



Defining and Applying Change Management in Customer Success



Customer Success often involves making changes. Changes to processes, changes to teams, changes to whole organizations. Change management is a critical skill for CS leaders, but it frequently gets overlooked in the face of all the other responsibilities demanding our time and attention. Adopting and implementing change management principles is vital to the success of any business initiative, no matter how big or small, but it's especially crucial to ensure the success of large-scale transformations like the ones CS organizations often face.

Everyone with an ounce of experience in business has been a part of an initiative that failed to take root. Every leader knows what it's like to invest their time, energy, and resources into a project that didn't go anywhere. It's a terrible feeling! Change management evolved as a discipline to help reduce the chances of these failures by creating systems and best practices aimed at cultivating support from upper management and overcoming employee resistance to change. When [70% of change programs fail](#) to achieve their goals (*yikes!*), having a system in place to improve the odds of success makes a lot of sense. Happily, programs that utilize change management methodologies and practices are 30% more likely to succeed.

Change management isn't a totally new concept, but it has yet to gain a lot of traction at the enterprise level. Many businesses know what it is and may even recognize that they need it, yet they haven't formally incorporated its philosophy and methodologies into their strategic planning to gain all the benefits it has to offer. Does that sound a little too close to home, as if it could be describing not just change management, but Customer Success itself?

In a perfect world, change management would be part of everything an organization does. It would be part of your enterprise-level strategy and a framework utilized in every strategic initiative. While we don't live in a perfect world, we can start by bringing these principles and practices into play in our own organizations. Customer Success leaders stand to gain a lot by deploying change management strategies as they roll out new CS programs and initiatives. We can even become better at Customer Success by assisting our own customers in managing change as they launch and adopt our products and services in their own organizations.

The behavioral science behind change management

What is change management?

According to [Prosci](#), an organization dedicated to change management best practices and research, change management is “an enabling framework for managing the people side of change.” For many, change management encompasses any approach you might take to make organizational change easier for people to digest and embrace. It involves preparing and supporting people through shifting paradigms at the individual, team, and company levels. As you can imagine, this is a pretty gigantic discipline with many different programs, methodologies, and best practices to choose from and try out in our own ventures.

The foundations of this field of study slowly developed over the past century, but it wasn't until the 1990s that change management entered the business vernacular. And only in recent years have more and more people started paying attention to this growing discipline. Once again, sound familiar? Much like Customer Success, businesses are beginning to realize just how important it is to work proactively to ensure the success of strategic initiatives through a more structured approach. We're also learning how essential it is to support [the human element in our CS endeavors](#).

In Customer Success, change is the name of the game. Our entire discipline didn't even exist ten years ago. CS is, by its very nature, disruptive (in a good way!). XaaS businesses needed a new way to guide, nurture, and grow their customer bases, and Customer Success evolved to fill that critical need. The industry is still figuring out the best methods, strategies, and tools to help us do what we do. We have to be adaptable, try new things, iterate, and try again. Change management and Customer Success go together like peanut butter and jelly or milk and cookies. Sure, you can have one without the other, but they just make more sense as a pair.

Cognitive reasons we reject change

Change can be difficult, even painful. Humans are hard-wired to interpret change as a potential threat. Way back at the beginning of human civilization, our days all looked very much the same, , and same was safe. Changing up our daily routine causes stress, anxiety, and fear. Even when it's obvious and necessary, people need to overcome a lot of internal resistance to make adjustments to the processes and procedures to which they've grown accustomed.

Studies have found that [40%](#) of our daily lives are based on routines and habits we've formed over long periods of time. We follow patterns that have historically proven helpful in reaching our goals, and when those patterns are disrupted, it causes a lot of discomfort. Behavioral science has shown that we are [twice as sensitive](#) to perceived losses as we are to perceived gains. People are also more willing to engage in risky behavior to avoid a loss than to gain something. When something disrupts our routines, we fixate on what we are giving up versus what we stand to gain.

[Prosci's](#) research has discovered that mid-level managers tend to be the most resistant to change. Front-line employees are the second-most resistant group. This likely fits the experiences of those of us in Customer Success. Commonly, we'll work with executive leadership to determine appropriate actions to take or programs to implement, they'll approve the initiative, and then CS leaders are charged with executing it across departments. If your organization [doesn't have a good relationship with other teams](#), these reforms can feel threatening to the groups most affected – especially if they feel like they didn't have any input in the decision to make the change in the first place.

Change management can help

When an individual feels forced into a new dynamic, their resistance can manifest in various ways. Some are more obvious than others. There are two main types of resistance: passive and active. Active resistance is the most obvious kind. It usually involves big emotions like anger or fear. It could look like someone raising their voice, getting into an argument, acting defensively, or leaving in the middle of a meeting. (Yeah, that would be a bummer). Passive resistance can be harder to nail down. It looks like a lack of engagement. Maybe someone keeps rescheduling their meetings with you or simply doesn't show up. It could be silence in response to questions or closed-off body language (arms crossed, pursed lips, lack of eye contact, etc.). Or, someone might create workarounds to avoid the new systems you've put into place.

So, what do we do when confronted with this resistance to change? Change management arose as a discipline to answer this very question. Experts in the field have examined our natural psychological responses to change and built processes and systems that make it easier for people to experience and embrace change, allowing businesses to transform and evolve more successfully. By utilizing insights from behavioral science, we can help people and organizations think about change in more positive ways. [Harvard Business Review](#) talks about making transitions less painful by shifting the mindset from “this change is going to be difficult, costly, and weird” to seeing it as potentially “easy, rewarding, and normal.”

When the pandemic first hit and we were all suddenly isolated and stuck at home, we collectively experienced a dramatic change. The first month was particularly challenging as nearly every one of our regular routines were upended. Many of us had to learn new technologies and tools (Zoom is now a household name), rearrange our lives, and establish new patterns of behavior. This abrupt shift would have been easier if we could have known about it in advance, been part of the decision-making process, could prepare for it, and had support to make and sustain the necessary changes. All of this would have clearly been impossible when talking about a worldwide pandemic, but we can look at the pandemic as a great example of how painful sudden upheaval is for most people.

And yet, we often allow organizational change to happen in the same way! Knowing and understanding the issue is the first step. From a Customer Success perspective, we can keep this in mind as we work to improve and expand our impact across our business and our customers' businesses. We can (and should!) take the necessary steps to mitigate resistance and manage it in a more productive way.

Change management in Customer Success

Customer Success needs change management

As Customer Success professionals, it's our job to carry out effective change management as we roll out unfamiliar processes and introduce new ways of working. We also sit in the unique position of managing change on two different fronts: internal and external. By internal change, I mean all of the reforms we implement within our own organizations – both on a CS team level and a broader, company-wide level. This is what most people mean when they talk about change management. However, we also play a key role in enabling our customers to manage change within their own organizations. Mastering customer-facing change management can be particularly worthwhile during the onboarding and adoption phases, as well as when pursuing expansion opportunities. In properly guiding our customers through these lifecycle phases, we're leading them through organizational change that will achieve results.

In his article, [Why Change Management is the Missing Piece of Customer Success](#), Ed Powers talks about some reasons why change management hasn't caught on in the CS industry – yet. In many ways, XaaS companies are still learning and growing. Their customers are too. Buying a subscription is very different from the larger, long-term investments of the past. Buyers of XaaS products aren't as familiar with the processes it takes to roll out a new tool, program, or function successfully. Technical entrepreneurs, as Powers points out, assume their customers will buy their product, love it, and renew. They aren't necessarily thinking about supporting their customers past onboarding and training to ensure they see value and results.

It's the same argument we make about why XaaS businesses need Customer Success. Customer Success professionals and processes support new customers through onboarding and adoption to ensure early value and increase stickiness, connect regularly throughout the lifecycle, help address issues as they arise to ensure a good experience, and, ultimately, get the customer to renew and expand their subscriptions. Without CS, churn runs rampant. Without change management, CS runs the risk of all their hard work going to waste. Customer Success organizations are often fantastic at developing new things, but when we forget to address the human element of change, all our innovative ideas and trailblazing programs and products don't stick. If we want to achieve lasting results, we need to strengthen our change management capabilities.

ADKAR, Customer Success, and the people side of change

At ESG, we've found the [Prosci ADKAR Model](#) to be particularly effective for approaching change management in Customer Success. ADKAR stands for Awareness, Desire, Knowledge, Ability, and Reinforcement. It's an acronym that defines "the five outcomes an individual needs to achieve for a change to be successful." Each represents a phase of the change management process meant to overcome resistance and guide someone towards understanding, accepting, and adopting a new way of doing things.



Credit: Prosci's ADKAR Model

In other words, new users need to understand what's changing and why (Awareness). Facilitators of change need to generate motivation for the change, answering the question, "What's in it for me?" for their users (Desire). Then, training on the new system and explaining how to implement the change at hand is the next step (Knowledge). Following this is putting the changes into practice and enabling users to implement the desired skills and behaviors necessary to support that shift (Ability). The final phase is all about what you need to do to sustain the change in the long run (Reinforcement).

Any time people need to understand and embrace change, ADKAR is a solid framework for driving your initiative. A CSM might apply the ADKAR model to guide a new customer through the deployment of their technology platform. A CS leader could run through the ADKAR phases as they roll out enterprise-level, cross-team initiatives. Customer Success professionals frequently find themselves in the unenviable position of spending considerable time and energy on projects that require other people's buy-in to be successful. You don't want all the energy and excitement you've painstakingly cultivated throughout your project to simply fizzle away. That's why managing the people side of change comes in handy.

Approaching change management in Customer Success

According to Customer Success expert Ed Powers, the most critical aspects of successfully implementing organizational change are having:

- Strong, top-down executive sponsorship
- Effective project management
- A solid change management process

When we roll out a new process for our clients, we're changing what they do day to day, and we might even be changing what their customers are doing and how they're behaving. We're also often supporting our clients as they strive to influence other internal departments, sharing our hard-earned insights about Customer Success and thinking of better ways to serve the industry.

While that may sound a bit too much like Customer Success and change management inception because of ESG's unique business model, the same is often mirrored when our clients adopt the same strategies on their own. The fact that as CS professionals, we face change management on these two fronts is pretty unique to the CS industry.

So, let's zoom in on the last oh-so-critical element of driving successful organizational change – leveraging a solid change management process. We can look at some examples of when Customer Success teams can take advantage of these methodologies and best practices to make new developments easier for everyone involved.

Customer journey mapping

One of the biggest mistakes we've seen businesses make when performing [high-level customer journey mapping exercises](#) is focusing on the output, not the process. This is a perfect example of how change management principles can make a big difference in the success of an initiative. The idea that "if you build it, they will come" really only works in magic baseball movies. The hard truth is, creating a customer journey map without applying ADKAR or a similar model to get everyone on board means the shiny new map you poured your blood, sweat, and tears into creating is likely to be shoved in a drawer somewhere and never looked at again.

Digital CS & CS platforms

Digital Customer Success capabilities are growing, and [we expect Digital CS practices to mature and evolve](#) even further in the coming year. TSIA's report, [The State of Customer Success 2022](#), found that many CS organizations are investing in digital tools. Over half of CS organizations now use a dedicated Customer Success platform. Change management can assist in your efforts to implement new tools and technologies – whether for your team, a cross-team collaborative process, or your customers. By keeping [change management best practices](#) in mind, like recruiting executive sponsors and stakeholders, you'll meet with less resistance to incorporating the new tool into daily routines and practices.

Dynamic engagement

Speaking of digital capabilities: in their 2022 report, TSIA explains that organizations with strong technological capabilities "have greater situational awareness and are better aligned to know when to engage by putting the right resource at the right point in the customer journey in the most cost-effective way possible." In short, with the right tools, you're better prepared to launch the [dynamic engagement model](#). It's a whole new framework for the economic scaling of Customer Success. There are many benefits to utilizing this model, but it requires throwing out your existing customer segments in favor of an entirely different engagement strategy and is certainly no easy undertaking. You can imagine the kind of resistance you'd see from your CS team if you decide to enact such a dramatic shift. A structured change management approach will help you get the support you need to lead your team through this challenging transition.

The shifting roles and responsibilities of CSMs

You may be a relatively new Customer Success organization or just beginning to expand your team, and suddenly Account Managers (or Support Reps or Sales Reps) find themselves unexpectedly reshuffled into the Customer Success Manager role. This scenario is, unfortunately, pretty common. Fortunately, there are things you can do to help [smooth out the transition from AM to CSM](#). One of those things is to bring the ADKAR model into play as your team makes this adjustment. Answer critical questions like “Why do we need to call ourselves CSMs now?” and “How will this impact my role, my comp, and my relationship with my customers?” even if no one asks them outright. Follow steps A through R to mitigate the disruption and support your CSMs in their new role.

Monetizing Customer Success

Some CS organizations on the mature side of the scale are trying out models for [monetizing Customer Success](#), and this is an excellent example of how CS leaders find themselves managing change on two completely different fronts. Implementing a monetized CS program means walking your customers through new subscription tier offerings and convincing them to pay for something they might have gotten for free before. It also likely means switching up some roles on your CS team, providing training for higher levels of customer support, and growing your team. When should you use change management in this scenario? Throughout the entire process. In all of the above. Putting in the work to follow the ADKAR steps – right from the beginning – will radically improve the odds of success.

Don't leave change up to chance

Change is inevitable. It's a fact of life. But that doesn't mean it's easy for people to change. If you're not incorporating change management philosophies and practices in your Customer Success strategy, you're leaving the success of your programs (and all that hard work you're doing to get CS initiatives off the ground) up to chance. CS leaders must put in the work to address the people side of change, recognize resistance, and support the individuals impacted by their modifications, advancements, and transformations. After all, that's what Customer Success is all about. No matter how long your CS organization has been around, we are constantly implementing – and managing – change in countless ways.

If you'd like to learn more about applying change management principles in CS, check out our [Customer Success Unlocked webinar](#) with Ed Powers, [The Two Sides to Driving Organizational Change](#).