



Customer Success: An inflection point

Navigating the crossroads of an identity crisis

April 2025

Customer Success (CS) is a pivotal capability for today's B2B organizations to drive customer adoption, usage, and realization of value from product and service purchases. Recent rising cost pressures and the emergence of generative AI (GenAI) have started to raise questions around the role of Customer Success teams, their strategic goals, and their ability to operate with the desired efficiency and talent mix in technology organizations.

Chief Customer Officers (CCOs) who lead these Customer Success teams are working to forge a path that outlines clear goals for their teams. Some successful CCOs work with CEOs to increase the relevance of Customer Success across their organizations, ensuring that Customer Success is a board-level priority. This can be done by spending time within other parts of the organization to increase their reach and scale, while also embedding CS as a mindset across teams.

Our recent research diving into the daily challenges and trends of these Customer Success leaders across both public and private organizations revealed several key insights, all reflecting similarities adding up to five themes: identifying and owning a lane, embracing digital technology, converging with go-to-market (GTM) teams, becoming more technical, and working closely with product teams.



THEME ONE

Identifying and owning a lane

In some organizations that we explored in our research, the CS team owns renewals, learning, and support, whereas other companies have independent teams for each. Some CS teams spend up to 50% of their time focusing on adoption, and others can spend up to 50% of their time focusing on renewals. Across our survey respondents, there were 14 unique combinations of functions (across professional services, support, learning, renewals and communities) that comprised the CS team's responsibilities. Some CS teams align to customer satisfaction (CSAT) and net promoter score (NPS) as their key metrics, whereas others focus more closely on financial metrics like net revenue retention (NRR) and gross revenue retention (GRR).

While these areas may differ across leading organizations, the common thread is that successful CS leaders clearly articulate the remit and strategy of their CS teams, have tied that strategy to key metrics and financial results, and can track and monitor those actions frequently. This clear articulation of value allows successful CS leaders to have a seat at the table with their sales, marketing, and product counterparts and be viewed as thought partners versus merely a function that supports renewals.

Our research revealed that today's CS leaders are coalescing around one of three different strategic philosophies, or "lanes", to identify and own: sales-driven, product-driven, or services-driven.

Sales-driven CS teams focus on driving revenue growth through upselling, cross-selling, and maximizing customer lifetime value.

Product-driven CS teams focus on enhancing product experience by ensuring customers derive maximum value from product features.

Services-driven CS teams focus on providing exceptional service and support to customers, ensuring their needs are met through personalized assistance.

Tying these strategies to key metrics to create more streamlined operations towards a shared goal is key to driving an efficient, focused CS team. Our research revealed a broader shift across leading organizations from customer-metrics (e.g., CSAT) to financial (e.g., GRR) and towards outcome-focused metrics (tying closely to customer-specific outcomes.)



THEME TWO

Embracing digital technology

TWO THIRDS OF THE COMPANIES PARTICIPATING IN OUR RESEARCH EXPERIENCED BUDGET REDUCTIONS

5-30%

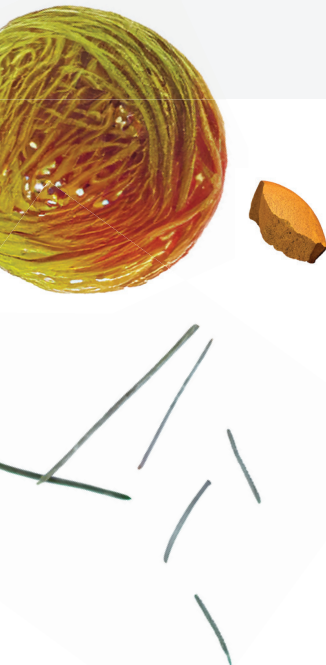
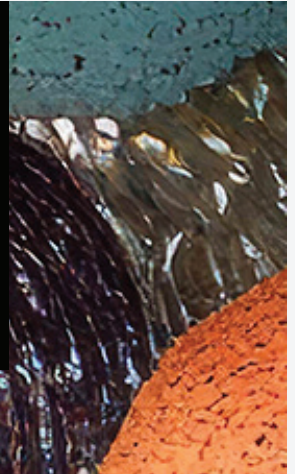
was the range of budget cuts reported

11%

was the average budget decrease across all companies

5%

additional budget contraction is forecast for the coming year.



Two thirds of the companies participating in our research experienced budget reductions, ranging from 5% to 30%, with an average budget decrease of 11%, and a forecast of an additional 5% budget contraction in the coming year. As Customer Success budgets continue to decrease, digital capabilities will become increasingly essential to scaling coverage and enabling each organization to do more with less.

It is important for digital capabilities to become table stakes for today's CS teams to enable them to be fully integrated across the broader organization. The incorporation of digital capabilities help CS teams put the power of adoption into the hands of their customers, proactively providing tips and best practices throughout.

These digital capabilities are becoming more critical to long-term success, and CS leaders are feeling the pressure. 93% of our study respondents noted digital transformation as a top-three priority for 2025. Many of today's B2B organizations are struggling to realize this vision, with 73% of respondents indicating that their current digital solutions were not performing as intended.

Looking ahead, today's CS leaders can embrace three key types of AI-driven digital investments to accelerate effective digital transformation:

Productive. 80% of organizations are adopting use cases such as AI-generated customer health summarization to improve CS productivity

Predictive. 11% of organizations are adopting predictive AI use cases such as sentiment analysis and churn prediction to anticipate business fluctuations

Prescriptive. For example, one high-growth SaaS company from our study has invested in digital technology to drive prescriptive journeys for their entire customer base, delivering guided cross-sell and upsell opportunities

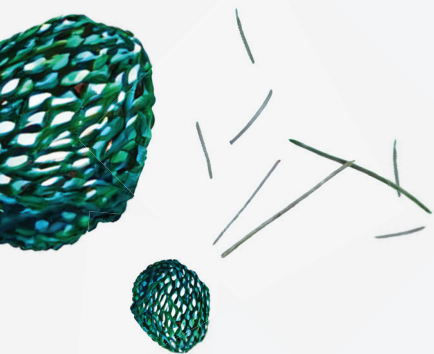
Each of these types of investments can drive different ROI for the CS team, and it is important for organizations to think critically about how their current investments map across these areas. As leaders take inventory of their investments, they can eventually look to "ladder up" from productive to predictive to, eventually, prescriptive AI-driven digital investments to drive increased impact over time.

THEME THREE

Converging with go-to-market (GTM) teams

Our research revealed that today's B2B organizations are increasingly asking their GTM teams to engage more collaboratively across pre-sales and post-sales processes. Sales and channel teams are being asked to proactively partner with Customer Success to enhance their capabilities for retention, consumption, and adoption. CS leaders emphatically agree that this cross-GTM engagement is important, with 80% of leaders surveyed expressing the importance of cross-functional engagement between sales and CS teams.

While this connectivity is important, our research found that different organizations practice this behavior differently. 60% of CS leaders noted that they are primarily engaging with their GTM peers in a reactive manner. It is critical that CS teams work to become as proactive as possible in their communication with their GTM peers.



**CROSS-FUNCTIONAL
COLLABORATION BETWEEN
SALES AND CS: CRITICAL
YET INCONSISTENT**

80%

of CS leaders say **cross-functional engagement** between Sales and CS is important

60%

of CS leaders report they are **primarily engaging reactively** with GTM peers

THEME FOUR

Becoming more technical

The evolving Customer Success landscape and the shifting needs of B2B customers demand a more specialized expertise and value from CS teams than was previously expected. Our research revealed that about 35% of CS leaders are shifting the profiles of their teams to increase their technical (industry or product expertise) focuses.

Where technical capabilities were deployed, CS leaders were able to see an increase in retention and upsell opportunities. In one case, a leader was able to attribute a 20% increase in retention and a 15% larger pipeline for upsell opportunities to instances where a technical resource was deployed to customers. These results highlight that not only is increasing technical

capacity the right thing for the business, but also the right thing for the customer.

As leaders continue to modify their approaches in response to shifting customer demands, it is clear that reassessing the skill level of talent within CS teams is a critical step for success.

89% of CS leaders say that upskilling and reskilling is a top priority for their organization. And for CS leaders who are looking externally for talent, they have an opportunity to be selective, as only 7% noted talent acquisition as a priority for their organization.



THEME FIVE

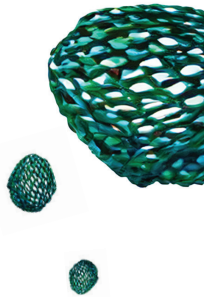
Working closely with product teams

As today's B2B organizations continue to embrace digital capabilities, many are seeking out Customer Success teams to share their best practices and recommendations. This has prompted CS leaders to think through how best to address their customers' product needs.

In our research, 56% of CS leaders noted that in-product CS is a top-three emerging trend that they're working toward a solution for. These CS leaders emphasized the importance of in-product CS as an opportunity to increase scale across their CS teams and, in turn, for product support teams as well. To activate in-product CS, CS teams need to position themselves as customer experts and collaborate effectively with product teams. However, when we asked our CS leaders how their engagement with product was working,

we found that only 22% of CS leaders are working closely with their product teams.

When the product and Customer Success relationship is not operating, both teams face challenges in delivering against customer insights. The product team is unable to effectively leverage the voice of customer insights that CS teams can provide around key outcomes achieved, adoption challenges, and desired features in the roadmap. CS is unable to scale their capabilities to deliver in-the-flow guidance that today's B2B customers are demanding, nor can they articulate the product roadmap to these customers in a meaningful way. To get ahead of these potential challenges, some CS leaders are investing an outsized amount of their time working to develop cross-functional relationships across teams.



The path forward

The future of Customer Success is dynamic and multifaceted, and it lies in the hands of its practitioners.

As CCOs navigate the evolving B2B landscape and look to maintain their relevance at the CEO and Board level, it is important that they rethink the core strategy of their teams, the skills they prioritize, the relationships they build with product, GTM, sales, and others, and lastly, the metrics that they use to demonstrate their value. As organizations

adapt to these changes, they must remain agile and innovative—continuously evolving their practices to meet the needs of their customers and stay ahead of the competition. Customer Success teams have long built success plans and value pathways for their customers. It is now time for them to apply that same discipline internally and forge a new path forward.



METHODOLOGY

Consumer Survey

In Fall 2024, we conducted a qualitative and/or quantitative survey of ~35 Customer Success leaders from both public and private companies. All respondents are involved in one or more of the following areas as it relates to Customer Success: Strategy, Engagement Models, Technology and Investments, and Key Performance Indicators.

Respondents by industry

Software: 82%
Hardware: 18%

Respondents by annual revenue

<\$1B: 50%
\$1B - 3B: 14%
\$3B - 10B: 22%
>\$10B: 14%

GET IN TOUCH

Marybeth D'Souza

Principal
Deloitte Consulting LLP

Aftab Khanna

Senior Manager
Deloitte Consulting LLP

Tejas Joshi

Manager
Deloitte Consulting LLP

Tucker Styrkowicz

Manager
Deloitte Consulting LLP



ACKNOWLEDGEMENTS

The authors would like to thank Gopal Srinivasan, Rohan Gupta, Sean Asadi, Luke O'Neil, and Emily Hur for their valuable contributions to this report.

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