



2024 VITALY CS IMPACT REPORT

MYSTERY

THE REVENUE

Why Customer Success Leaders
Struggle to Prove the Value of CS



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Introduction

Customer Success leaders know that their efforts have a tremendous impact on the bottom line. They just can't always *prove* it.

Whether it's due to bad data or insufficient resources, **there's a blurred line between CS and revenue that prevents** many B2B Customer Success teams from being properly valued in their organizations.

In Spring 2024, we asked 409 B2B Customer Success leaders to take a survey focused on how they measure the business impact of their work. We wanted to know which revenue metrics CS teams are currently tracking and what's preventing Customer Success organizations from effectively tying their activities to revenue.

In other words: **Who's measuring what, and where are we falling short?**

We also invited members of our **Success Network** to provide additional advice on how CS teams can better measure and report on revenue impact. You'll see their insights featured throughout this report.

Read the results of our survey below, and please email us at **hello@vitaly.io** to share your own thoughts about our findings.





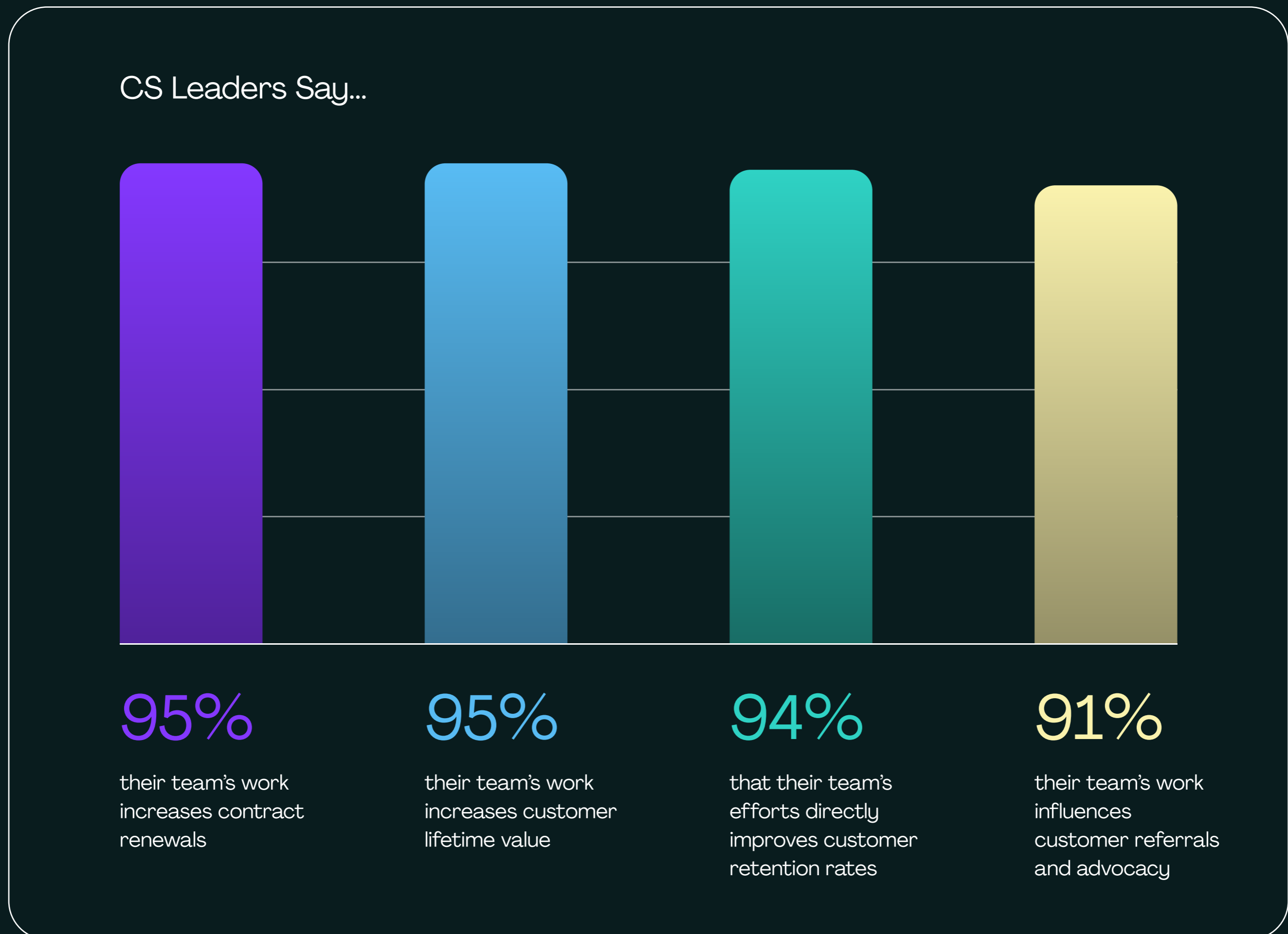
PART 01

How Much Are CS Teams Valued In Their Organizations?

Everyone says Customer Success is important. So why doesn't it always feel that way?

Customer Success is generally thought to be a critical function within B2B organizations, with **77%** of our survey respondents saying that their companies prioritize customer success as a strategic imperative.

Unsurprisingly, the vast majority of CS leaders are confident that their efforts directly impact their company's bottom line:

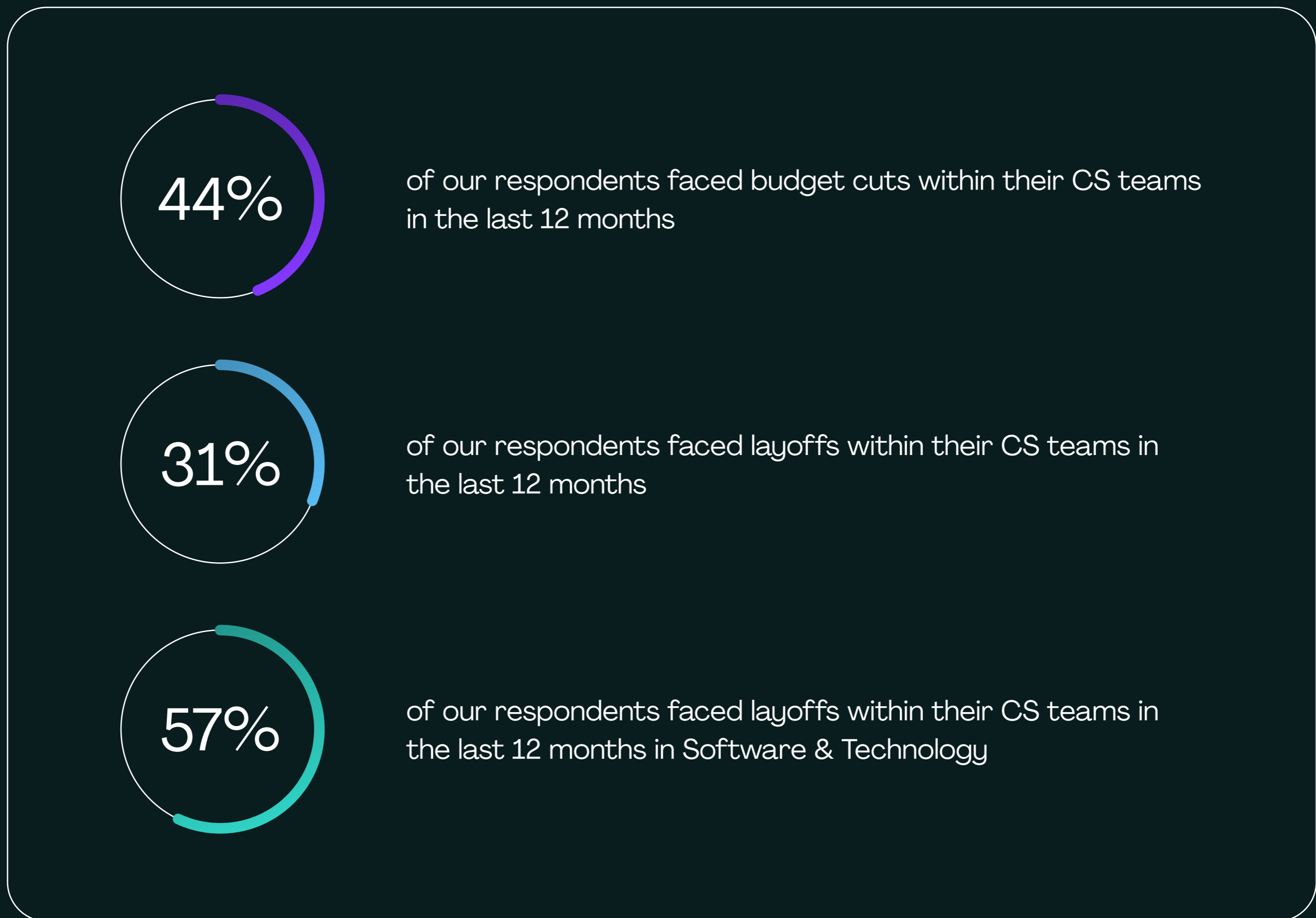


But despite the obvious benefits that Customer Success teams bring to the table, they're still competing for respect with their counterparts in the Sales team. Just over half of our respondents (**53%**) said their CS team receives fewer resources than the Sales team, and **25%** of those respondents say that's the case even though they generate more revenue than the Sales team.

Without Proof, CS Teams Are Vulnerable

So why does CS get overlooked at times? **67%** of our CS leader respondents said they lack the proper data to get full buy-in from leadership, while **56%** said that a lack of standardized metrics across the company makes it difficult to communicate the value of the CS team to leadership. (That number is **67%** among respondents who don't currently use a **CSP**.)

Because of this, Customer Success teams constantly have to justify their spot when their businesses experience economic headwinds. When cuts are made, CS teams are still getting hit hard.



Expert Advice

We asked: Which strategies for measuring your team's business impact are working for you now or have worked for you in the past?

“Measuring and accurately reporting on my team's activities, as opposed to spending all my time focused on reporting trailing financial metrics like GRR/NRR. When I switched focus to activities (a leading indicator, not a trailing indicator), I could immediately show how the CS team's actions impacted the business and its customers in terms of high value vs. low value outcomes.”

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Bodin Pollard

CUSTOMER EXPERIENCE & SUPPORT
MANAGER @ READYTECH
GOVERNMENT

[Success Network Featured Member](#)

We asked: What advice can you give to other CS leaders when it comes to measuring the revenue impact of your team?



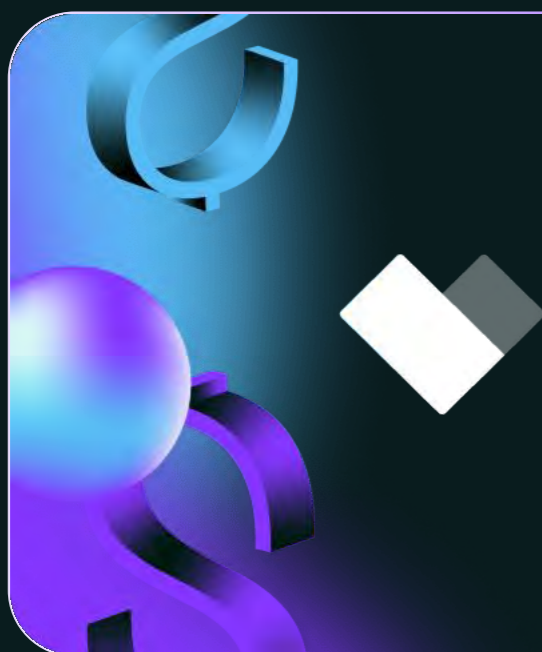
Kristen Gray Psychas

DIRECTOR OF CUSTOMER SUCCESS
@ BANZAI

[Success Network Founding Member](#)

“Executive alignment on objectives, goals, and measures of revenue success is a crucial prerequisite to any Customer Success initiative. By first understanding how the Customer Success puzzle piece fits into your company's bigger picture, you can apply a more holistic approach to designing and delegating effective tactics to team members.”

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Get a first-hand look at how Vitally helps CS organizations gain clarity around revenue

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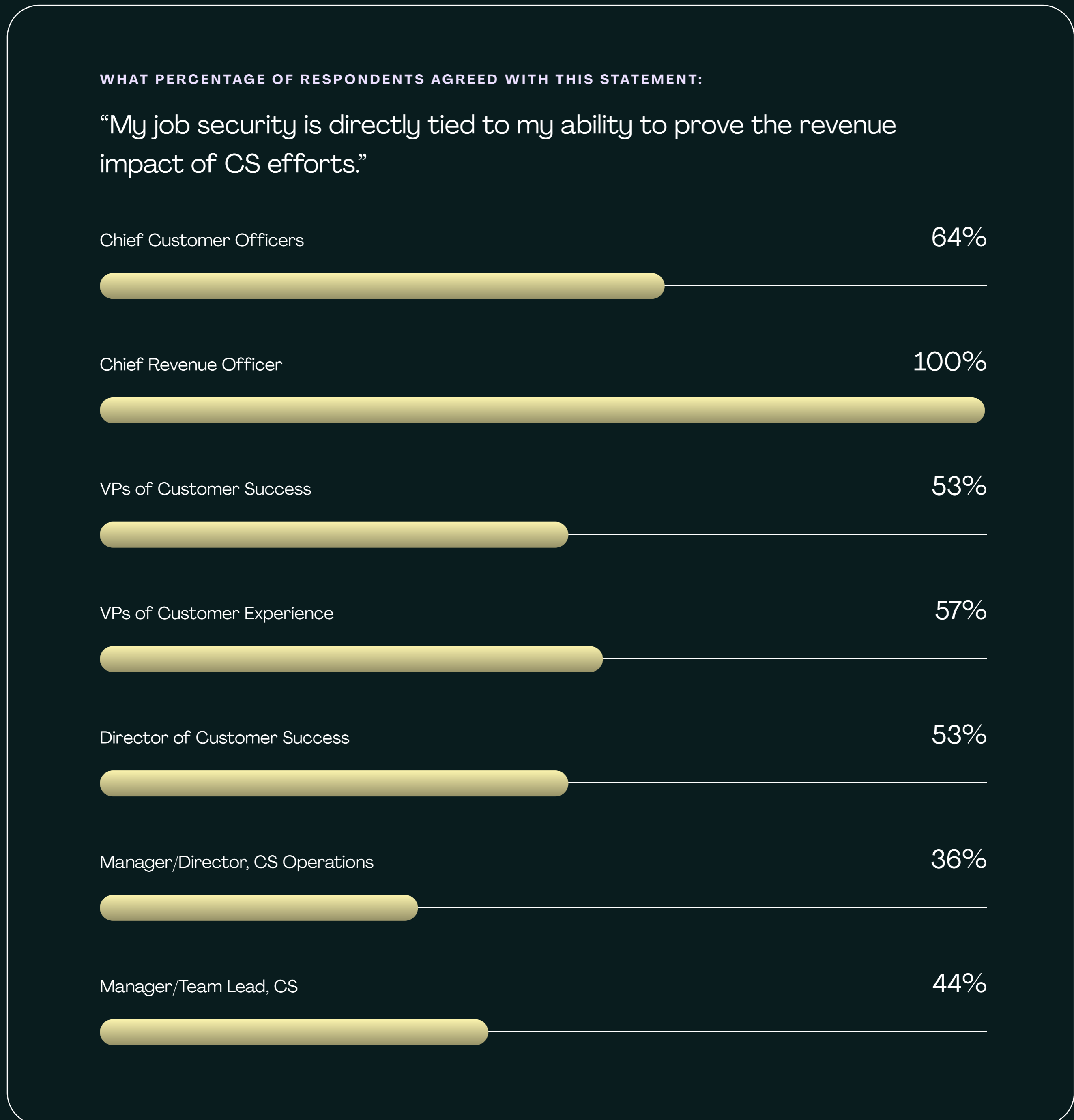
PART 02

Why It's So Hard To Tie Success Efforts To Revenue

The root cause of “the revenue mystery,” and how it impacts everything from team strategy to job security.

Measuring and tracking impact is a key focus for CS leaders in 2024. In fact, **53%** of CS leaders say metric tracking is a top challenge for their team, and **78%** of CS leaders are actively looking for better ways to track revenue impact of their team's activities.

CS leaders are especially concerned with proving impact right now because they feel their jobs depend on it. **45%** of our survey respondents said that their job security is directly tied to their ability to prove the revenue impact of CS efforts; among Chief Customer Officers, it's **64%**.



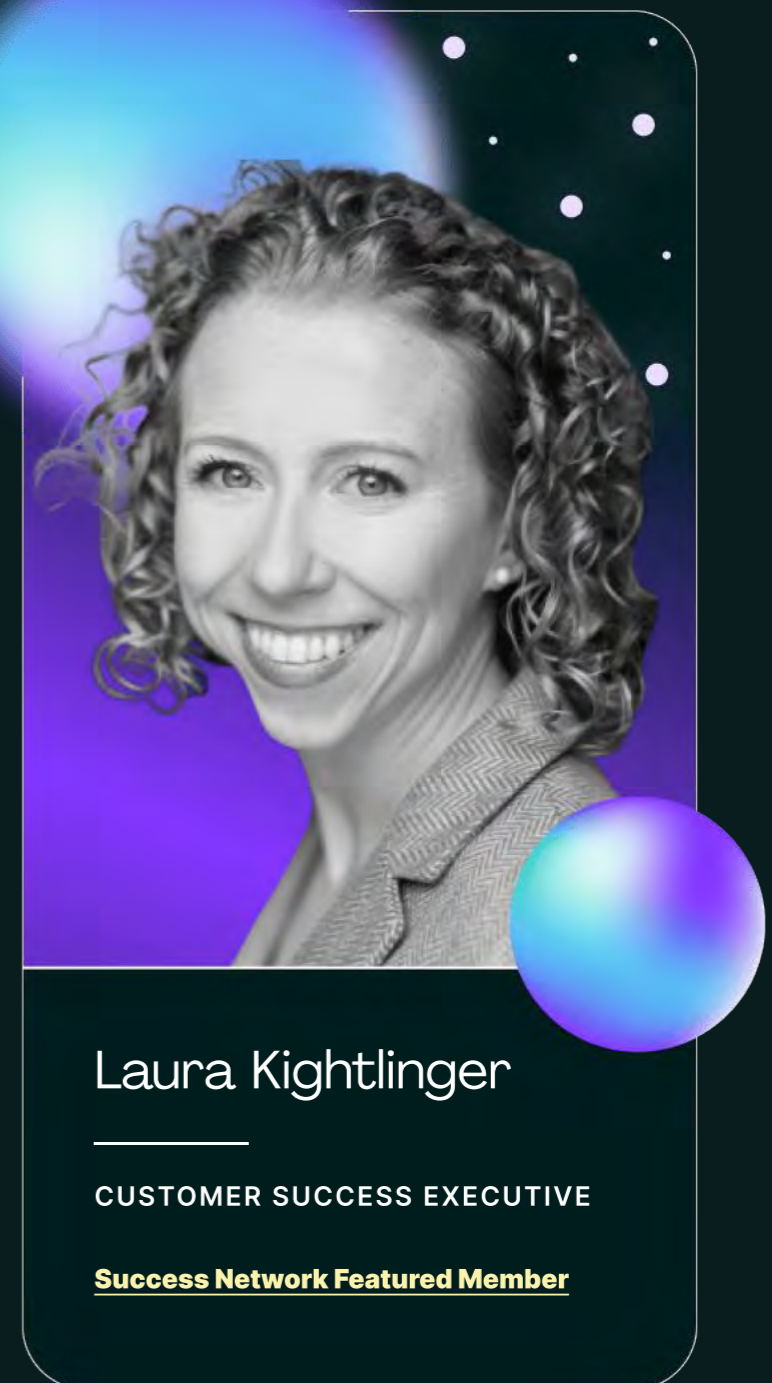
Unfortunately, **28%** of respondents report that they are simply unable to prove their impact, and another **41%** of our respondents reported at least some difficulty in properly measuring their team's impact to the company's bottom line.

Expert Advice

We asked: What advice can you give to other CS leaders when it comes to measuring the revenue impact of your team?

“Take a revenue target! Ideally, you are being measured at least on gross renewal or retention rates, and perhaps also net retention. Revenue retention is the only way to grow scalably, and it is the outcome of smart, targeted work with customers to make them successful.”

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Laura Kightlinger

CUSTOMER SUCCESS EXECUTIVE

Success Network Featured Member

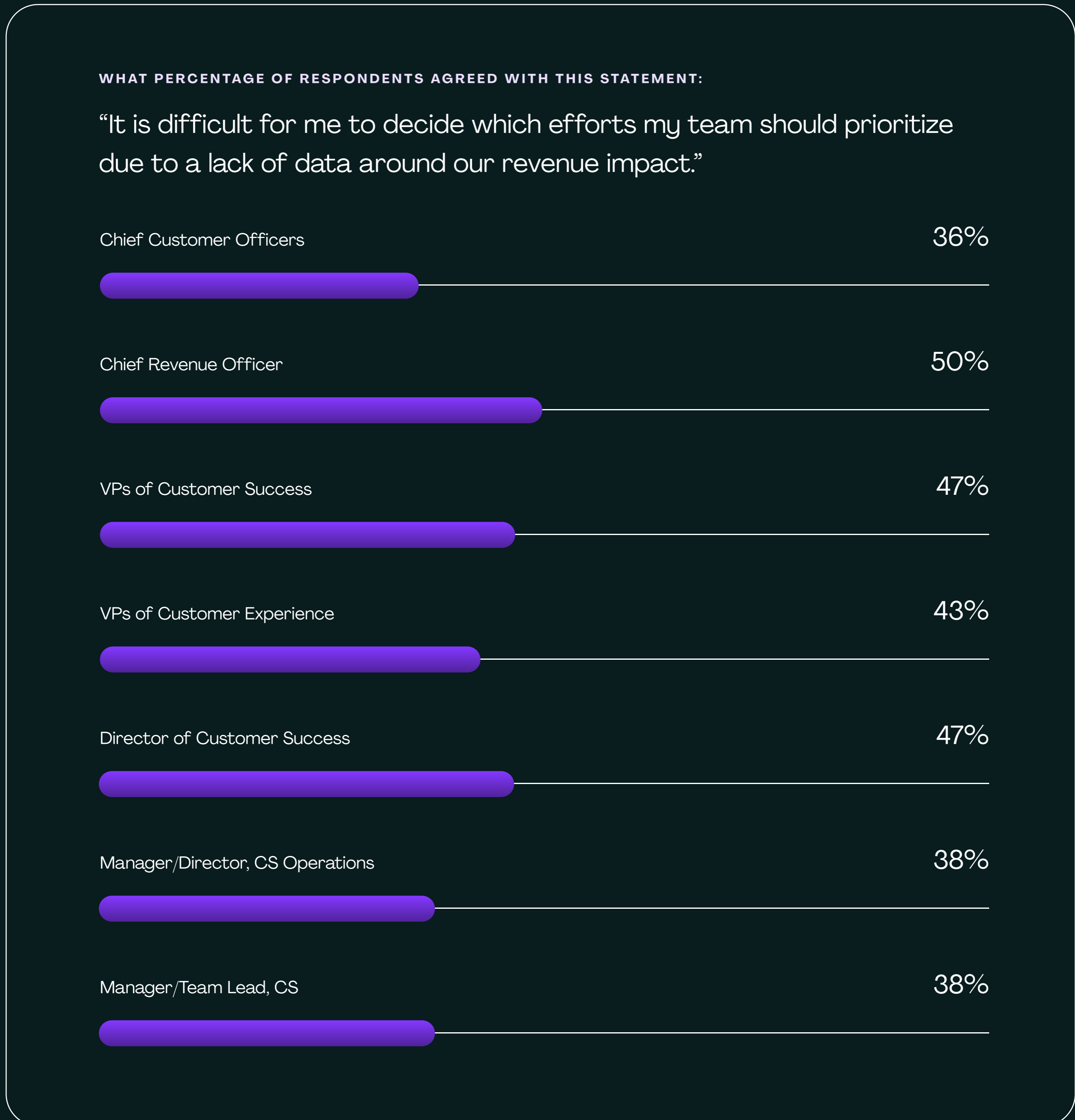
Clean Data Is Critical

The biggest roadblock for tracking revenue impact in the CS team? **Data accuracy**. Our survey respondents said that the trustworthiness of their data is the #1 issue they face when it comes to tracking revenue-based metrics.

CS teams are also **overwhelmed and under-resourced** right now, making it harder to keep up with proper measurement habits. **51%** of our respondents said that their overwhelming workload hinders their ability to measure their team's business impact, while **38%** said that a lack of proper measurement tools prevents them from properly measuring business impact.

→ Related: [How to use data to make better decisions in Customer Success](#)

This inability to tie the CS team's efforts to revenue isn't just a problem for the team leader's job security. It also hinders overall CS strategy. **39%** of our survey respondents say they have trouble deciding which efforts their team should prioritize due to a lack of data around revenue impact — **49%** for respondents that don't use a CSP. Without trustworthy metrics, CS teams don't have a process to follow.



Expert Advice

We asked: What advice can you give to other CS leaders when it comes to measuring the revenue impact of your team?



Myles Bradwell

VP OF CUSTOMER SUCCESS
@ USEREVIDENCE

Success Network Founding Member

“Focus on leading indicators over lagging indicators. While Churn/NRR/GRR will always be how you are measured, focusing on them solely will often lead you in the wrong direction.”

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PART 03

What Are Customer Success Teams Measuring In 2024?

CS leaders have lots of room for improvement when it comes to measuring revenue, but tech-savvy teams are ahead of the curve.

When we presented our panel with 12 revenue impact metrics and asked them which were the most important, these five were the most popular:

01 Net Revenue Retention (NRR)

02 Monthly Recurring Revenue (MRR)

03 Gross Dollar Retention (GDR)

04 Customer Churn Rate

05 Customer Lifetime Value (CLTV)

Additional Ranked Revenue Impact Metrics: (6) Customer Retention Cost, (7) Cross-Sell/Upsell, (8) Renewal Rate, (9) Price increase, (10) Expansion, (11) Non-Recurring Revenue, (12) Contraction/Downgrade

But these vital metrics are more often question marks than data points. Metrics are a major blind spot for CS leaders. Of the 12 metrics listed below, **none are monitored by more than half of CS teams**, although respondents from Software & Technology companies fared a little better.



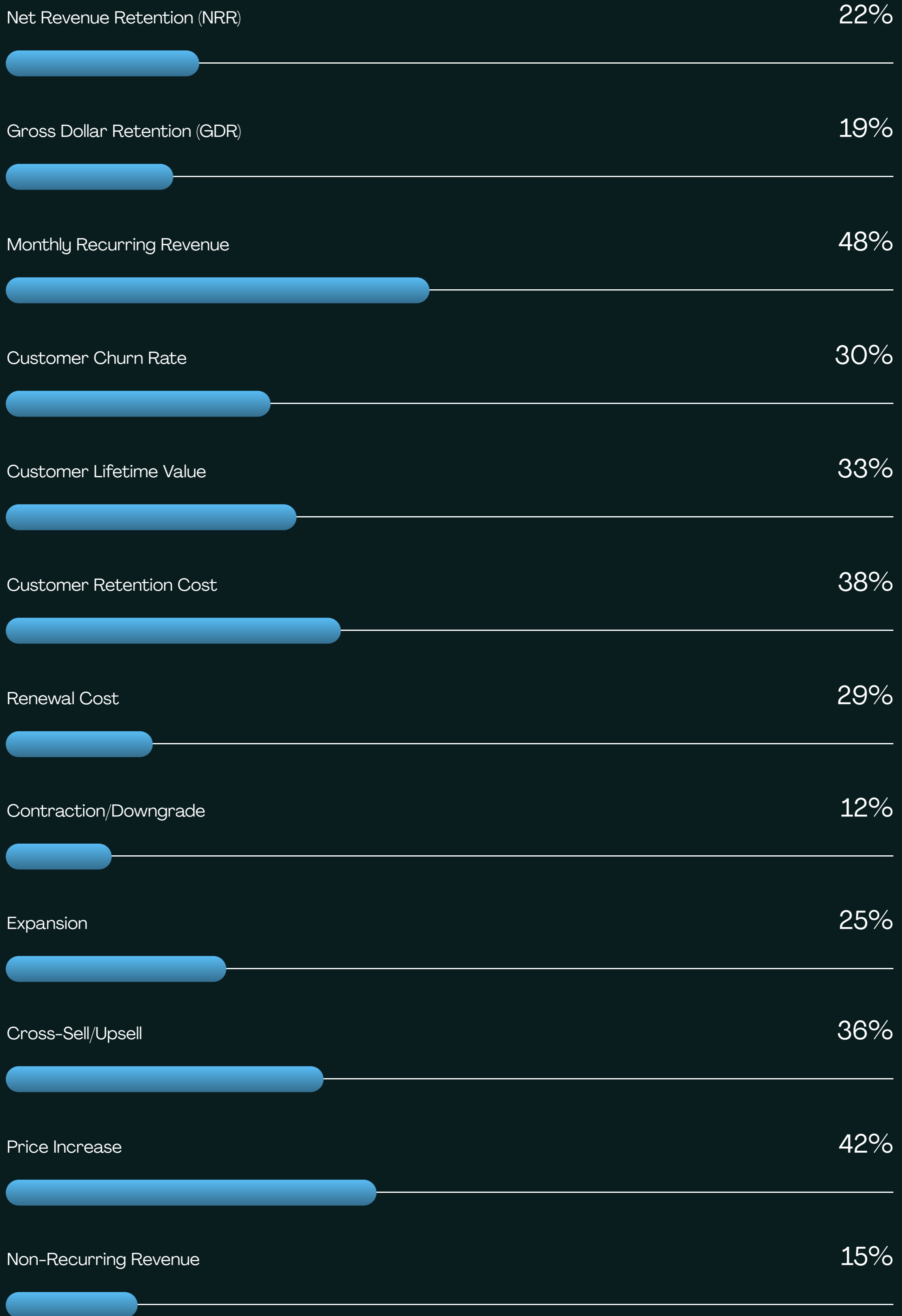
Get a first-hand look at how Vitally helps CS organizations gain clarity around revenue

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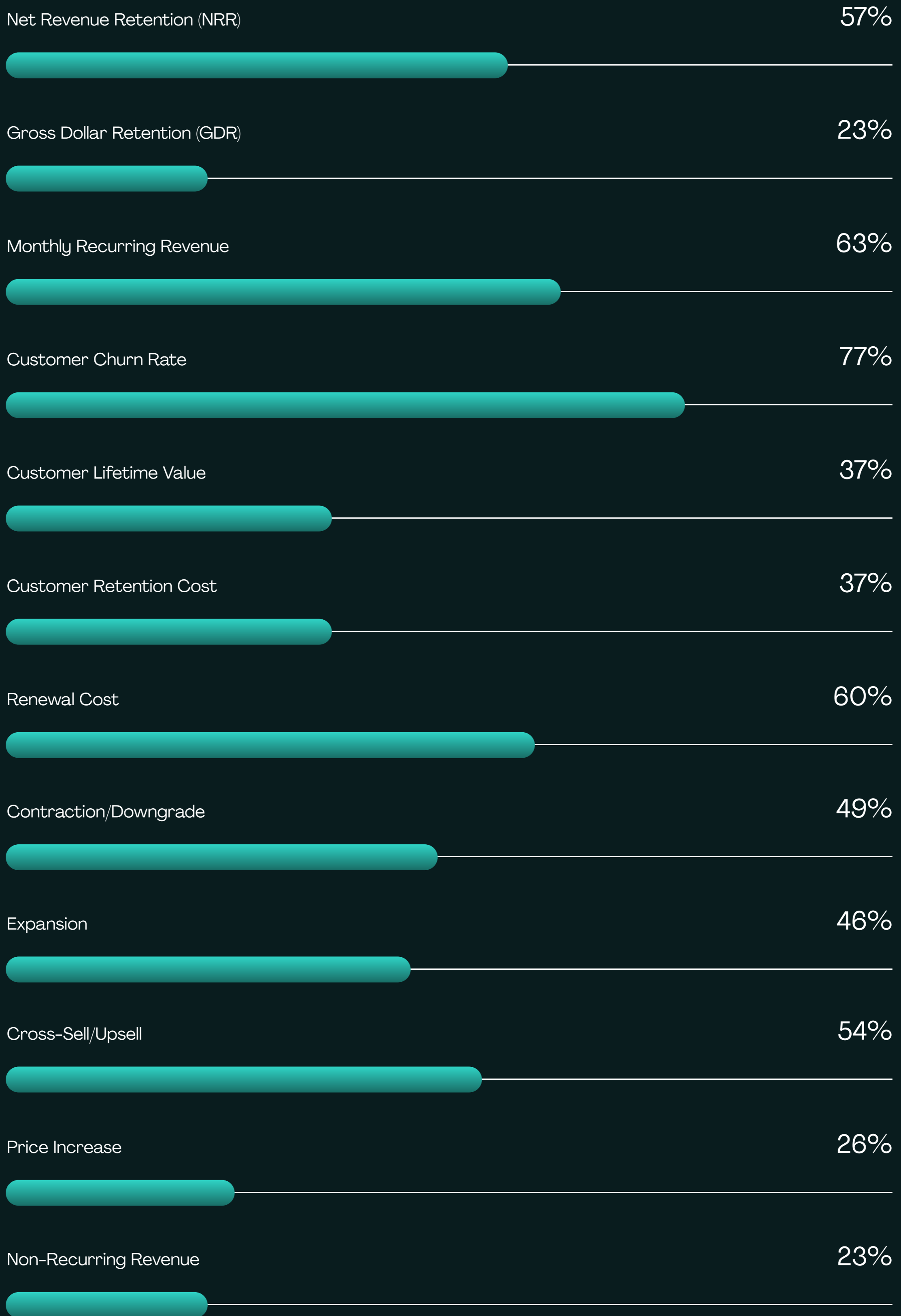
ALL INDUSTRIES

What revenue metrics do you currently track?

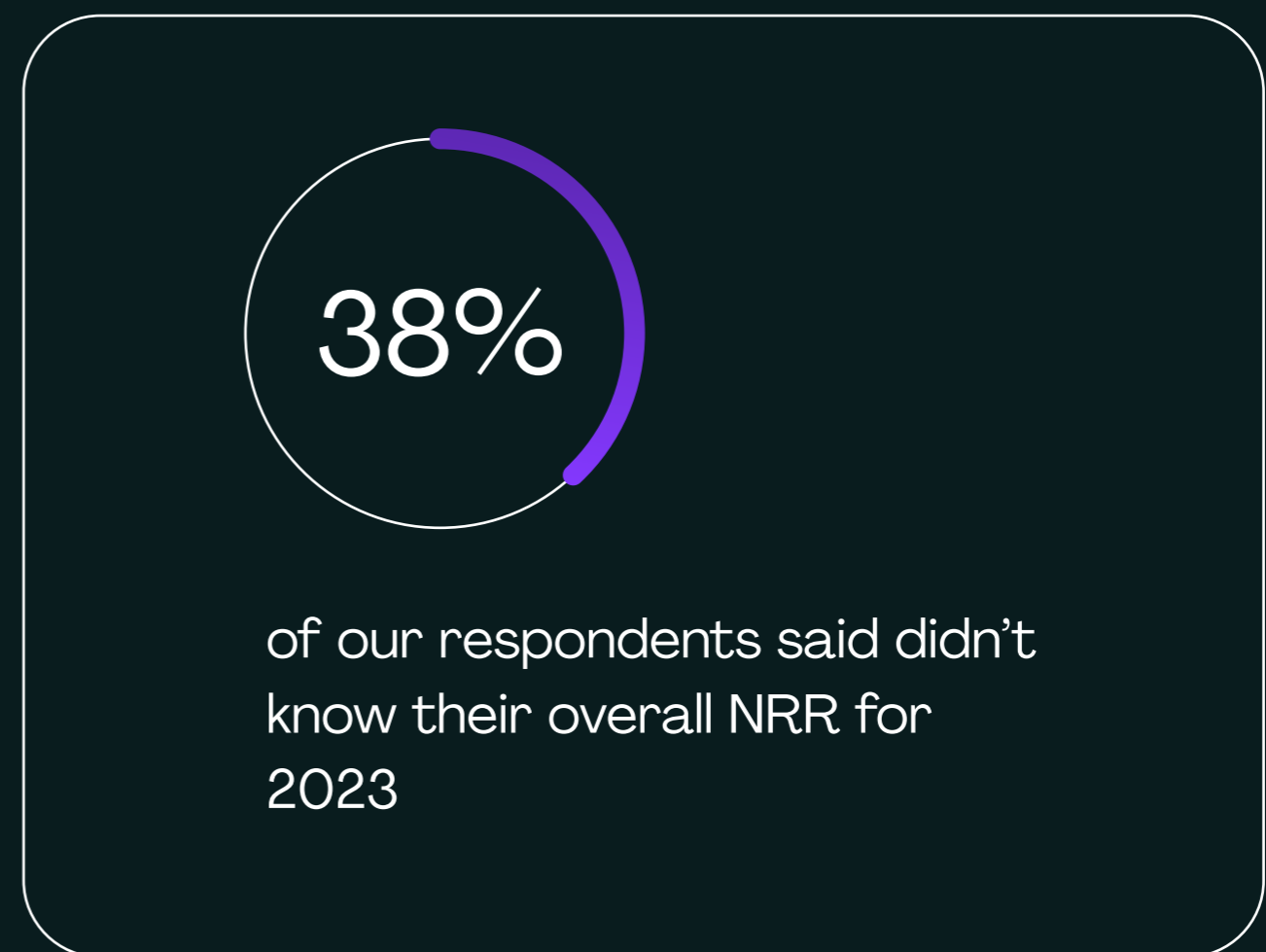


SOFTWARE & TECHNOLOGY

What revenue metrics do you currently track?



In fact, the #1 “most important” revenue metric is one of the least reported and understood. A full **73%** of our respondents said they did not know their NRR for the year to date, and **38%** didn’t know their overall NRR for 2023.



→ Related: [How to create a finance Hub in Vitally to track NRR, ARR, and churn](#)

FROM OUR RESPONDENTS

Revenue Metric Benchmarks

	Net Revenue Retention (NRR) Rate for 2023	Average monthly NRR for 2024*	Average monthly churn rate for 2024*
All Industries	69.8%	54.9%	15.6%
Software & Technology	87.6%	75.7%	10.9%
Information & Tech Services	78.2%	51.9%	10.4%
E-Commerce & Retail	67.1%	59.2%	12.4%

*Through April 2024

Expert Advice

We asked: What advice can you give to other CS leaders when it comes to measuring the revenue impact of your team?

“Focus on headlines and a key story that highlight the revenue outcomes your team influences, impacts, or directly drives. For example, how much upsell revenue has your team driven quarter over quarter for the past year? How much revenue protection has your team directly been engaged in via customer relationship management?”

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Mary Poppen

PRESIDENT & CHIEF CUSTOMER
OFFICER @ HRIZONS EMPLOYEE
EXPERIENCE

[Success Network Featured Member](#)



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Angeline Gavino

VP OF CUSTOMER SUCCESS
@ KATALON

Success Network Featured Member

“We all know that Customer Success plays a crucial role in driving revenue growth. However, a lot of the metrics that Customer Success typically uses don't easily reflect that. As CS Leaders, you need to be able to effectively showcase your team's contribution to the bottom line.”

[Read More →](#)

→ Further Reading: [10 Customer Success KPIs that top CS leaders track](#)





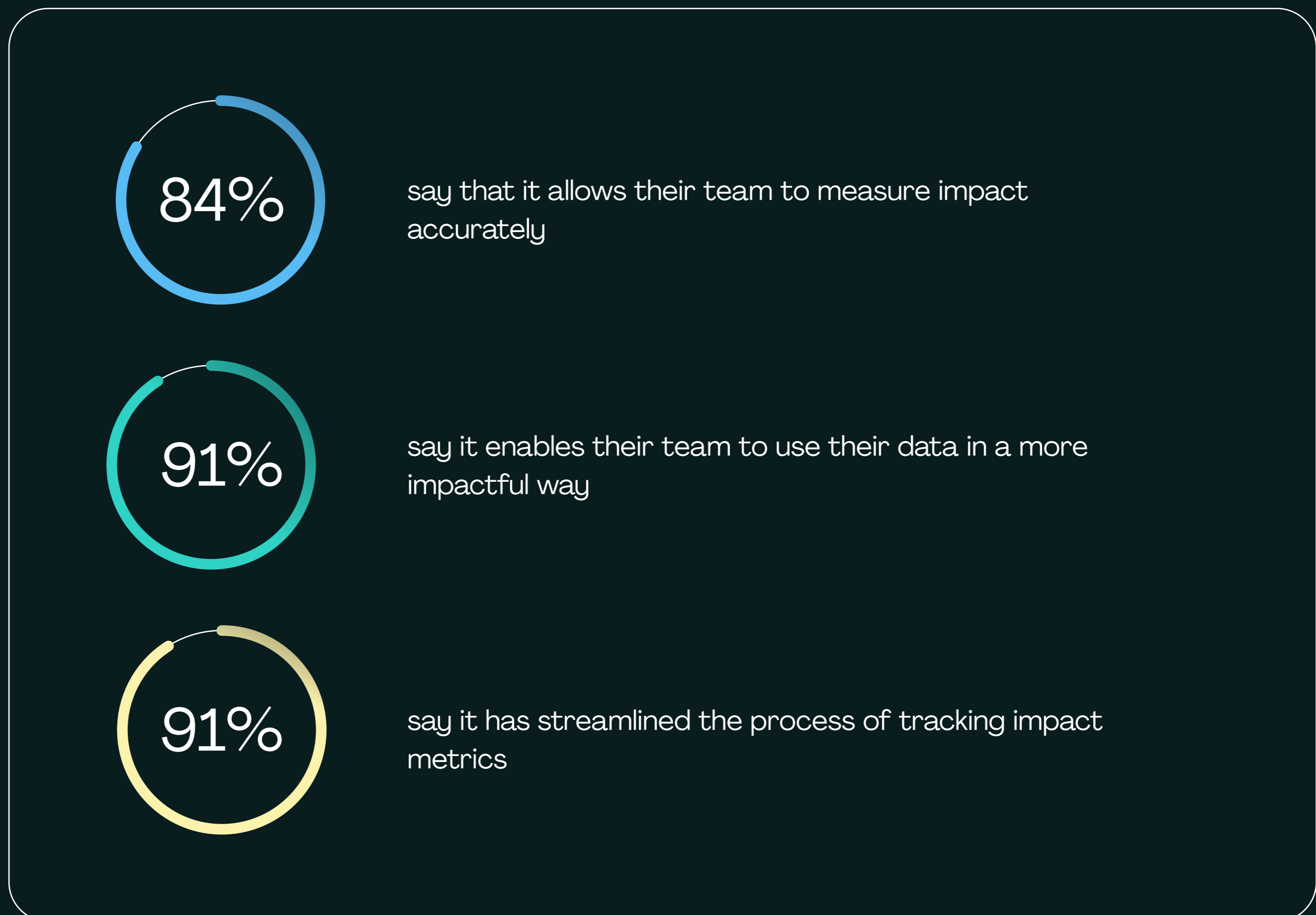
PART 04

How Technology Gives CS Teams An Edge In Proving Impact

When it comes to customer data, Customer Success Platforms (CSPs) bring chaos into order.

Only **45%** of the CS leaders who took our survey said that their teams use a Customer Success Platform, revealing a huge opportunity for centralizing and optimizing their customer data.

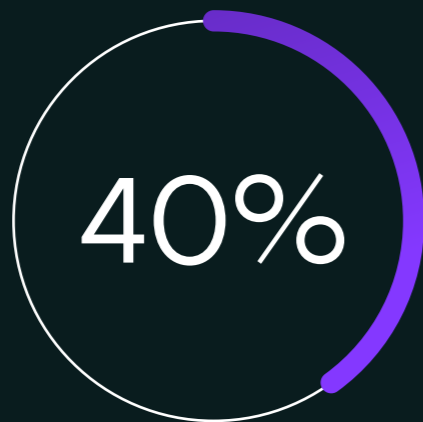
CSPs help piece together the measurement puzzle. According to survey respondents who say they use a CSP...



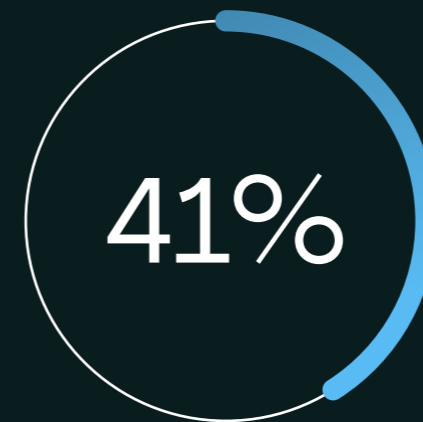
→ Related: [**What are Success Metrics? How to measure KPIs in Vitally**](#)

Teams That Use CSPs Are More Likely to Grow

CSP users also aren't experiencing the anxiety of shrinking resources the same way non-CSP users are. CSP users who responded to our survey were **41%** more likely than non-users to report team growth in the past 12 months, and 63% said that their CSP has helped their team secure more budget.

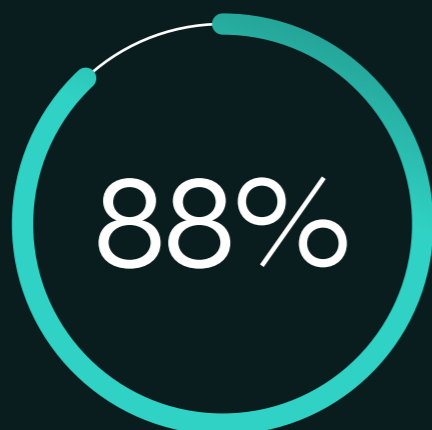


of our respondents said their company experienced budget cuts over the past 12 months

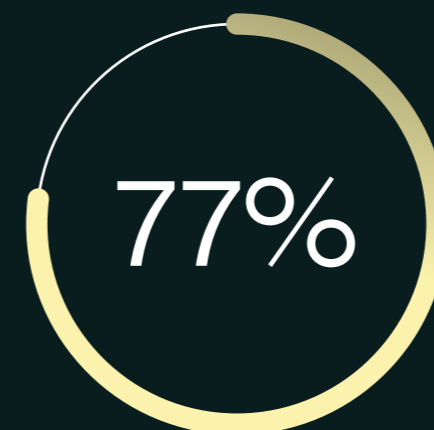


of CSP users more likely than non-CSP users to report team growth over the past 12 months

Among the main benefits of CSP usage cited by our respondents...



of CSP users say it has helped their team spend more time on meaningful customer engagements



of CSP users say that using a CSP has significantly saved their team time on day-to-day work.

Through April 2024

Even With the Right Tech, Challenges Remain

When we asked our experts where they still struggle when it comes to measuring Customer Success's impact on revenue, some pointed to a lack of visibility around their customers' revenue.

"Ultimately, the CS team's mission is to drive value," [Myles Bradwell](#) said. "As value means something different to each customer, [CSP] reports often don't tell us the full picture. While our data can help us understand who's using our tool, it doesn't have the ability to showcase how that usage is driving success for our customer's business or role."

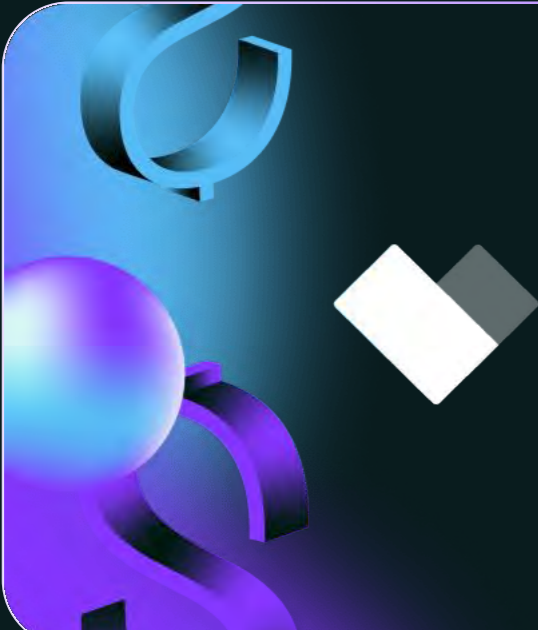
[Bodin Pollard](#) agreed: "The thing that I wish CSPs could provide is a direct connection to customer-side data sources that show customer outcomes, rather than vendor outcomes. Product adoption/usage, CSAT, NPS, etc. are all vendor outcomes and aren't evidence that your customer is getting what they think they're paying for."

Other Customer Success leaders struggle with separating CS impact from organizational impact.

"**Correlation is not causation**, and even if you have great retention and customer satisfaction, it can be difficult to prove that CS is the sole cause of that and not just an influencer of it," [Laura Kightlinger](#) said. "Because **creating successful customers is a total company effort**, I have previously faced many questions about what specifically CS did to achieve high retention rates vs. what would have happened naturally because of a good product and excellent implementation team."

teams are pursuing the right strategy and activities, rather than trying to quantify the dollar value of what they do.

"Avoid perfectionism in reporting the numbers," Pollard advises. "**Calculating everything to the last cent is the CFO's job, not yours**. If you successfully connect high value activities to positive trends, the GRR & NRR calculations will take care of themselves and reflect well on you and your team."



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Conclusion

Understanding revenue impact is the biggest mystery that Customer Success teams face today, but it also presents one of the greatest opportunities.

Our report suggests that with more reliable data and measurement tools, CS leaders could make better strategic decisions, secure resources for their teams, and even improve their job security.

Our survey respondents are well aware that connecting their efforts to revenue impact is critically important, with **78%** of them saying they're actively looking for better ways to track the revenue impact of their team's activities.

But too many Customer Success leaders are currently flying blind; **38%** of our respondents didn't know their company's overall NRR for last year, and **73%** didn't know their average monthly NRR for 2024 to date, despite a general consensus among our respondents that NRR was the most important CS revenue metric to track.

The main issue is the trustworthiness of their data; our respondents said data accuracy was the #1 challenge standing in the way of tying their efforts to revenue. As a result, **41%** of our survey respondents experience at least some difficulty measuring CS's impact to the company's bottom line, and another **28%** said they're unable to prove their team's revenue impact at all.

Fortunately, CSPs help piece together the puzzle. **84%** of CSP users say that their software allows their team to measure impact accurately.

And despite a still-rocky business environment that has resulted in over **40%** of our respondents' companies experiencing budget cuts over the past 12 months, CSP users were **41%** more likely than non-CSP users to report team growth over that time period.

If your team is struggling with the blurred line between CS and revenue, **Vitaly** can help bring it into focus. Our suite of **reporting and analytics tools** have helped B2B Customer Success teams around the world drive post-sales revenue and accurately measure impact.



PART 06

About The Participants

Our survey was conducted from March 25th through April 29th, 2024, and featured 409 total respondents based in the United States, all employed full-time as B2B Customer Success leaders with direct oversight of a team.

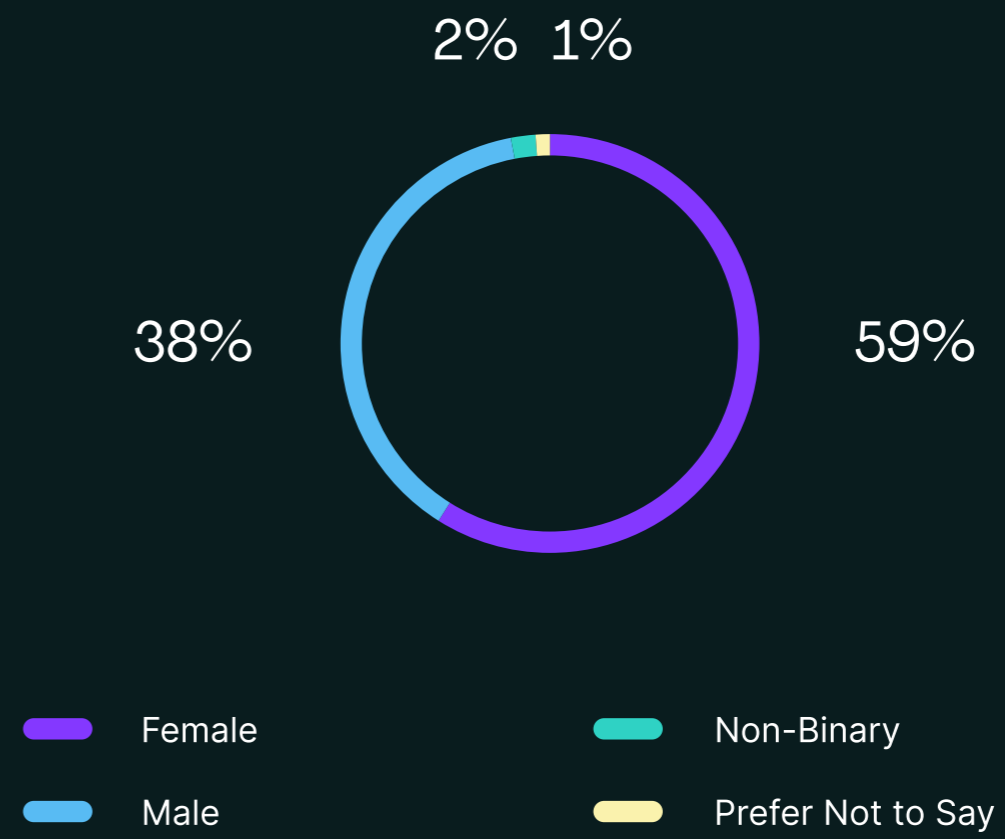
409

Survey Respondents

39 years

Average Age of Respondents

Gender Breakdown



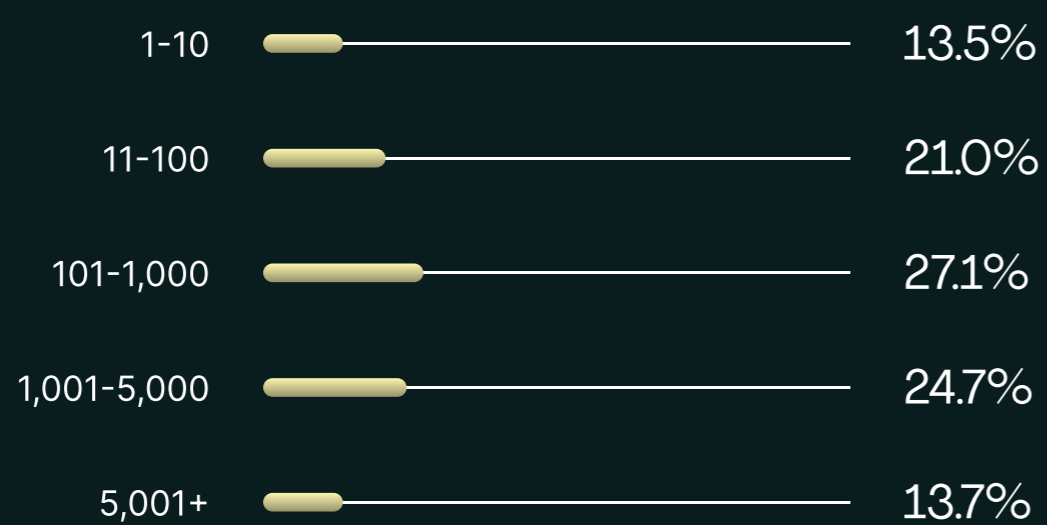
Number of Years Employed



Job Title



Company Size



Annual Revenue





About Vitaly

Vitaly is on a mission to help B2B companies improve productivity, collaboration, and impact in the Customer Success department and beyond. Our all-in-one Customer Success Platform serves as the single source of truth for customer data, and helps companies drive more revenue from CS efforts. Visit ["Why Vitaly"](#) to learn how we're supporting the next generation of Customer Success.

