STATE OF THE
CUSTOMER SUCCESS INDUSTRY & SALARY REPORT 2020

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Introduction

It's 2020 - the year that stood on its head. Everyone has had to adapt to unforeseen, and in some cases, unwelcome changes. Business has moved out of the office and into the home. The global pandemic and uncertainty has pressed some strange pause button, upending new customer acquisition and predictable growth. However, the best way forward is clear. Now is the time to focus on our core base of customers and maximize retention and growth from within. While many companies will struggle, those that embrace Customer Success as a practice, and utilize the technology that supports it, will find their path to 2021 and beyond.

In 2020, companies are coming together to rally around their customers by investing in Customer Success and technology to enable enterprise-wide visibility, collaboration, scalability, and action. While everyone is remote, technology is bringing us together to engage digitally, proactively, and more effectively.

Totango has surveyed the CS Industry for the past seven years to create our annual State of the Customer Success Industry and Salary Report. This annual report provides a yearly view of how Customer Success is changing and how its impact on business is perceived. This year, we analyzed close to 500 professionals and 10,000+ data points to deliver:

- Valuable insights into trends in the Customer Success profession and the unique challenges and goals of the industry
- Industry benchmarks for Customer Success compensation, growth, and maturity of its revenue-generating role
- Guidelines for how to adapt to a digital engagement experience in an increasingly virtual world

Table of Contents

01

Participant Demographics

Customer Success professionals from all over the world participated in the 2020 State of Customer Success Industry and Salary Survey with Americans making up half (50%) of survey respondents, followed by Europeans (24%), then Canadians (6%).
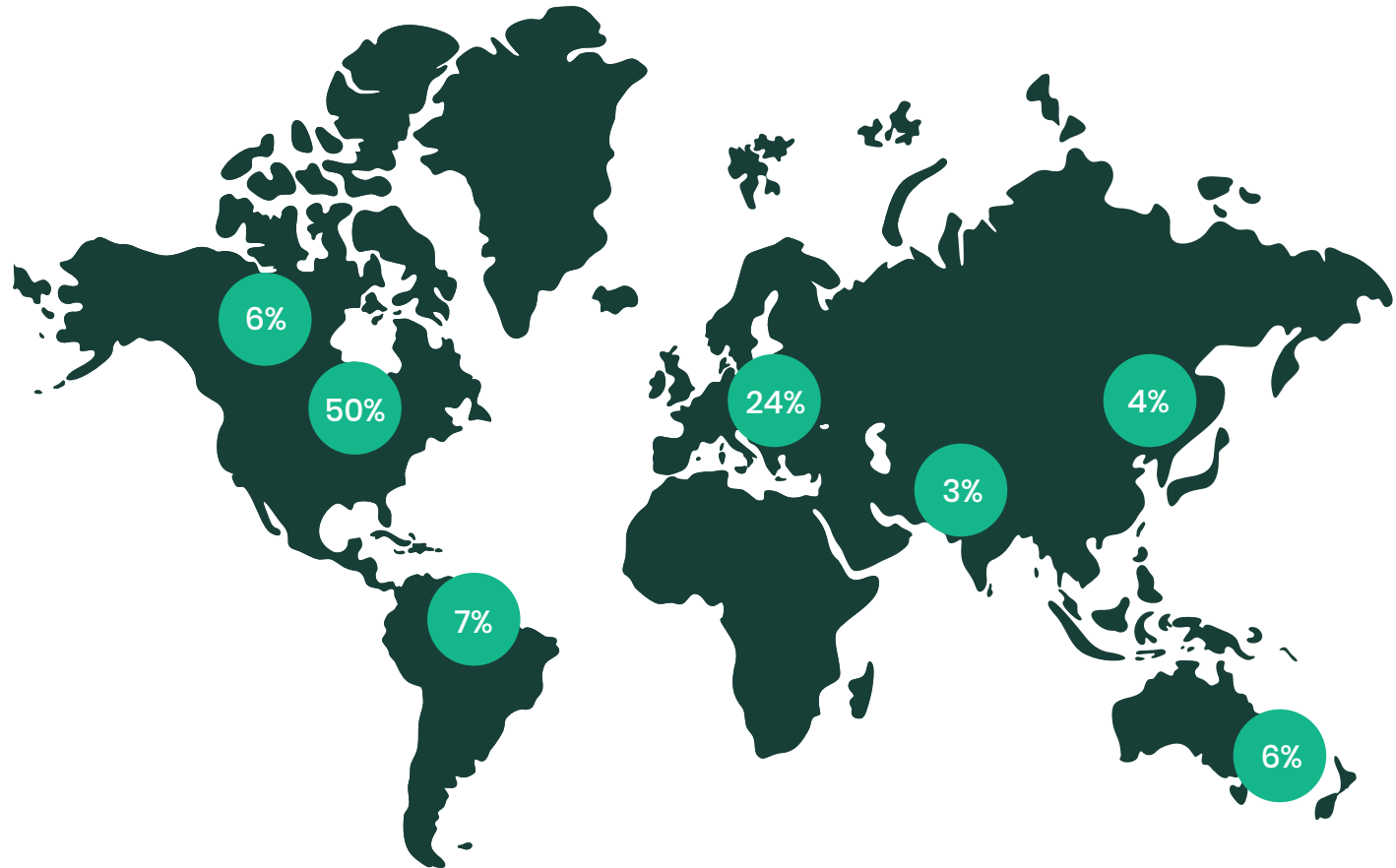
GEOGRAPHIC BREAKDOWN

50% in the US

24% in Europe

6% in Canada

6% in Australia & New Zealand

7% in Central & South America

4% APAC

3% in the Middle East

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02
Key Findings

Customer Success becomes an enterprise-wide revenue-generator worthy of investment.

This past year, shared visibility into customer health became the #1 concern among companies looking to fight churn, retain subscribers, and grow their customer base. Customer Success within an enterprise is no longer seen as a cost, but a profit center. Because of CS's impact on revenue generation, more Customer Success teams and executives now report to the Chief Revenue Officer. This year's data indicates that more companies are prioritizing Customer Success, with increased investments made in starting up and expanding teams, as well as, adding or increasing investment in technology platforms dedicated to Customer Success.

More companies are investing in dedicated Customer Success teams.

Demonstrated by an increased percentage of entry-level CS professionals and growth among even the more mature organizations, 2020's survey saw an increase in the amount of young (<1 Year old) CS teams, with 11.27% respondents coming from those teams compared to 8% the previous year. The data also suggests that more mature

Customer Success teams are becoming integrated within their organizations and are more valued. 80% of respondents report that their CS team saw some form of growth within the last 12 months.

Customer Success focus and technology increase cross-organization collaboration.

Companies using CS platforms saw a 20%+ improvement in cross-functional team collaboration. As Customer Success expands into this new era of increased value to the enterprise, we're witnessing an industry-wide shift to Customer Success 2.0. CS is no longer the responsibility of just the Customer Success team. The democratization of data by CS solutions has facilitated seamless collaboration between teams and enables everyone in the organization to participate in helping customers succeed.

Customer Success teams embrace segmentation to ensure hyper-relevant and hyper-efficient customer engagement.

In response to the widespread economic struggles after the COVID-19 outbreak, Customer Success teams had to quickly scale outreach

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efforts and adjust communication plans. The resulting strategy to fight churn became proactive engagement—informed by real-time customer data. When phoning and meeting with customers proved ineffective due to remote workers, outreach via email reached an all-time high. As Customer Success teams adjusted their messaging and increased cadence for crisis communication, they faced massive customer retention hurdles. Around the globe, CS teams looked to their technology platforms to help segment customers by attributes like industry, product usage, health scores, and renewal dates to provide the insight needed to refocus their efforts. Before workplaces even re-opened, Customer Success teams increased engagement utilizing more automation and personalized communications to help assess changing needs and maximize relevance.

Adoption of Customer Success technology gains momentum.

Visibility into customer adoption and health continues to be the top challenge facing Customer Success teams today. Businesses are turning to technology to help them understand their data and discover new ways to deliver value to customers. While many technology platforms profess to provide a shared view of customer health, only true Customer Success platforms enable a seamless way to engage with both data and customers. They leverage automation to help businesses scale and provide intelligent tools that better facilitate communication amongst teams and customers. Yet, our survey revealed that 83% of teams do not have access to a single view of the customer and 42% of respondents listed that as a major challenge. Only 17% of all respondents indicated they had an

accessible, comprehensive way to view customer health. Companies are realizing that CRMs are built for acquiring new customers (aka sales) but not for retaining customers or building customer loyalty and advocacy. To truly understand, engage, and grow customers, respondents indicate that they plan to look to Customer Success, increasing their investment by 10% in 2020.

Compensation structures are aligned with increasing expectations of Customer Success professionals to generate revenue.

While opinions on revenue responsibility are divided, Customer Success departments continue to be tasked with generating revenue and impacting the bottom line. 44% of respondents say their Customer Success team is responsible for revenue targets. As a result, their compensation structures have evolved towards a commission or bonus structure directly tied to revenue generation and they are increasingly reporting up to the Chief Revenue Officer. According to 63% of Customer Success professionals surveyed, their compensation structure included a type of bonus structure on top of their base salary, indicating a responsibility for revenue performance. In 2020, more than half (57%) of respondents report that their compensation has increased since the previous year, highlighting the potential of Customer Success professionals to contribute to the bottom line.

03
State of the Industry

More companies are implementing Customer Success within their operations to increase visibility into customer health and operationalize the activities necessary to meet business goals. Teams are growing and collaborating more across the company to proactively engage their existing customers post-COVID.

The Customer Success industry continues to grow at a rapid pace, reinforcing the value it plays as a key function for business success. As Customer Success teams become more established, they are moving from being the CEO's special project to being another division in operations reporting to the CRO. A quarter of Customer Success teams report to the CEO in 2020 (24%), which is down from survey results in 2019 (27%) and 2018 (33%). 16% of Customer Success teams in 2020 report to the CRO/Sales. This reporting structure moves up to the second-most common response, overtaking the COO and Service/Support teams from last year. **This shift suggests more companies are using Customer Success in their revenue-generating strategy.**

The Reporting Structures of Customer Success Teams

■ 2019 ■ 2020

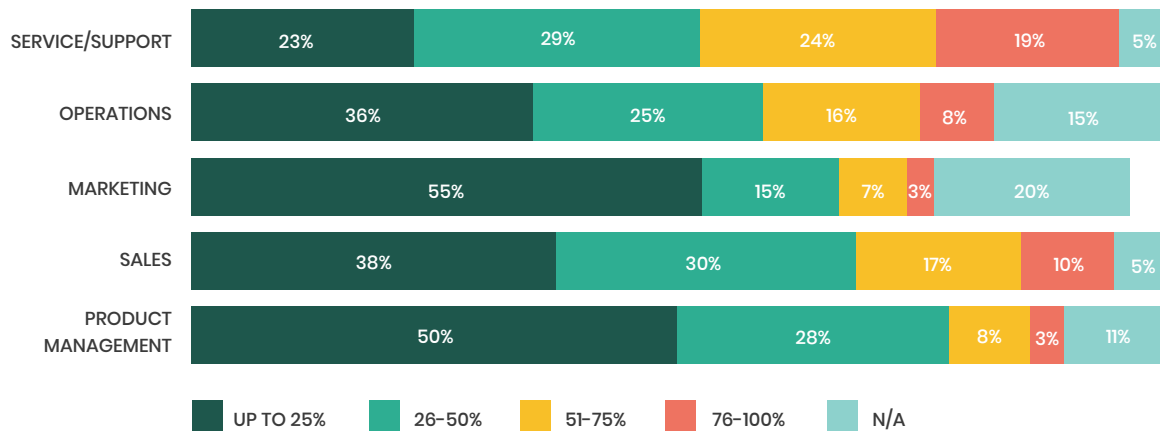|	CEO	SALES	COO	SERVICES/SUPPORT
2019	27%	15%	17%	15%
2020	24%	16%	14%	14%
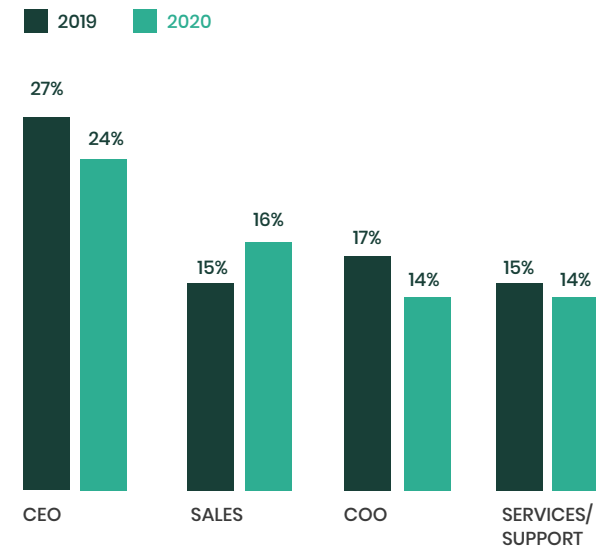
This trend continues when looking at the way Customer Success teams work within the organization as a whole.

Collaboration with Service and Support teams is where CS teams spend significant time working together. Respondents reported spending the most time with Service and Support followed by Sales. CS teams are looking for ways to make this collaboration more efficient, so they can free up more time to spend with their customers and drive growth.

While roles such as CCO, VP of Customer Success, Director of Customer Success, and Customer Success Manager continue to exist, titles such as Customer Success Operations and Customer Success Analyst are starting to contribute to organizations' Customer Success function.

When asked how much time CS teams typically collaborate with other parts of the organization, they reported the most time spent with Service/Support (95%), Sales (94%), and Product Management (89%), were selected by respondents as the top three, followed by Operations (85%) and Marketing (79%).

Amount of time CS Teams Collaborate with Other Teams

Team	UP TO 25%	26-50%	51-75%	76-100%	N/A
SERVICE/SUPPORT	23%	29%	24%	19%	5%
OPERATIONS	36%	25%	16%	8%	15%
MARKETING	55%	15%	7%	3%	20%
SALES	38%	30%	17%	10%	5%
PRODUCT MANAGEMENT	50%	28%	8%	3%	11%

When COVID-19 completely devastated the hospitality industry, SevenRooms, a hospitality technology company, had to quickly pivot to survive. Speaking at Totango's Customer Success Summit, CXO Series, SevenRooms' VP of Customer Success, Ilana Brown shared how despite half of her team being furloughed, by using Totango Zoe, she was still able to ensure company-wide access to customer health and information to stay connected and aligned on customer focused activities.

"Leveraging technology and the different tools available to us was the only thing that has made the last few months possible," said Ilana Brown. "Having everyone working on the same set of facts means we can align on decision and action plans together. It's an absolute game-changer to keep everyone on the same page."
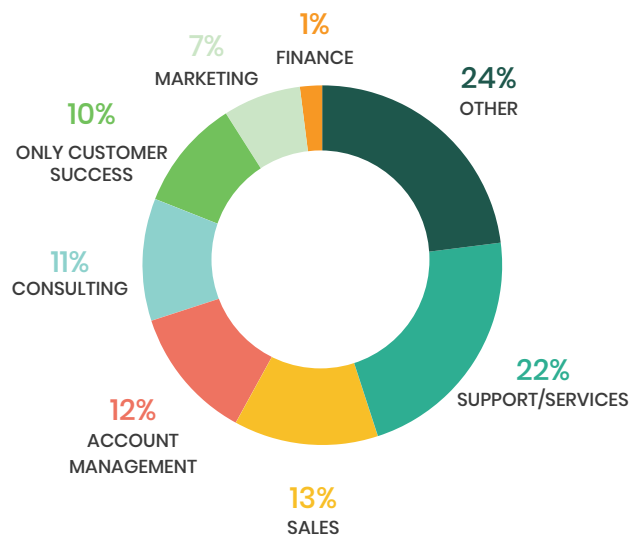
Ilana Brown
VP of Customer Success, SevenRooms

Hear SevenRooms' success story on enabling company-wide collaboration »

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By leveraging customer success technology, organizations can more effectively reduce organizational friction, bridge the information gap between departments, and ensure that everyone who touches a customer has all of the customer's key information to provide an exceptional customer experience.

Individuals entering the Customer Success profession come from diverse backgrounds with Support/Services, Sales, and Account Management reported by respondents as their primary job functions prior to Customer Success. Most notably, the number of Customer Success professionals who have only worked in Customer Success grew to 10% compared to 8% in 2016, indicating that more entry-level Customer Success employees are starting and staying in the profession. This demonstrates the Customer Success industry's growth and the central role it plays as a key function within companies.

CS Professionals Who Came from a Background Other than Customer Success

- 1% FINANCE
- 7% MARKETING
- 24% OTHER
- 10% ONLY CUSTOMER SUCCESS
- 11% CONSULTING
- 12% ACCOUNT MANAGEMENT
- 13% SALES
- 22% SUPPORT/SERVICES

2020 Realizes a Surge in Young Customer Success Teams

2020's survey saw an increase in the amount of young (<1-year-old) CS teams, with 11.27% respondents coming from those teams compared to 8% the previous year.

Maturity of CS Teams

	0/MO	< 1 YEARS	1-2 YEARS	3-4 YEARS	5+ YEARS	NOT SURE
Dark	1%	8%	22%	36%	29%	4%
Light	4%	11%	24%	30%	27%	4%
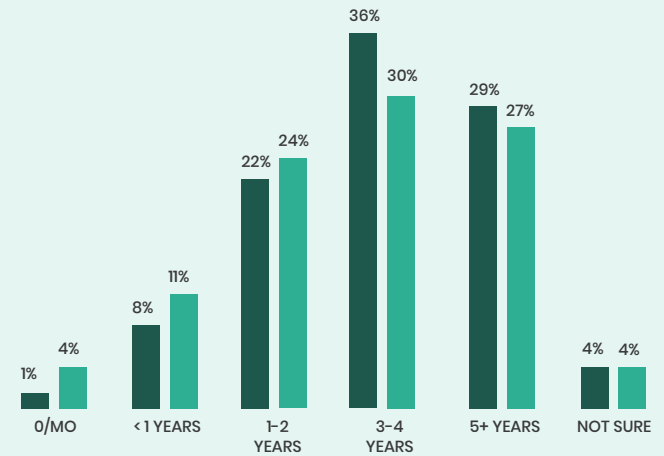
CS Teams in Operation for Less Than 1 Year

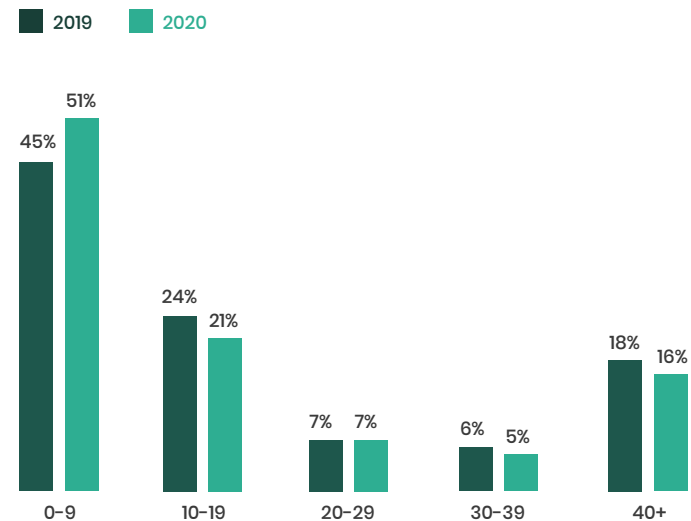| 2014–2016	2018	2019	2020
22%	13%	10%	15%

GROWTH

Since 2013, Totango has been surveying Customer Success professionals to get a better understanding of the state of the industry and a view into the future of Customer Success. As we start a new decade, Customer Success has grown exponentially from where it began and continues to develop and mature. Continuing to see the same amount of high growth as in previous years, 80% of respondents report that their CS team saw some form of increase within the last 12 months, with 41% of those teams reporting 25% or higher performance over that period.

According to this year's survey respondents, 51% of Customer Success teams consist of <10 members, up 6% since 2019. This trend follows up on the previous year's findings of similar growth rates, indicating that businesses are increasingly adding Customer Success teams. The amount of enterprise Customer Success teams, in particular, teams of 20+ members, has increased since 2018 and remains stable from 2019 to 2020. This trend is a function of Customer Success teams delivering positive outcomes for their enterprises. Companies are investing in more talent to efficiently deliver more revenue.

80%

80% of respondents report that their CS team saw some form of increase within the last 12 months

Size of Customer Success Teams in 2020

■ 2019 ■ 2020

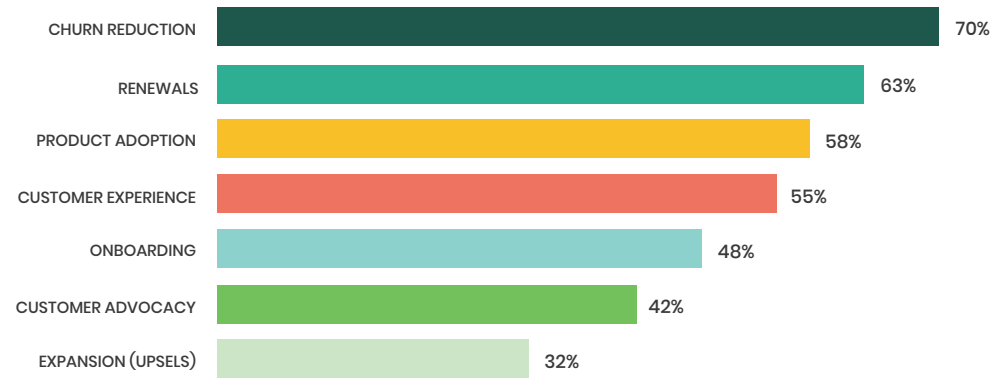|	0-9	10-19	20-29	30-39	40+
2019	45%	24%	7%	6%	18%
2020	51%	21%	7%	5%	16%
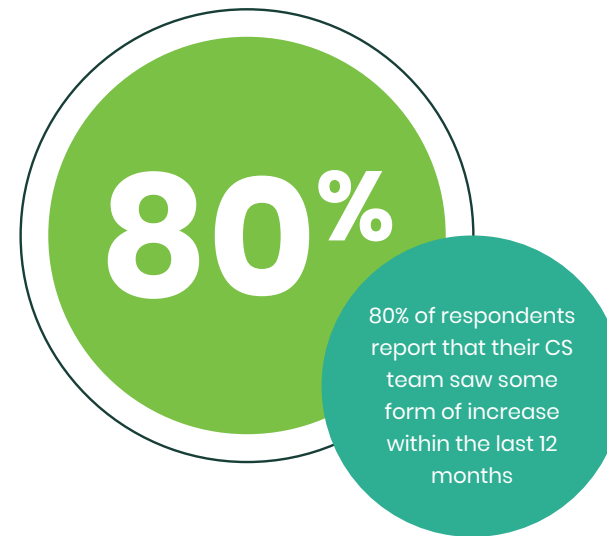
TOP CHALLENGES

Customer Success challenges have evolved over the years, yet churn reduction, product adoption, and customer renewals remain the top three Customer Success priorities.

Our inaugural 2013 State of the Profession: Customer Success report found that lack of direction and tools to manage customer information were the primary challenges for Customer Success professionals. As Customer Success tools have matured, the industry has evolved. In 2014, CS teams cited new challenges such as scaling or transitioning team processes. Since 2015, operational issues including visibility into customer adoption and health as well as time management and focus remain top challenges for Customer Success teams. However, Churn Reduction continues to be the top overall priority, with 70% of respondents reporting that it was a high priority for their team in 2020. Renewals came in second with 63% of respondents placing it as a top challenge, and Product Adoption placed high for 58% of respondents.
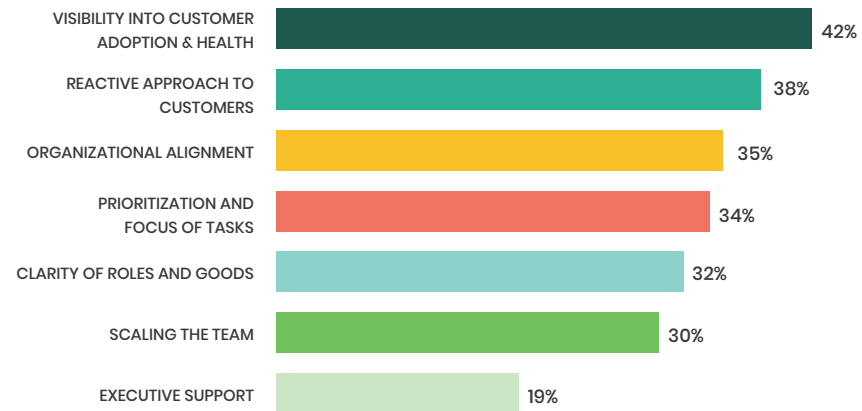
A new addition to this category is Customer Experience, with 55% of teams reporting it as a high priority. While CX was a priority before COVID-19, it

Top Goals of Customer Success Teams in 2020

CHURN REDUCTION	70%
RENEWALS	63%
PRODUCT ADOPTION	58%
CUSTOMER EXPERIENCE	55%
ONBOARDING	48%
CUSTOMER ADVOCACY	42%
EXPANSION (UPSELS)	32%

(Respondents were allowed to choose select multiple options based on priority)

Top Challenges for Customer Success Professionals in 2020

VISIBILITY INTO CUSTOMER ADOPTION & HEALTH	42%
REACTIVE APPROACH TO CUSTOMERS	38%
ORGANIZATIONAL ALIGNMENT	35%
PRIORITIZATION AND FOCUS OF TASKS	34%
CLARITY OF ROLES AND GOODS	32%
SCALING THE TEAM	30%
EXECUTIVE SUPPORT	19%

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has skyrocketed as organizations try to hold on to their existing customers. When asked "What are you doing to adapt your organization to respond to COVID-19?" One respondent noted, "Aggressively I'm looking for ways to improve the customer experience and make it easy to do business with us."

As the Customer Success mindset matures, lack of visibility into customer adoption and health (42%) proves to be the #1 challenge for Customer Success professionals. Empowering a proactive approach to managing and engaging in the customer lifecycle is becoming a growing priority to reduce churn for a majority of Customer Success professionals surveyed. In 2020, (38%) consider a reactive approach to customers to be a top challenge they face in their day-to-day jobs. Other challenges include scaling the team (30%), prioritization and focus of tasks (34%), and company-wide organizational alignment (35%) to round out the top 5 challenges.

These top challenges indicate that more teams have acknowledged the positive effects of a proactive approach to Customer Success (e.g., driving better customer relationships and higher mindshare), especially since the impact of COVID-19. However, the lack of real-time visibility into customers' health impedes their ability to engage and results in a more reactive approach.

In a recent poll conducted by Totango, 60% of respondents said they've lost accounts because they were unaware that their key stakeholders and influencers were not aligned or had left the organization. As virtual teams and remote engagement become the norm for Customer Success teams, Lucid, a platform that unites buyers and sellers of survey sample, recognized that correctly identifying, engaging, and managing their stakeholders would be critical to driving adoption and ensuring long term relationship success.

Speaking at a recent Totango event, Stephanice Comardelle, VP of Customer Experience, Success and Solutions shared how Lucid is utilizing Totango's platform to improve stakeholder engagement by aligning collaboration across functions and mapping engagement plans that balance stakeholder influence and expectation with the proper level of outreach and communications.

"We wanted to work with technology that had it innately built in so we could immediately adopt vs adapt for success. We didn't want to reinvent the wheel."

Stephanie Comardelle
VP of Customer Experience, Success and Solutions, Lucid

Hear Lucid's success story on driving proactive stakeholder engagement »

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DIGITAL TRANSFORMATION

Customer Success platforms enable scalable tech-touch programs to compliment existing high-touch programs.

As a customer-centric mindset pervades teams across the enterprise, the need for a more scalable engagement model emerged. A digital model focused on automating Customer Success activities extends CSM reach and delivers delightful and relevant messaging to customers.

A key cornerstone for Customer Success functionality is to expand coverage to include an organization's entire customer base and ensure each segment receives appropriate (e.g., targeted and contextually relevant) levels of Customer Success service. In the early phases of Customer Success maturity in an organization, enterprises typically focus on high-touch customer segments due to the share of revenue that resides in those customers. However, as a customer-centric mindset matures, focusing on the customer means focusing on the entire customer base and their changing needs.

This survey shows that while nearly a third of the organizations surveyed have Customer Success Managers that are only working with 1-15 accounts each, the majority of organizations have parts of their teams managing between 16-200 accounts. This indicates the growing trend of enabling more digital engagements using tech-touch capabilities and collaborative tech to service a remote customer base.

Number of Accounts CSMs Manage

- 5% — 500+
- 7% — 200-500
- 8% — 100-200
- 17% — 51-100
- 40% — 1-15
- 23% — 16-50
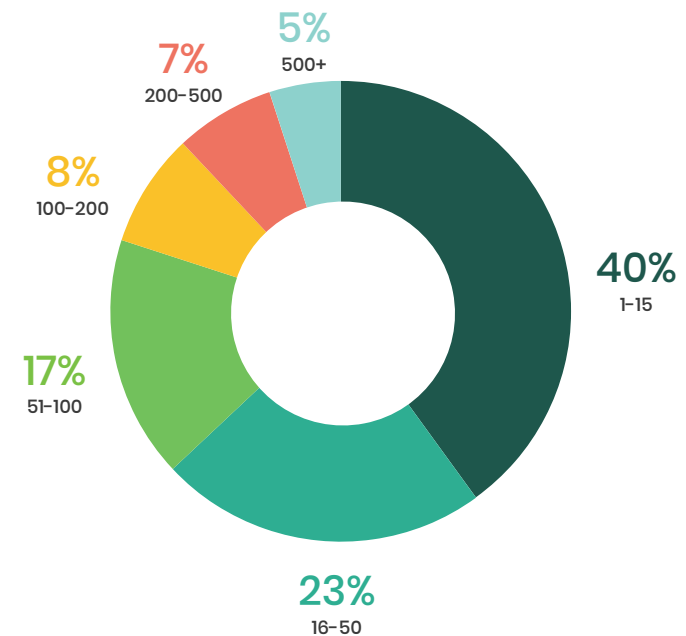
Post COVID-19, survey respondents are increasingly looking for ways to nurture customer relationships virtually. All signs indicate that working from home will be the new norm and the companies that succeed are the ones that invest in technology to facilitate virtual teams.

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CUSTOMER SUCCESS 2.0

Customer Success 2.0 is a shift from a people-based CS model to a model that blends people and technology to ensure that customers are getting valuable personalized engagements at a frequency that keeps your company top-of-mind.

As companies continue to shift towards more tech and data-driven Customer Success strategies, we are seeing a change in coverage models. Companies are embracing tech-touch models to help deliver frequent engagements at scale, typically triggered by customer activities (or inactivity). One Totango customer reported being able to scale to 1:32,000 (CSM:Customer) ratio because their tech-touch program is effectively keeping customers engaged and reducing the risk of churn.

Bleeding-edge companies have not only embraced a tech touch model, they are also employing a dynamic engagement model. By pooling resources, these companies can do more with less. A dynamic engagement model helps companies leverage the right resource for each customer and situation. Resources can be provisioned in many different ways, from matching time zones and languages to areas of expertise, dynamic engagement models ensure that customers are getting remarkable brand experiences.

As Customer Success teams grow, the adoption of technology that increases customer-centric collaboration and revenue-generating value across the enterprise amplifies their impact in a highly efficient and scalable manner. Customer Success insight and automation

"We made some quick changes that had a lot of impact [including] changing our email campaign strategy from weeks to days."

Marco Innocenti
Head of Customer Success Operations, Zoom

It's no question that Zoom has experienced tremendous growth during this shelter-in-place era as more organizations have turned to video conferencing and digital collaboration in lieu of face-to-face meetings. But even Zoom, who bought into a digital customer outreach strategy early, realized that in a time of rapid growth such as they were experiencing during COVID-19, their existing communication was not direct nor frequent enough. Speaking at Totango's Customer Success Summit, CXO Series, Marco Innocenti,

Head of Customer Success Operations at Zoom shared how Zoom pivoted their campaign strategy to adapt to meet the needs of their surging volume of new customers, including moving from a onboarding journey cadence of 3 months to onboarding new customers in just 16 days.
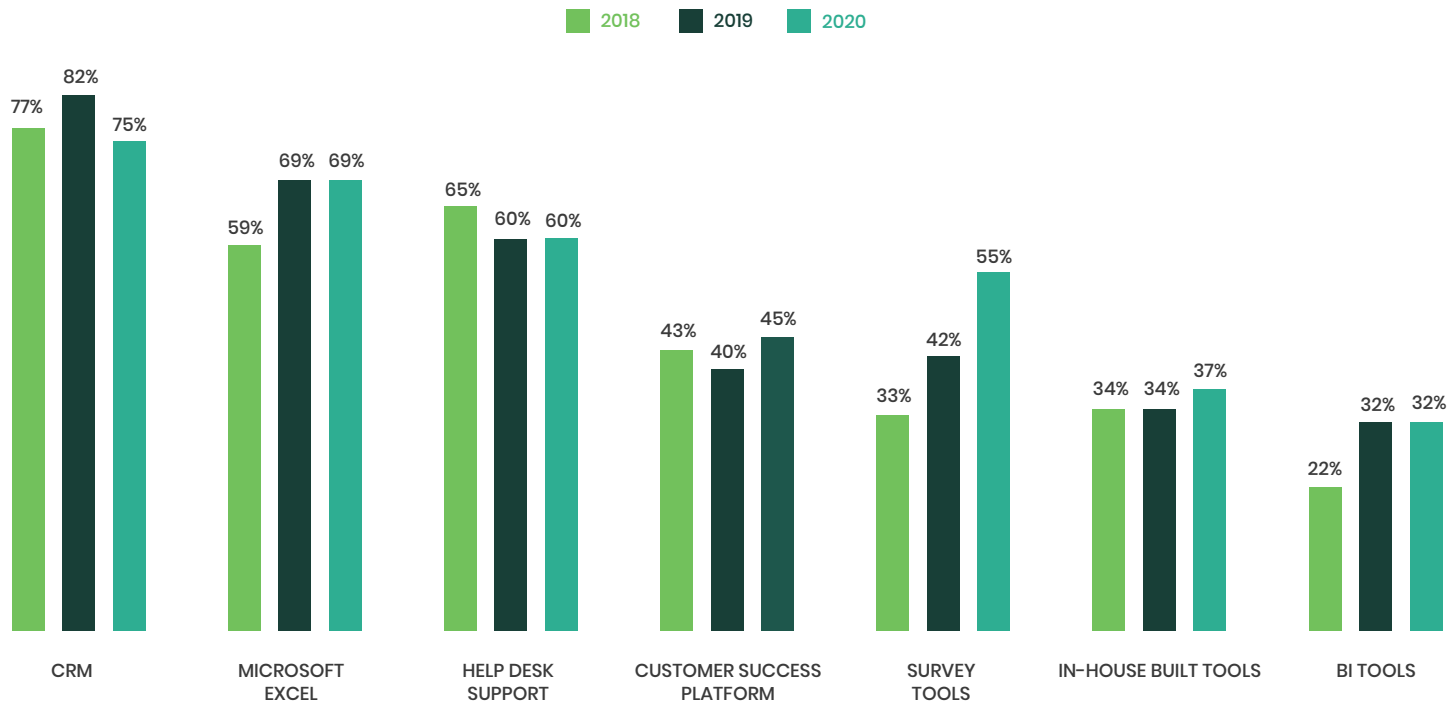
"We made some quick changes that had a lot of impact [including] changing our email campaign strategy from weeks to days…we were able to do this really easily [because] we own it in CS. Changes we want to make and pivots we want to make within the system, we can move quickly [which] was really impactful for how we continued to message our customers…Now we can outreach to our tech touch segment at greater scale to get them information they need in a timely manner."

Hear how Zoom adapted their digital campaign strategy to keep up with growth »

benefits everyone involved in the customer journey, with CS technology platforms making the required collaboration between cross-departmental teams seamless. The demand for visibility into customer health may be due in part to the lack of technologies available to provide it, as well as to automate and simplify Customer Success tasks. While there has been steady growth since 2018 in use of Customer Success platforms, an overwhelming majority of teams are still using tools such as CRM, Microsoft Excel/Google Sheets and Help

Desk/ Support tools. This shows that companies are still not investing in appropriate technologies to enable their Customer Success teams to streamline collaboration across the enterprise to achieve results.

Technology Used by Customer Success Teams

Legend: ■ 2018 ■ 2019 ■ 2020

CRM: 77%, 82%, 75%
MICROSOFT EXCEL: 59%, 69%, 69%
HELP DESK SUPPORT: 65%, 60%, 60%
CUSTOMER SUCCESS PLATFORM: 43%, 40%, 45%
SURVEY TOOLS: 33%, 42%, 55%
IN-HOUSE BUILT TOOLS: 34%, 34%, 37%
BI TOOLS: 22%, 32%, 32%

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04
Salary Survey

Compensation structures have evolved as Customer Success salaries are more weighted on revenue-generating activities. Customer Success salaries have also increased as organizations continue to place a high value on the Customer Success professional's responsibilities and career. This reinforces the importance of Customer Success across companies.

While opinions vary regarding Customer Success' responsibility for revenue, nearly half of all survey participants are being tasked with owning revenue and impacting the bottom line, as is evident by more Customer Success teams reporting to the Chief Revenue Officer. As a result, their compensation structures have evolved towards a commission or bonus structure directly tied to renewals/upsells and revenue generation. This is supported by data that shows that bonuses for Customer Success professionals surveyed are more weighted on revenue-generating activities such as renewals (67%) and upsells (58%), compared to NPS (44%).

Is your team responsible for revenue?


53% NO

45% YES

2% I DON'T KNOW
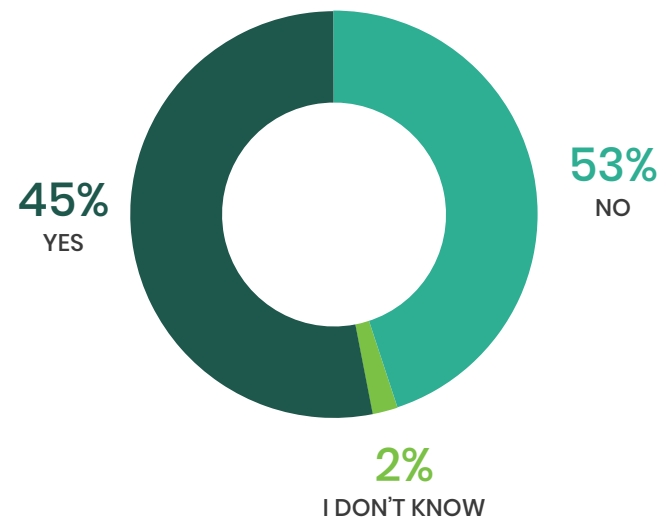
COMPENSATION STRUCTURE

According to 63% of Customer Success professionals surveyed, their compensation structure included a type of bonus structure on top of their base salary. Rather than focusing on deal related outcomes, there has been a shift among Customer Success leadership to align bonuses with the leading indicators and work associated with generating growth such as account health, NPS, and feature adoption, instead of focusing on just the transaction itself. This is similar to 2019 which saw nearly 64% of Customer Success professionals receiving a bonus on top of their base salary. However, this number has shifted downward since 2013 where 76% of professionals cited that they received bonuses on top of their base salary indicating a growing trend towards aligning Customer Success performance-based compensation with revenue-generating activities such as commissions, instead of only bonuses. There has been an uptick since 2013 (7%) to include commission on renewals and upsells which has increased to 24% of respondents in 2020.
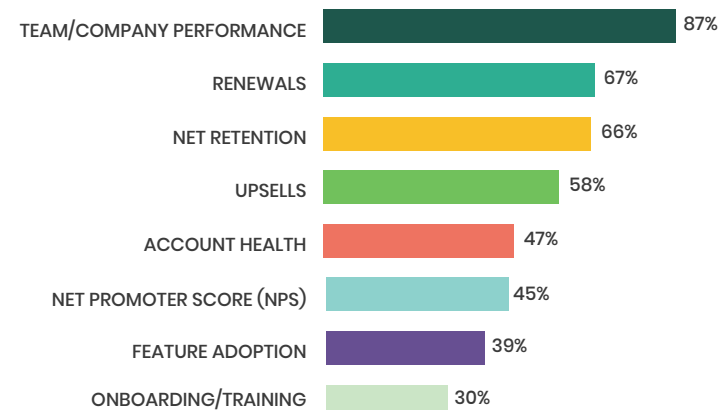
Bonuses for Customer Success professionals who were surveyed typically resulted from team/company performance (87%) or influenced by renewals (67%), net retention (66%) and upsells (58%). These numbers have significantly increased from 2019 where bonuses for renewals were (52%) and upsells (30%).

Customer Success professionals' compensation structure

Of those who received a bonus in 2019, 11% of respondents reported renewal commissions and another 12% reported upsell commissions.

BASE SALARY	94%
BONUS	63%
COMMISSION ON UPSELLS	12%
COMMISSION ON RENEWALS	11%
OTHER	10%
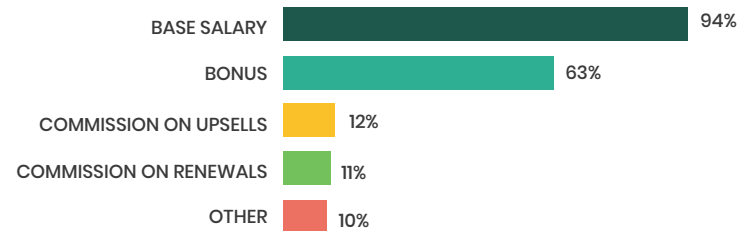
In 2020, CS Professionals indicated that the following factors influenced their compensation structure

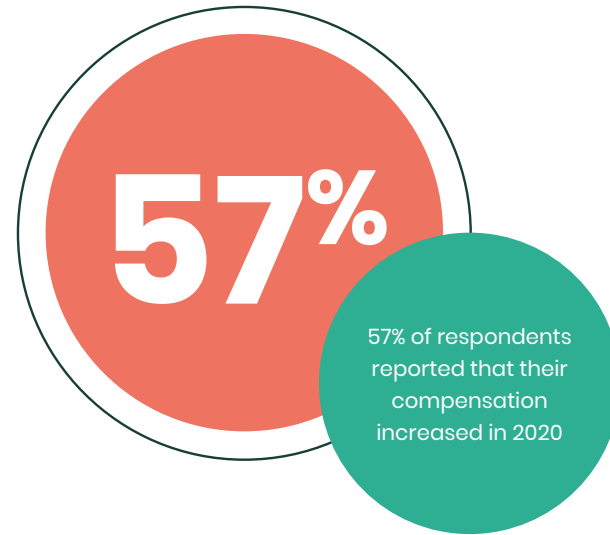|	
TEAM/COMPANY PERFORMANCE	87%
RENEWALS	67%
NET RETENTION	66%
UPSELLS	58%
ACCOUNT HEALTH	47%
NET PROMOTER SCORE (NPS)	45%
FEATURE ADOPTION	39%
ONBOARDING/TRAINING	30%

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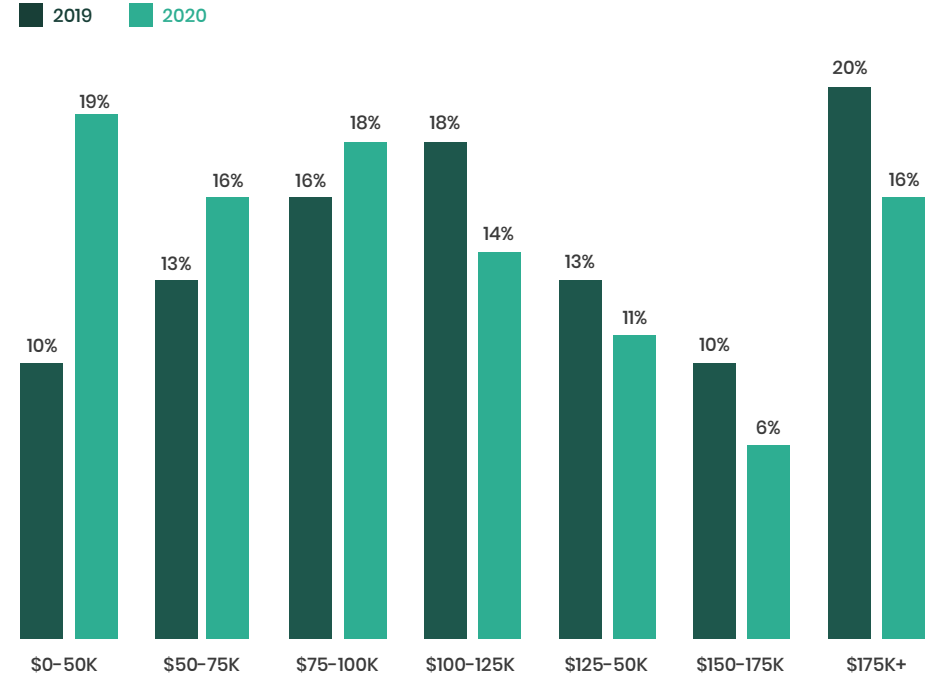## Customer Success professionals experience an increase in salaries

For the past two years compensation increases continue to signal a high value on Customer Success professionals' responsibilities and career. In 2020, 57% of respondents reported that their compensation increased since the previous year, compared to 61% in 2019. This also continues to reinforce the importance of Customer Success (and by extension, customer centricity organization-wide) to business growth.

Growth in both executive-level and entry-level positions indicate Customer Success teams are expanding

In looking at the ranges of salary, we see growth in salaries at the bottom end ($0-$50k/year), again illuminating the increase in younger CS teams and start-ups and SMBs who are beginning to invest in Customer Success. This year, not as many professionals reported salaries at the top end ($175k+/year) although post lockdown, the number of respondents who reported a pay increase jumped significantly.

57%

57% of respondents reported that their compensation increased in 2020

Overall Salary Results

■ 2019 ■ 2020

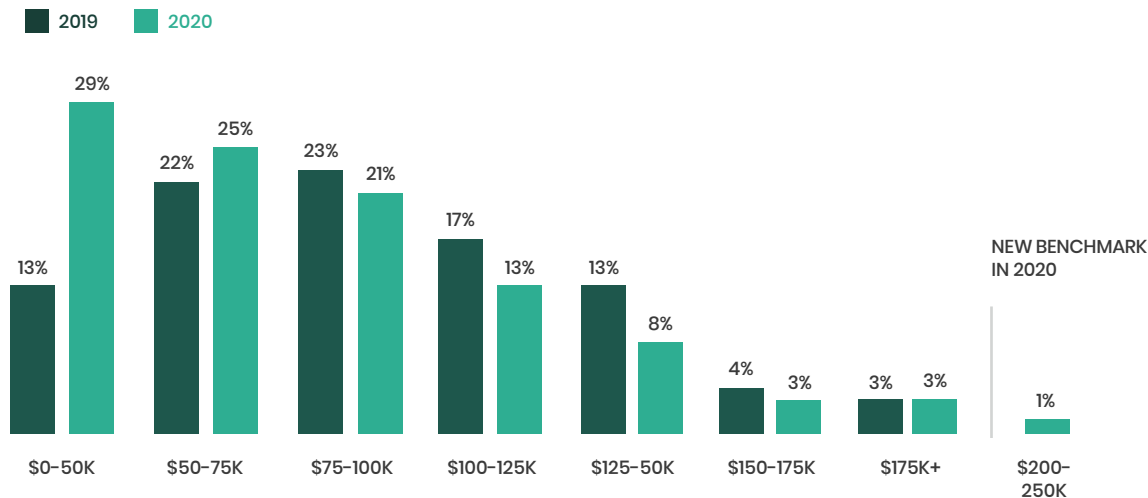| Range	2019	2020
$0-50K	10%	19%
$50-75K	13%	16%
$75-100K	16%	18%
$100-125K	18%	14%
$125-50K	13%	11%
$150-175K	10%	6%
$175K+	20%	16%

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COMPENSATION

CUSTOMER SUCCESS MANAGER

55% reported an increase in salary and only 9% reported a lower salary than the previous year. This could be related to the growing demand for Customer Success Managers, as more and more companies hire for this role.

Forty One percent (41%) of participating Customer Success Managers are making over $75,000, compared to the 64% reported in 2019, with the median range of salary reported between $50-75,000. This is inline with the reported rising number of young Customer Success teams this past year with entry level employees. We expect as these teams and employees mature, this will lead to an increase in the average salary ranges for this role. In fact, the value of CSMs continues to increase with over half of the respondents realizing a salary increase. Organizations have not only realized the importance of keeping the customers they have, but they understand it is going to take the best talent available.

From a regional perspective, the average salary for Customer Success Managers in California is $107,000 and the average salary for Customer Success Managers in New York is $110,000 which also reflects the growing demand for Customer Success Managers in these metropolitan hubs.

2019 **2020**

Salary Range	2019	2020
$0-50K	13%	29%
$50-75K	22%	25%
$75-100K	23%	21%
$100-125K	17%	13%
$125-50K	13%	8%
$150-175K	4%	3%
$175K+	3%	3%
$200-250K (NEW BENCHMARK IN 2020)		1%

Salary Change Pre/Post Lockdown

Over half of respondents report CSM salary increases both before and post lockdown. However, the number of respondents that indicated their salary decreased more than doubled from 7% pre-pandemic to 18% post-pandemic.

HIGHER **LOWER** **NO CHANGE**

|	HIGHER	LOWER	NO CHANGE
PRE-LOCKDOWN	55%	7%	38%
POST-LOCKDOWN	50%	18%	32%

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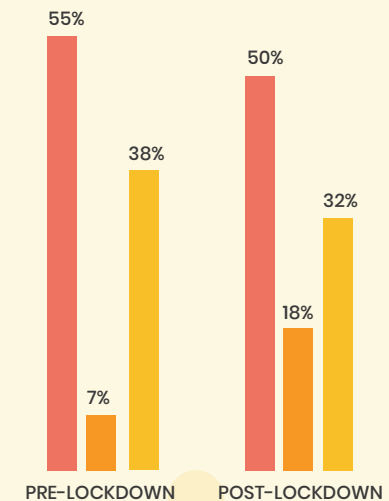
COMPENSATION

DIRECTOR OF CUSTOMER SUCCESS

Salaries as a whole remain high with the median salary reported for Director-level professionals in 2020 being $100,000-125,000, in line with the results from last year's survey. Pre-pandemic, 48% of Directors indicated they saw a pay increase in 2020, post-pandemic that number jumps up to 64% in 2020. Reinforcing the value that companies are putting on Customer Success and strong leadership in these uncertain times.
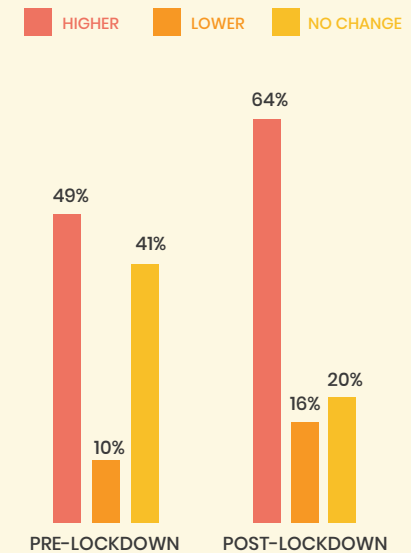
Interestingly, the data also shows that the number of Directors making less than $50,000 has increased. This is an indication that Customer Success is no longer just for enterprises. Start-ups and other SMB's are seeing the value in Customer Success and are investing in young ambitious talent to lead the charge in their organizations.

Geography is an important factor when looking at salary. In California and New York, the average salary is higher at $156,000 and $132,000, respectively.
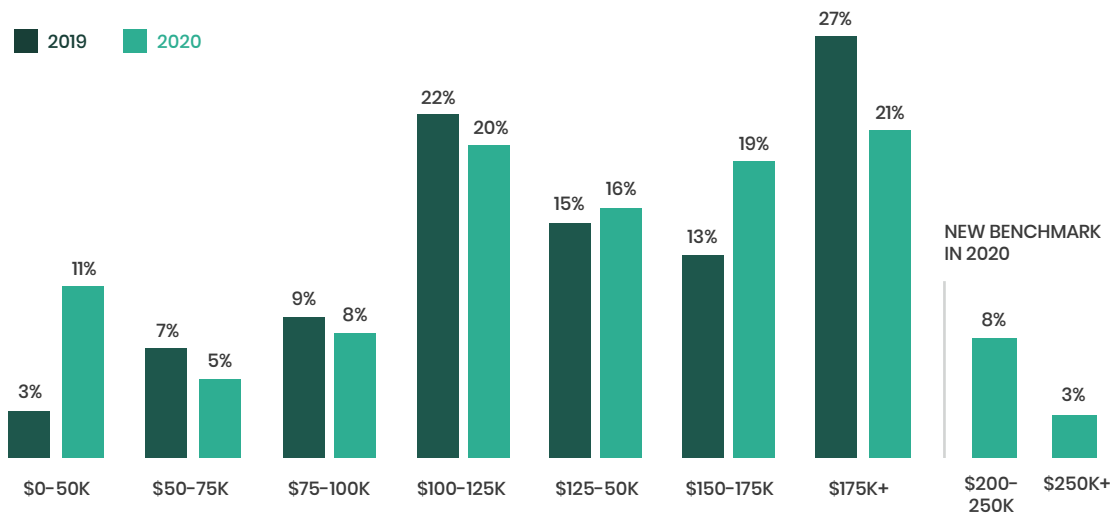
Salary Change Pre/Post Lockdown

Pre-pandemic, 49% of Directors indicated they saw a pay increase in 2020, post-pandemic that number jumps up to 64% in 2020.

Legend: HIGHER   LOWER   NO CHANGE

Salary Change Pre/Post Lockdown chart:

	HIGHER	LOWER	NO CHANGE
PRE-LOCKDOWN	49%	10%	41%
POST-LOCKDOWN	64%	16%	20%

Salary distribution chart (2019 vs 2020):

Salary Range	2019	2020
$0-50K	3%	11%
$50-75K	7%	5%
$75-100K	9%	8%
$100-125K	22%	20%
$125-50K	15%	16%
$150-175K	13%	19%
$175K+	27%	21%
$200-250K		8%
$250K+		3%

NEW BENCHMARK IN 2020

TOTANGO

COMPENSATION

VP OF CUSTOMER SUCCESS
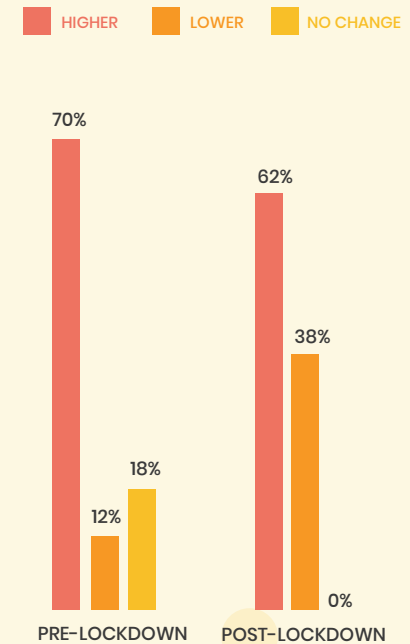
More than half of respondents (58%) reported that VPs of Customer Success make over $175,000, an increase from 2019 (54%) as well as 2018 (48%). The average salary for VPs of Customer Success has risen since 2018 (average salary of more than $148,000) with a median salary range of $200,000 annually in 2020. Every VP of Customer Success in California reported earning over $175,000, the same mark seen in 2019 and an improvement from $164,000 reported in 2018.
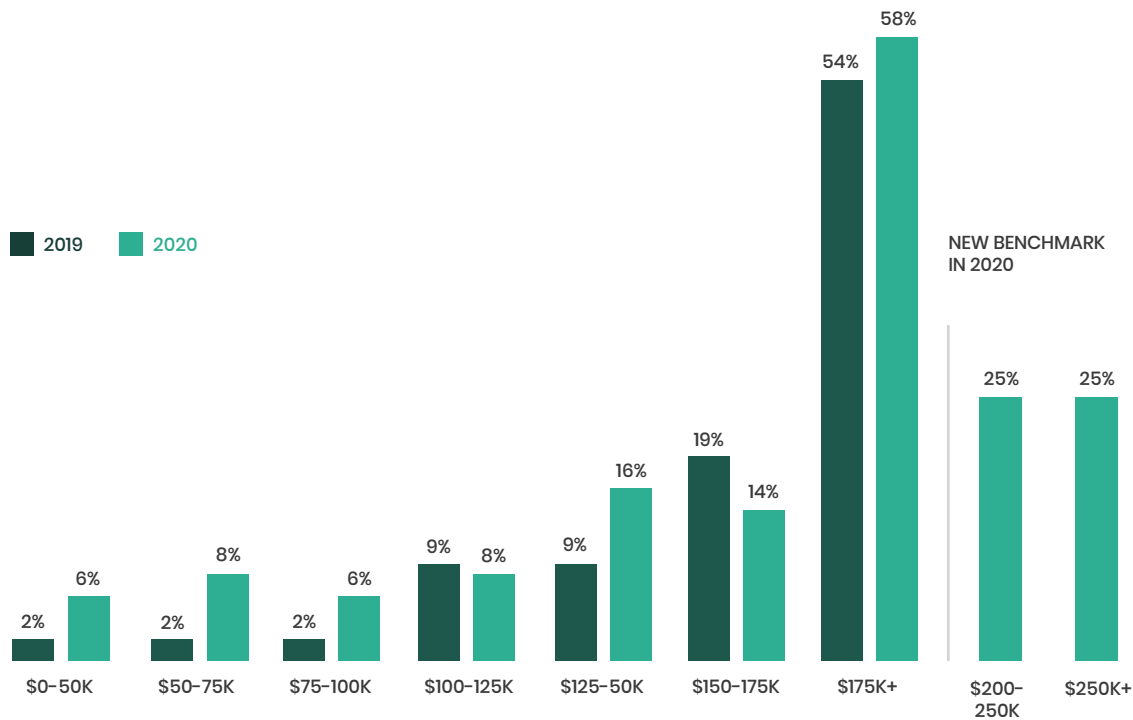
Salary Change Pre/Post Lockdown

The salary for VP of Customer Success was the most heavily impacted by COVID with 38% reporting salary decreases compared to 11% pre-pandemic.

Legend: HIGHER LOWER NO CHANGE

Salary Change Pre/Post Lockdown chart:
- PRE-LOCKDOWN: Higher 70%, Lower 12%, No Change 18%
- POST-LOCKDOWN: Higher 62%, Lower 38%, No Change 0%

VP of Customer Success salary distribution (2019 vs 2020):
- $0-50K: 2019 2%, 2020 6%
- $50-75K: 2019 2%, 2020 8%
- $75-100K: 2019 2%, 2020 6%
- $100-125K: 2019 9%, 2020 8%
- $125-50K: 2019 9%, 2020 16%
- $150-175K: 2019 19%, 2020 14%
- $175K+: 2019 54%, 2020 58%

NEW BENCHMARK IN 2020
- $200-250K: 25%
- $250K+: 25%

TOTANGO

05
Conclusion

Looking towards 2021, Customer Success's trends will strongly depend on how the economy recovers from the COVID-19 pandemic. There's no doubt that the Customer Success industry has undergone a significant shift. The playbook we started with at the beginning of 2020 has been thrown out and new playbooks that focus on digital first, team collaboration, and agility to adapt to continually changing circumstances will ensure the ability to survive and thrive. The results of the State of the Customer Success Industry and Salary Survey highlights an already growing demand for more technological solutions to help support the collaboration and effectiveness of virtual teams. While the total funding may be reduced, we expect Customer Success to play a critical role, as companies will have to rely more heavily on technology as they try to do more with fewer resources.

In order for organizations to focus on high-impact projects and to scale resources, they will need to invest in a modern Customer Success platform. This next step will allow organizations to start working with the right data and to take action quickly. Gone are the days of manually trying to cobble together a 360-view of your customer and sitting in multiple meetings to try to understand what's going on and what to do next. Time is valuable and what teams are able to accomplish every day counts. A CS solution can help to not only give time back to teams, but it allows them to deliver results faster.

We anticipate more year-to-year growth as younger Customer Success teams mature and become established in their organization, including Customer Success adoption within a wider range of industries. As Customer Success professionals gain more responsibility for business revenue, we predict a shift in compensation structures with more Customer Success Managers receiving a bonus or commission tied to revenue, which will increase average Customer Success salaries across the board.

Learn more online: **totango.com**
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Numbers in the report may not equate to 100 due to rounding.