

A Customer Success Leader's Guide to CRMs & CSPs



Table of Contents

Understanding the SaaS Tool Landscape

02

Choosing the Right Tool

06

Defining a CRM & CSP

03

When to Choose Each Tool & the Benefits for Your Team

09

Feature Breakdown

05

Conclusion & Additional Resources

11

The SaaS Tool Landscape

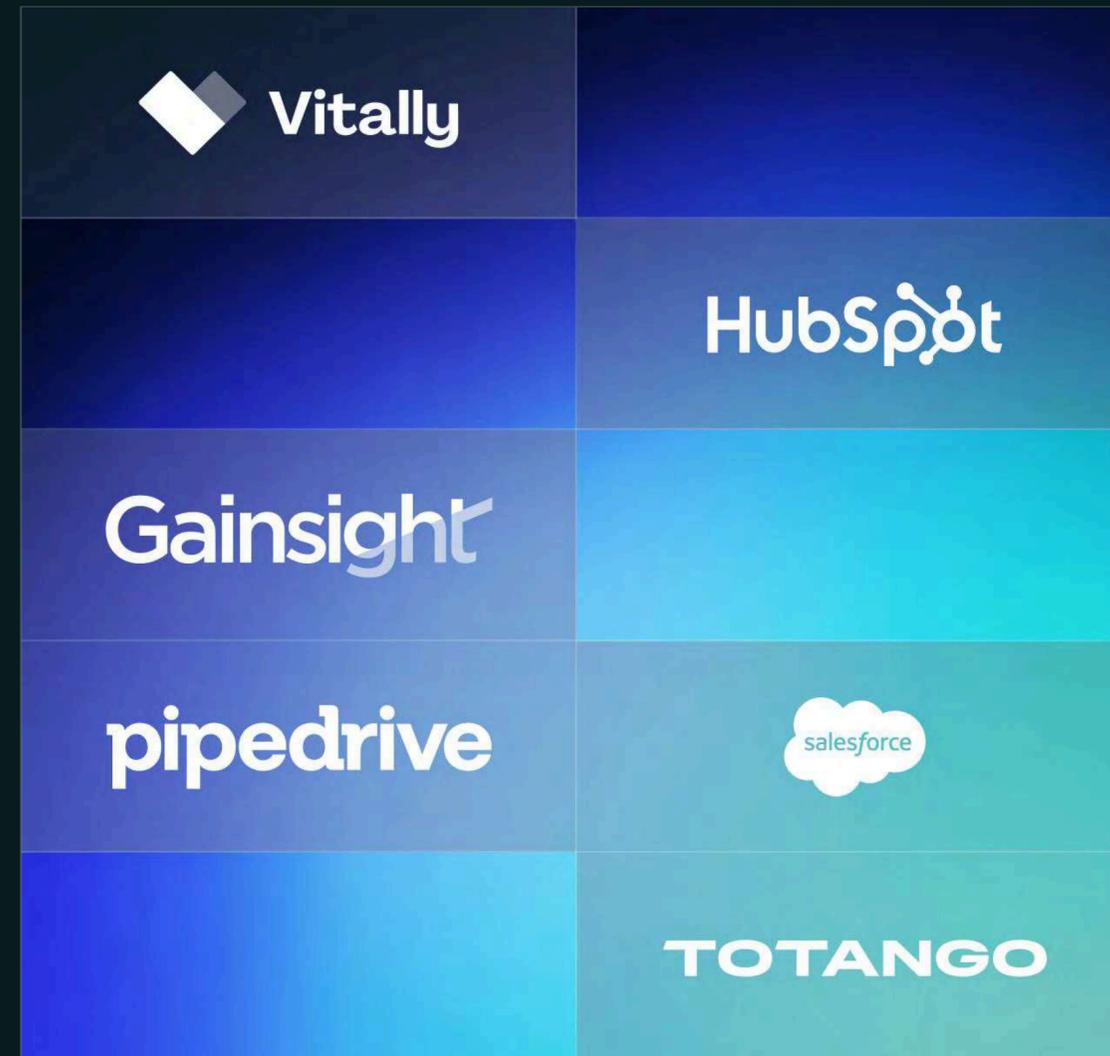
Over Two Decades Ago...

The first Customer Relationship Management (CRM) platform made its mark on the software world: Salesforce. In the years since then, organizations adopting a Software-as-a-Service (SaaS) business model have become the norm.

As the SaaS space continued to mature and consumer expectations began to shift, companies found themselves fighting against revenue-impacting customer behavior, such as churn. At the same time, the role of Customer Success was quickly becoming more critical to organizations, with the need for teams to become more data-driven and efficient.

The Birth of the CSP

Unfortunately for these teams, their options were limited as platforms like CRMs were made more for traditional enterprise Sales teams that focused on initial



pipeline generation. The need increasingly grew for a dedicated piece of software that could help manage and grow customer relationships after they signed.

As a result, the first Customer Success Platform (CSP) was born in 2009. In the years that followed, CSPs continued to gain traction in the space and now there are CSPs that cater to a wide range of needs and Customer Success models.

What You'll Learn

Choosing the right tool in today's software landscape can be challenging, especially when they all appear to serve similar needs on the surface. This e-book is designed to help you learn more about CRMs and CSPs, the advantages and disadvantages of each tool, and how to choose the right one for your organization.

Let's get to it!

Customer Relationship Management (CRM)

In this section, we'll define what traditional CRMs are and the benefits for a team who adopts a CRM.

What Is a CRM?

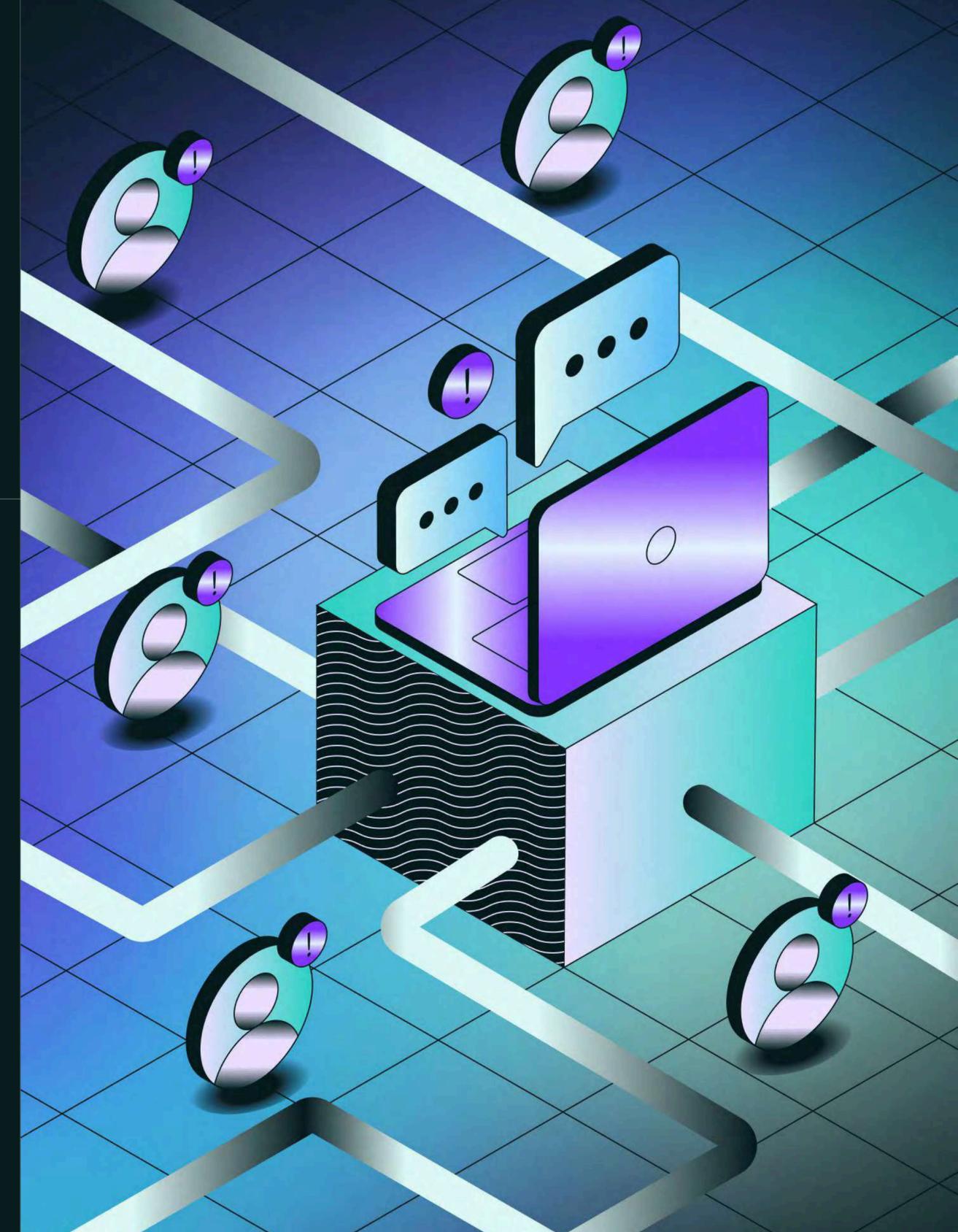
Customer Relationship Management (CRM) systems such as Salesforce, HubSpot, and Pipedrive are designed for revenue teams whose main focus is to bring in and convert leads.

Features such as contact and account management, pipeline and opportunity tracking, and workflow automation make up the framework of a standard CRM. If you're reading this guide, it's likely that you already have a CRM in place whether that's one of the products we've mentioned above or another project management or spreadsheet-type tool.

Why Use a CRM

CRMs provide revenue teams with a centralized way to manage a large database of prospects and customers. Having customer data accessible in a CRM allows for more efficient sales processes, improved customer experience, and smoother collaboration between Sales and Marketing.

In addition, many CRMs offer reporting and forecasting abilities to help organizations optimize and track their pipelines (e.g., conversion rates, quota tracking, lead management, etc.).



Customer Success Platform (CSP)

In this section, we'll define what a CSP is and the benefits for a team who adopts one.

What Is a CSP?

Once your high-intent leads turn into paying customers, it's the job of Customer Success to ensure they receive the most value from your product and renew year after year. Because the goals of Sales and Customer Success vary, CS teams require different tools and insights (such as [health scores](#), product usage, and lifecycle tracking) to ensure the right type of interaction is provided.

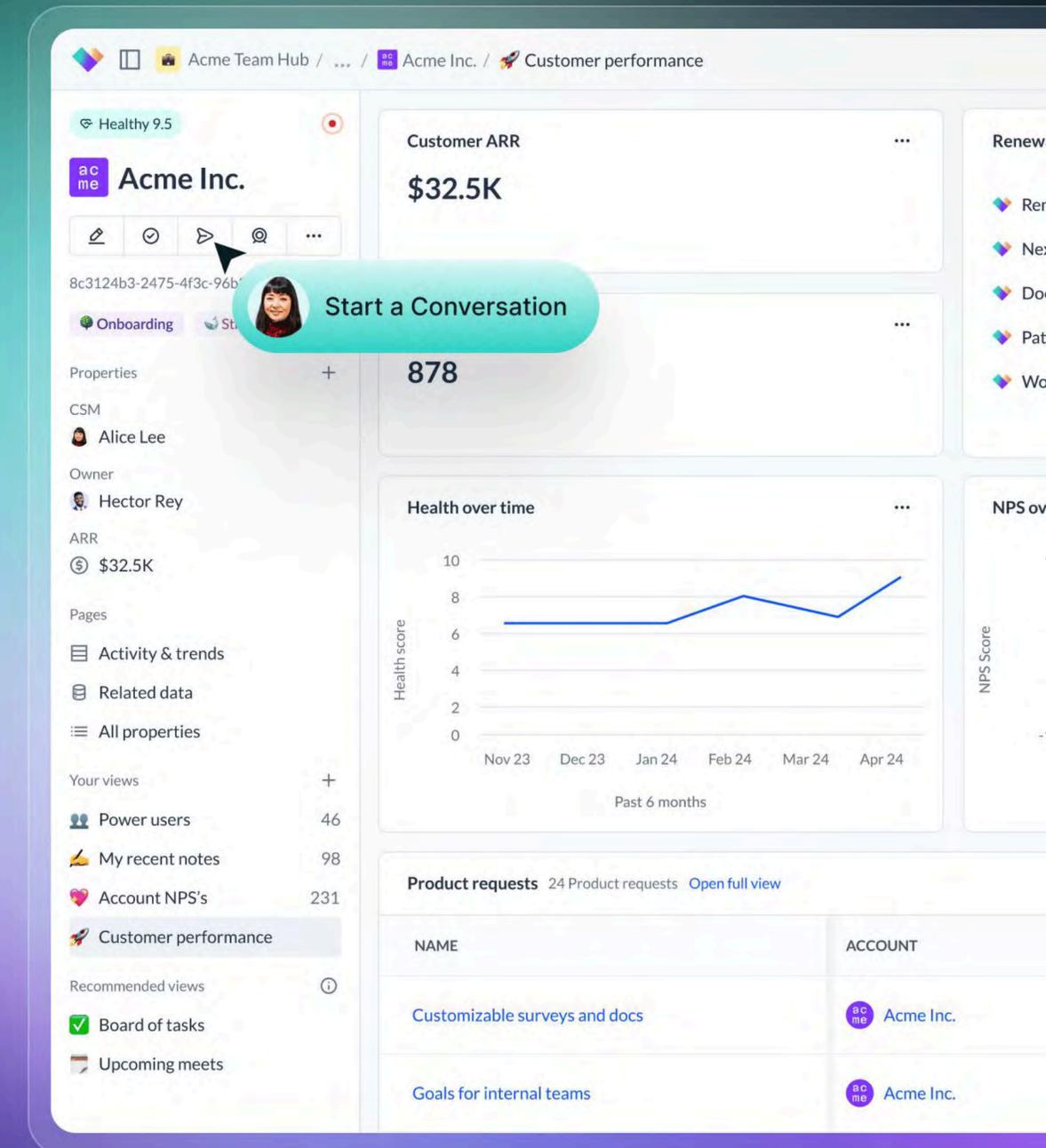
As a Customer Success professional, your main goals are to retain customers, increase revenue, and foster a successful long-term partnership with your clients.

This is where a dedicated CSP comes into play — such as [Vitaly](#), [Gainsight](#), and [Totango](#) to name a few.

Why Use a CSP

CSPs and CRMs often work in tandem, with many teams using their CRM to feed customer data and pre-sales insights into their CSP. But CRMs don't provide all the information a Customer Success team needs to effectively perform the vital functions of expansion and retention.

“To have a strategic impact on the business, your CS team needs to be the data-driven voice of the customer for the entire organization,” [says Vitaly CEO Jamie Davidson](#). “You need a lot of opinionated data to achieve that, which you wouldn't find in a CRM.”



[Ian Russell](#), Head of Customer Success at Accord, shares a similar thought:

“CRMs will give you a snapshot of a customer, which can be helpful, but it doesn't give you an ongoing perspective of a relationship with a customer — like how health scores or ARR have changed over time. And that's the type of data that leads to strategic decision-making and gives you a seat at the table.”

Having a dedicated CSP gives Customer Success teams a major advantage in managing customer relationships, becoming more productive and proactive, and automating CS workflows at scale. As we investigate these tools further, you can use this information to help select the best tool for your organization.

Feature Breakdown

There are many similarities and differences between CRMs and CSPs. Below, you'll find a high-level breakdown of each tool's feature set so you can make an informed decision for your team.

	CRM	CSP
CUSTOMER DATA	Requires additional work in order to import and surface insights like product usage and event data	Easily view and take action on product usage and event data within the platform
INTEGRATIONS	Wide variety of integrations to support Sales and Marketing efforts, but missing key integrations specific for Customer Success needs	Flexible bi-directional integrations (the ability to sync data both ways) with tools like CRMs, Data Warehouses, Product Analytics, and more
AUTOMATION	Robust automations that power communication (i.e. email sequences) at scale, automated task management, and more	Robust automations that power communication (i.e. email sequences) at scale, automated task management, dynamic CSM assignment, and more
PROJECT MANAGEMENT	May need additional integrations to manage Tasks, Projects, and Conversations within the platform	ManageTasks, Projects, and Conversations natively within the platform
HEALTH SCORING	No native health scoring capabilities and typically requires additional development work via integrations and technical resources. Can DIY a health scoring model but can't be customized per segment	Set weighted, dynamic health scores that change based on where customers are at in their journey (e.g., Acme Inc. was 'healthy' during the onboarding phase but is now 'concerning' during adoption)

*The functionality of CRMs, and CSPs vary across different products. If you'd like to learn more about what Vitally's Customer Success Platform has to offer, click [here](#) to schedule a demo.

Choosing the Right Tool

Why Not Stick With the Status Quo?

In some cases, Customer Success teams may try to stick with the tools they already have and attempt to build a CSP on top of a CRM. While this may seem like a logical solution, this typically requires ongoing dedicated Ops and Dev teams along with even more precious resources like costs and time.

While CRMs are excellent for managing pre-sales activities, they lack the tools and features needed to manage post-sales activities. CRMs are also limited in the integration and data ingestion capabilities that you would find in a CSP. Think product insights (e.g., the % of active users using your product) and dynamic health scoring (e.g., customizing the health of your enterprise customers from onboarding to adoption).

Consider a Dedicated Platform

Regular Salesforce users tend to agree that the platform is not built for easy and detailed surfacing of customer insights. In addition, many CRMs center around Sales and Marketing activities such as pipeline and campaign management rather than customer lifecycle management.

A Customer Success Platform can make it easy for non-technical teams to gain a bird's eye view of where customers stand no matter where they are in their journey. With plug-and-play integrations that flow customer data into the right places, a CSP can ensure that teams receive real-time visibility into their customer's health and activity as they continue to scale.

Things to Note:

- With a CSP, CS teams are empowered and equipped with all of the customer data they need to do their job efficiently.
- Without a CSP, you might need to contact Dev teams or CRM admins whenever you want to build health scores, dashboards, etc.
- CS teams may need to “hack” CRMs to make it work for them. Depending on your CRM's functionality, you may need to add on an additional project management tool in order to keep track of customer onboarding progress and other important items. This might work for simpler, high-touch CS models in the short-term, but can pose a challenge as your team scales.

REDUCING CHURN

“In 2020 alone, we reduced our gross churn relatively by 50%. Even as we scaled, we were able to spend our time as wisely as possible with customers.”



JOHN HENWOOD
Senior Director of Customer Success



[LEARN MORE](#)

KNOWLEDGE BASE

“Vitally has been adopted org-wide – used by multiple departments across Apollo. It’s our source-of-truth reporting for many of our OKRs, and we use it to drive initiatives forward.”



LINNEA OLSON
Customer Success Operations Manager



[LEARN MORE](#)

CUSTOMER HEALTH SCORES

“We were guessing which accounts needed our time, and we were spending a lot of time in places that we didn't need to spend our time.”

“So to get a feel for the health of an account, we were going based off of gut in a lot of ways, and waiting for something to happen before we would act on it.”



JARED McCOSKEY
Director of Customer Success



[LEARN MORE](#)

UNIFYING CUSTOMER DATA

“As we went from one to two to six different CSMs working with customers, it was super important to have one place where all touch points would be documented — where we could look back and see a historical record of touch points and account health.

“Since we started managing our QBR and renewal processes through Vitally, we noticed a 20% decrease in monthly churn between the first half and the second half of the year.”



ALISA FENG
Head of Customer Success



[LEARN MORE](#)

When to Choose Each Tool

CRMs and CSPs serve the needs of different teams, so you may be wondering when an appropriate time would be to adopt these tools. Questions like, “How will this tool translate into business value for the next 2-3 years?” and “Will this platform help my team become more efficient, productive, and scale with us as we grow?” are important to consider.

You’ll also want to have a clear understanding of all the teams that will be affected by an investment in these tools. The following guidelines can help you gauge your readiness for a new platform:

A CRM May Be for You If...

You’re quickly growing your Sales and Marketing departments

You want to organize and take action on a large set of customer data

You want to gain more visibility into your Sales activities and processes

A CSP May Be for You If...

You’re quickly growing your Customer Success department and/or your customer base

You want to bring together disparate data sources across your tech stack (CRMs, product analytics, etc.)

You want to gain more visibility into trial users and the health of your existing customers

You want to automate and scale CS processes such as onboarding, success planning, QBR prep, etc.

Benefits for Each Team

As we've uncovered, each platform has its own set of features that make it valuable for certain teams. Below, we've outlined examples of what Sales, Marketing, and Customer Success can glean from each tool.

	CRMs	CSPs
SALES	Manage leads, deals, and interactions with prospects	Manage the health and conversion of trial customers along with expansion opportunities
MARKETING	Organize customer marketing lists and manage campaigns	Identify healthy accounts for case studies and reference/referral programs
CUSTOMER SUCCESS	Access customer information like contacts, accounts, and billing	Uncover expansion opportunities, churn risks, and manage activities across the entire customer journey

Choosing the Right Tool for CS

CRM functionality is typically tailored more for revenue (Sales and Marketing) teams who are focused on the initial sale. The goal is to get prospects in and convert them into paying customers.

CSPs, on the other hand, are tailored more for Customer Success teams who need to be more relationship-focused over a long period of time. This is why many CSPs have

project management capabilities, robust workflow builders, and other features to support and collaborate with customers throughout their journey.

At the end of the day, if you're on a Customer Success team, you should be starting and ending your search with a dedicated CSP.

Conclusion

Congrats! You've made it to the end of our comparison guide. We hope you now have a better understanding of CSPs and CRMs along with the teams they serve.

Although every organization is at a different stage of growth with varying processes, many CS teams (even teams of one) find immense value in a dedicated Customer Success Platform. Now that we've clarified the pros and cons of each tool, the choice is up to you.

If you have any questions about the topics we've covered here, please reach out to sales@vitaly.io. We're always happy to help and share our thoughts around best practices and the future of Customer Success.



Vitaly helps Customer Success teams of every size succeed and evolve through the success of their customers. Our top-rated Customer Success Platform provides CS teams with everything they need to deliver world-class customer experiences, operate more efficiently, and grow their business's bottom line. The fastest-growing B2B SaaS companies use Vitaly to proactively address churn risks and expansion opportunities in real-time.

Visit vitaly.io/demo-request to schedule a personal demo and see for yourself why more industry leaders are switching to Vitaly.

Unify all your customer-facing data across your tech stack with bi-directional, real-time integrations.

Scale operations with automated Playbooks and Notifications.

Easily analyze account and user status, including Health Scores for every customer segment and lifecycle.

Create dedicated workspaces to collaborate with customers using Docs.

Standardize Customer Success processes with project management tailor-made for CS.

Surface Customer Success wins with beautiful, actionable Reports and Dashboards.

Additional Resources

The Ultimate Guide to Choosing a Customer Success Platform (CSP)

With dozens of CSP options available, how do you choose? This guide will help you find a CSP that not only supports your team's needs but your customers'!

[LEARN MORE](#)

Why a World-Class CS Operation Can't Be Managed Off a CRM

To build, scale, and measure sophisticated post-sales strategies, you need a CSP like Vitally — not a CRM. Here are six reasons you should make the jump.

[LEARN MORE](#)

Build vs. Buy: Why Developing Your Own CSP Is Never a Good Idea

It rarely makes sense to build a homegrown Customer Success Platform inside your CRM. Here's why some companies consider it, and why they usually regret it.

[LEARN MORE](#)

Vitally Demo Center

Get a hands-on look at what our Customer Success Platform can do for you by browsing through these interactive tours of Vitally's key features.

[LEARN MORE](#)

