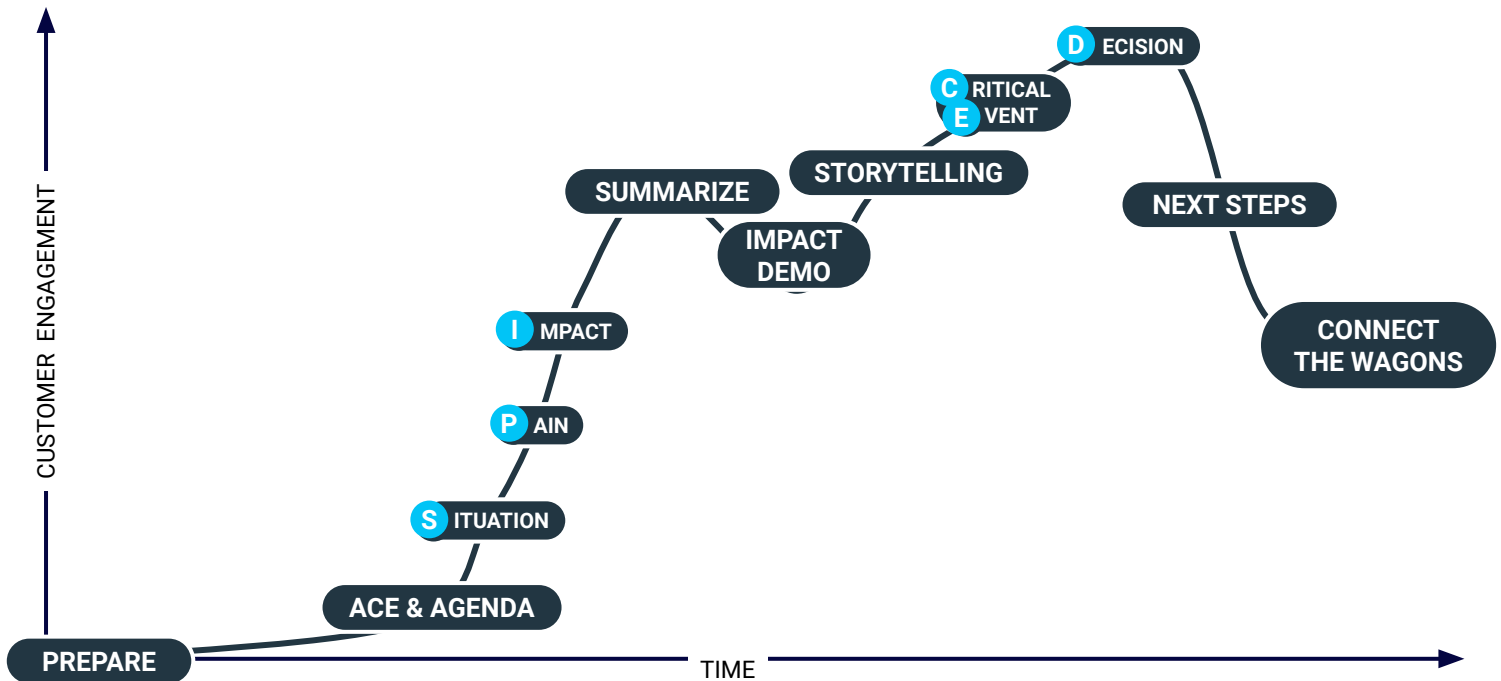


How to get the Renewal



Renewals are a significant milestone in your customer's journey, but they don't just happen at one single moment. In order to effectively and predictably drive renewals, you must be focused on delivering impact at each touchpoint in the customer lifecycle. You should always remind customers of life before they used your solution, point out goals they're looking to achieve, and deepen your impact to make your solution indispensable.

In their first year as a customer: Over the past year, your customer has been trying to determine whether you delivered on your value proposition based on the agreed-upon impact communicated during the sales process.

In year two (and beyond): Your customer looks to drive more impact from using your solution.

If this is a multi-year contract: The renewal is an opportunity to reflect and remind your customer of the impact your solution delivered in years prior. It should also be used to dive deeper into their organization and learn how you can support their ongoing and evolving strategic initiatives.

To prepare, the CSM should think from the perspective of the customer, and approach the conversation from that lens.

It's important to set proper expectations with your customer each year. If these expectations are not properly set, the gap between what they expect and what is realistic will continue to increase. Eventually their perception of the value you bring will be much less than what it actually is, and they will (mistakenly) no longer see the impact of your product.

Each year, a new bar is set. For example, if you help double a customer's leads in Year 1 from 500 to 1,000 leads, they will expect the leads to double to 2,000 in Year 2, and again to 4,000 in Year 3, and so on. This sets you (and them) up for failure. Realistically, the customer will likely get a similar increase in leads each year: 1,000, 1,500, 2,000, etc.

Be prepared for this conversation. You should be able to show realistic expectations, while also aligning with your customer's aspirational goals.

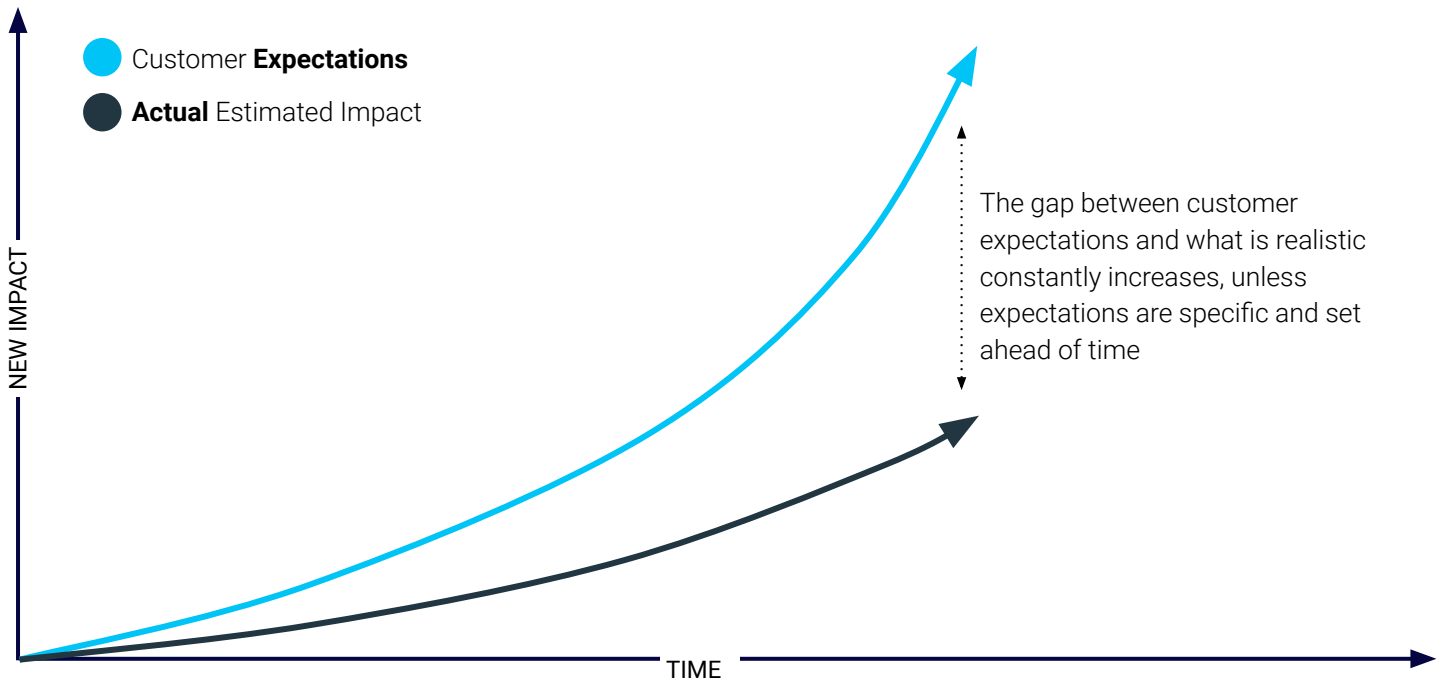


Figure 1. Visualization of a deal analysis

Renewals are a great time to consider changing the contract terms to drive more impact for your company and your customer.

Your Ask	Customer Trade
Early renewal, longer renewal term, quarterly or annual payment	Lock in pricing
Upsell to new features/tier	More impact/ Get new features now for no charge until their renewal date
Referral/reference	Early access to new features/ Better access to executives in your company

Pro Tip

In order to have the most successful outcome of renewal, try to connect with the Decision Maker halfway through the contract term, and at least 6 months before the renewal date. Ask them if they are planning to renew based on the impact achieved to date. This will give you an opportunity to learn how you can drive more impact, and to almost guarantee the renewal if they are planning on renewing at this point. Or, if they say that they are not planning to renew, it gives you plenty of time to earn back their business and drive value.

Here's what the renewal process and conversation look like:

► Prepare

Find answers to the following questions to better understand your customer's original needs, and whether those needs have changed:

- What are the current contract terms?
- What are the new contract terms and how are they different?
- Has there been a change in their usage? Are there new features to propose for a potential upsell?
- Develop SPI questions to discuss impact.
- What were their previous Critical Events and Decision process? (e.g., length of time, whether it went to procurement and/or legal, etc.)

▶ ACE

Orchestrate the call, verify time, and set the end goal:

Appreciate: Show gratitude, keep it simple. *“I appreciate you joining our call today.”*

Confirm End Time: Ask the customer if the scheduled time still works. This will help you avoid the customer leaving before you expected, and more importantly, before you solidify the next steps. *“We have 30 minutes scheduled. Does that still work for you?”*

End Goal: State the goal for the call – the customer’s agreement (written or verbal) to use the product for another year. *“Typically at the end of this call, we agree to your renewal – or an action plan towards your renewal.”*

▶ Agenda

Share your agenda to explain how you will lead the customer through the call and achieve the end goal of renewal:

- Review and confirm details for the next 12-month Joint Impact Plan; get their sign-off on the plan
- Review the existing contract and anything new in it
- Discuss how to move forward and key dates

▶ Review SPI

- Are you still planning on achieving <desired impact>?
- Are you planning on using <company name> to continue to achieve <desired impact>?
- How do you anticipate achieving this outcome? (this is especially important if they’ve expressed concerns about the renewal)
- If you were unable to use our solution, what impact would that have on your business?

▶ Summarize

Take notes and summarize what you heard to ensure you understood correctly.

▶ Impact Demo

Show features and functionality based on their current and potential Pains and Impacts to remind them of current impact. Discuss additional impacts and potential expansion opportunities.

▶ Storytelling

Share a customer story to transition the conversation from looking backward to looking forward:

- If results have been negative: use a story about a customer that also didn't achieve results at first, but changed strategy and was able to ultimately achieve the desired business impact.
- If results have been positive: use a story to inspire more growth and impact.

▶ **C**ritical **E**vent

Are there any new **C**ritical **E**vents? For example, what happens if they don't opt in at the renewal date? Could they lose the tech powering their website?

▶ **D**ecision Process & Criteria

Uncover:

- Are the **D**ecision Process and Criteria the same as last year?
- Do they still have resource allocation and budget for [your solution]?
- Does this contract need to go through procurement or legal review (if not auto-renewal)?
- Who else will be involved in this discussion and process?

▶ Next Steps

Are there any obstacles in the way of renewing? Do you plan on moving ahead with <company name> for another year?

- **If Yes** - Yay!!! Celebrate!
- **If No** - Begin the Save Play

Commence the Save Play if at any point your customer raises any objections about the renewal. This can happen at any time in the renewal conversation. It could stem from issues such as feeling like they're not getting enough value, or perhaps the cost being too high for their budget.

Follow up on the end goal: *At the beginning of the call, we said <insert end goal>. Do you feel that we accomplished your goal?*

Pro Tip

Take this opportunity to remind your customer of how they can get the most out of your partnership. If they cancelled meetings, or didn't review emails you sent, ask them what involvement they would like to have to receive the most impact. You might want to share a story of an ideal customer relationship and how that customer got more benefit by being more involved in order to improve your working relationship for the next year.

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