecycle. Value engineering, the pre-sale muscle most providers already have, is only its front end.

FORCE 1 · PRICING IS CLIMBING THE LADDER



AI Economics™ is pushing providers up the pricing ladder. Every rung raises the reward, and raises the bar on your ability to sell, deliver, measure, and prove value.

FORCE 2 · BUYERS ARE HARDER TO CONVINCE

- Customers stop paying for access and start paying for results. You can no longer assert a result you are being paid to deliver. You have to measure it.
- Even if you never price on outcomes, this is the sales conversation customers now demand. Demos simply aren't enough any more.

Together, these turn proving value from a courtesy at the quarterly review into the control point that decides whether you keep and grow the revenue.

DEFINING THE DISCIPLINE

One discipline, three connected phases

Start with the word, because the word causes most of the confusion. CVM is the umbrella: the connected, cross-functional practice of calculating and managing customer value across the entire lifecycle. When people use “value engineering” to mean the whole discipline, they shrink it to its front end and miss the part that is actually failing.

PHASE 1 · PRE-SALE

Value Engineering

Find where value can be created for a specific customer. Set the objective, the baseline, and the target. Wins the Land.

PHASE 2 · POST-SALE

Value Realization

Execute and prove the value was delivered against that baseline, using the customer’s own live data. Wins the renewal.

PHASE 3 · ONGOING

Value Optimization

Keep tuning the customer environment to sustain the value and feed it into the next expansion. Never ends.

Figure 1 · The three-phase CVM lifecycle. One value thread runs horizontally through every TSIA 2.0 model.

The design principle that makes it work is **orchestration, not ownership**. A value function that tries to own delivery becomes turf. One that orchestrates, aligning product, sales, and services to the same numeric targets, becomes the connective tissue. Across the lifecycle, the same value calculator simply runs three times:

DIMENSION	Value Engineering	Value Realization	Value Optimization
Question	What value should you expect?	What value did you actually get?	How do we increase the value from here?
Data	Models, benchmarks, assumptions	The customer’s live data and telemetry	Realized results, re-benchmarked for the next gap
Timing	One time, before the deal	Continuous, across the lifecycle	Proactive, recurring improvement cycles
Owner	Value engineering and sales	Customer success, with the value function	Customer success, value function, and the customer
Payoff	Wins the deal (Land)	Wins the renewal and expansion	Expansion, advocacy, durable differentiation

Table 1 · The same value calculator, re-run at each stage of the customer lifecycle.

WHERE THE LIFECYCLE BREAKS

Strong at the promise, weak at the proof

Almost every value model TSIA sees in the wild is strong at the front and weak at the back: mature at discovery and the business case, immature at proving realized value. Leaders get the failure point wrong. Most teams treat realization as a reporting problem and pour energy into prettier dashboards in the scramble before a renewal. The break is actually at the front of the loop, at the **baseline and the data feed**. With no baseline captured before implementation, there is no provable delta, and no amount of reporting polish fixes that.

Usage is not value. “Feature adoption is up 40%” is activity, not impact, and executives do not renew on activity. A value map turns adoption up 40% into **$1.2M in avoided cost**.

FIVE STEPS TO CLOSING THE PROMISE GAP. THE ORDER IS THE WHOLE GAME.

1. **Capture the baseline first**
   Record the current-state metric with its source and timestamp. Set a target with a deadline.
2. **Build one living success plan**
   One plan holds the objectives, baseline, target, value formula, owners, and cadence.
3. **Instrument the data**
   Wire telemetry and KPI feeds into a shared dashboard at onboarding, not at renewal.
4. **Review on a cadence**
   Quarterly and executive business reviews open with the baseline, then show value delivered.
5. **Report the realized value**
   Quantify the delta and convert the proof into renewal momentum.

Figure 2 · Five steps to closing the promise gap. The fatal error is skipping step one.

Realization is only as credible as its data. Blend two types: **product telemetry** tells you what is happening in real time; **the customer’s own KPIs** (cost, cycle time, revenue per rep) tell you what it is worth. Telemetry is the signal. The customer’s KPIs are the proof that earns the executive’s attention.

Run it as an office, not a scattering of advisors

A Customer Value Management Office (CVMO) quantifies, articulates, and validates the business value a customer can expect, and realize, from your products. It speaks the language of the economic buyer: ROI, TCO, payback period, revenue uplift, cost avoidance, risk reduction. Six responsibility areas define it.

CUSTOMER-FACING
WHERE VALUE IS PROVEN

- **Value discovery.** Structured workshops with customer leadership to surface goals, pain points, baselines, and success metrics.
- **Business-case construction.** Quantified ROI/TCO models and multi-year value roadmaps for CxO buyers and procurement.
- **Post-sale value realization.** Return after go-live to validate value delivered, then convert proof into renewal and expansion.

INTERNALLY FACING
WHAT MAKES IT AN OFFICE

- **Sales enablement and governance.** Calculators, ROI models, pricing frameworks. Train sellers to speak EBITDA; embed value in deal reviews.
- **Methodology, IP, and content.** Evolve the methodology, maintain a reusable business-case and ROI library, publish thought leadership.
- **Product and telemetry alignment.** Partner with product so the telemetry needed to prove value is built in and mapped to the KPIs that matter.

Figure 3 · CVM Office responsibility areas.

The conductor and the players

The CVMO is the conductor: it owns the methodology, models, governance, and the standard for a credible business case. Customer value specialists are the players who run discovery workshops and build cases deal by deal. They can report into the office or sit in sales. What cannot work is players performing without a score, each seller improvising a different definition of value.

Where should it sit?

Most value offices live in sales, but the long journey is post-sale, where the promise either shows up or it does not. Delivery cannot be accountable for promises it never approved. That points toward the chief customer officer. If it stays in sales, sales has to answer for what was sold: was it really deliverable?

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Resist the dashboard of twenty. Pair one pre-sale metric, **win-rate uplift on value-engaged deals**, with one post-sale metric, **realized versus promised value**. The first earns the budget. The second earns the credibility.

THE MARKET IS ALREADY MOVING

Value offices in the wild, and the AI-native twist

SAP

Value engineering since 2004; hundreds of advisors; independent benchmarking database.

ServiceNow

Inspire Value on the Now Value methodology; a telemetry-backed realization sub-team.

Salesforce

Business Value Services runs discovery workshops and a shared ROI library.

Celonis

A centralized Value Engineering Center of Excellence in its purest form.

Splunk

Business value consulting for strategic accounts: how much value can be, and has been, realized.

The same function travels under several names, so this is no niche practice. Yet even these companies treat realization as an emerging capability. Everyone is still chipping on the back half of the loop.

How AI natives weaponize the lifecycle

AI-native vendors run the CVM play in reverse. They deploy forward-deployed engineers into the prospect's environment and build a working outcome on the customer's own data before the customer commits real money. They take the realization-grade proof that normally sits at the back of the loop and move it to the front, where it wins the deal. They are not trying to out-demo you. They are refusing to demo at all.

THE INCUMBENT MOTION	THE AI-NATIVE MOTION
Value promised at the sale, proven (if ever) after go-live	Value proven before the sale, on the customer's own data
Evidence: demos, benchmarks, reference stories	Evidence: a working outcome in the customer's environment
Carried by sales and sales engineering	Carried by forward-deployed engineers
The buyer must supply trust	The buyer supplies nothing; the result is already in hand
Risk sits with the buyer until value appears	Risk sits with the vendor until value appears

Table 3 · Two ways to enter an outcome deal: asserting the outcome, or proving it.

If a competitor can prove the outcome on the customer's data before the sale and you cannot, you are not losing on features. You are losing on proof.

A FORWARD READ

AI compresses the spreadsheet. The strategist grows.

AI and telemetry will automate the mechanical parts of this work: baseline tracking, value modeling, even the first draft of the review narrative. The early read is that the spreadsheet-building work compresses while the strategist work grows. What stays human is the executive conversation, the negotiation, and the judgment. Telemetry is also what moves a realization program up the maturity ladder:

Reactive
Reports value only when a renewal is at risk

Proactive
Runs a real review cadence

Predictive
Telemetry and health scores flag risk early

Preemptive
Acts on the signal before the customer notices the gap

Figure 4 · The maturity ladder: from explaining a gap to preventing one.

What the industry still has to prove

- No credible staffing benchmarks: value-engineer-to-revenue ratios, run cost of realization per account.
- Unknown: what share of providers can produce realized-versus-promised value for strategic accounts.
- No agreed model that isolates the office's contribution from concurrent sales and product effects.
- Unknown: how far telemetry closes the gap before usage stops being a credible proxy for value.

Those are not reasons to wait. They are reasons to start now and instrument as you go. The value-based conversation is the on-ramp; outcome-based selling is the destination. CVM is the operating system that gets you there.

LOOK IN THE MIRROR

If a customer asked you today to prove the value you promised at the last renewal, could you?

If the honest answer is no, you know where the front of your loop is broken, and you know where to begin.

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Work the problem. Together.

Customer Value Management is a working agenda at Technology & Services World 2026. Bring your promise gap, and leave with the frameworks, benchmarks, and peer perspective to close it.

3	80+	100%
FULL DAYS	SESSIONS	DATA-BACKED RESEARCH

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