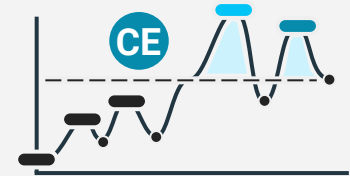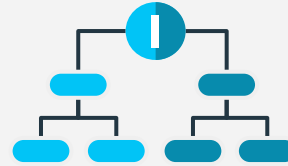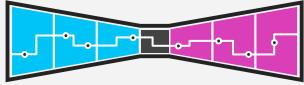# Four Core Elements

Threaded across the entire Customer Journey

C1 Customer Journey

The bowtie refers to the end-to-end customer journey, including Lead generation, lead development, sales, customer onboarding, adoption, and expansion.

The bowtie replaces the conventional marketing and sales funnel, which does not cover adoption & expansion, which are the growth engines of any recurring revenue business.

C2 Customer Framework

A key to the CS Operating Model is SPICED, an acronym that stands for Situation, Pain, Impact, Critical Event, and Decision.

SPICED is a diagnostic framework to identify and transfer critical customer information along the entire customer lifecycle. It drives the proper customer-centric conversation at crucial moments for the customer.

C3 Customer Impact

The impact is the realization of the promise of value. Customers must see a recurring impact to renew a contract or before committing to additional services.

The Operating Model has two kinds of Impact: Rational or quantitative Impact, which benefits the company, and Emotional or qualitative impact, which helps the person.
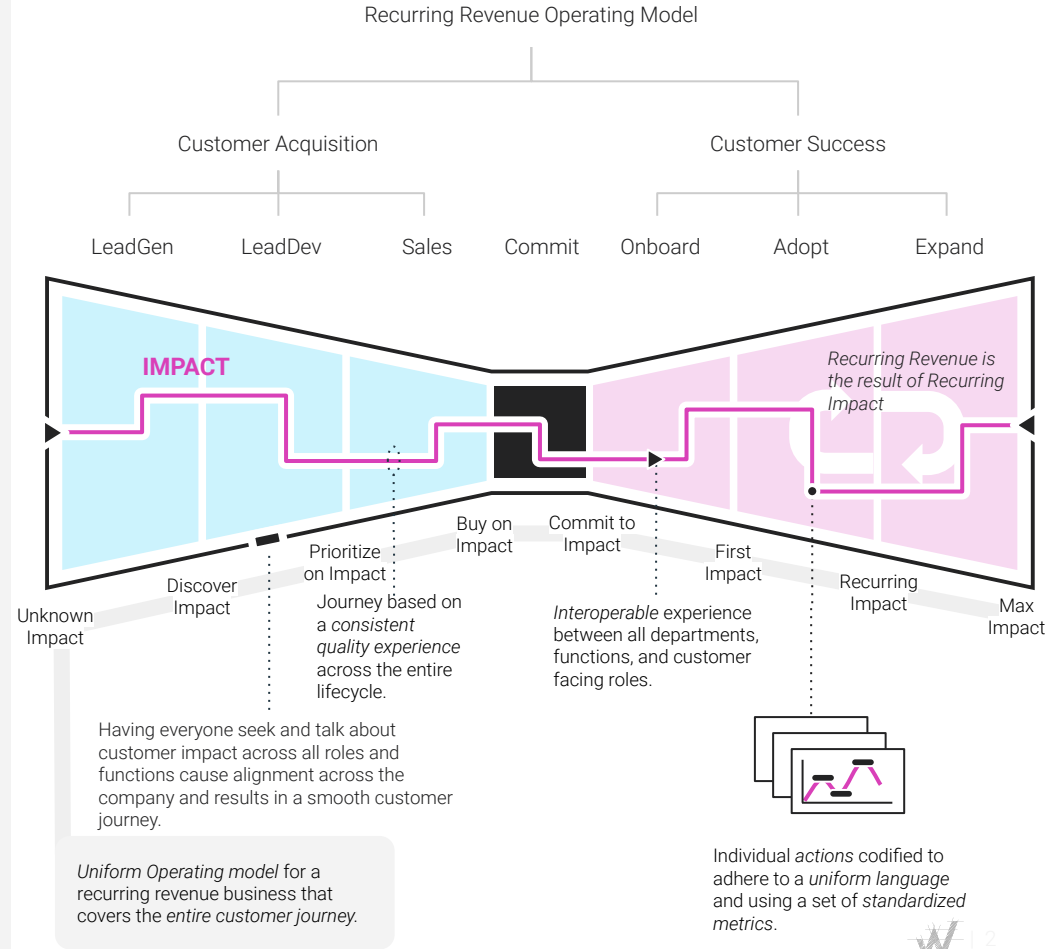

C4 Critical Event

A Critical Event drives a decision as it has an adverse impact when no action is taken. A critical event can be a set date or an event, such as getting to 1M users.

Critical events cause prioritization, thus driving decisions in recurring revenue businesses. It makes access to the budget, or having an RoI of secondary importance.

A Customer's Journey

C1

A customer traverses across the entire bowtie with a goal of achieving recurring Impact. Recurring Revenue is a result.

Recurring Revenue Operating Model

Customer Acquisition

Customer Success

LeadGen LeadDev Sales Commit Onboard Adopt Expand

IMPACT

Recurring Revenue is the result of Recurring Impact

Unknown Impact

Discover Impact

Prioritize on Impact

Buy on Impact

Commit to Impact

First Impact

Recurring Impact

Max Impact

Journey based on a *consistent quality experience* across the entire lifecycle.

Interoperable experience between all departments, functions, and customer facing roles.

Having everyone seek and talk about customer impact across all roles and functions cause alignment across the company and results in a smooth customer journey.

Uniform Operating model for a recurring revenue business that covers the *entire customer journey.*

Individual *actions* codified to adhere to a *uniform language* and using a set of *standardized metrics.*

Customer Journey

C1

A customer traverses across the entire bowtie intending to deliver recurring Impact for the customer.

Recurring Revenue Operating Model

Customer Acquisition   Customer Success

LeadGen   LeadDev   **Sales**   Commit   Onboard   Adopt   Expand

3

Moments that matter are common moments that allow for you to set yourself apart.

4

Each MTM is codified to a proven action. Each action adheres to a *uniform language* and is based on the same core elements

2

Journey based on a *consistent quality experience* across the entire lifecycle.

1

Uniform Operating model for a recurring revenue business that covers the *entire customer journey.*

Customer Framework

C2

SPICED™ is a framework that connects all interactions with the customer across the entire customer journey.

Causal
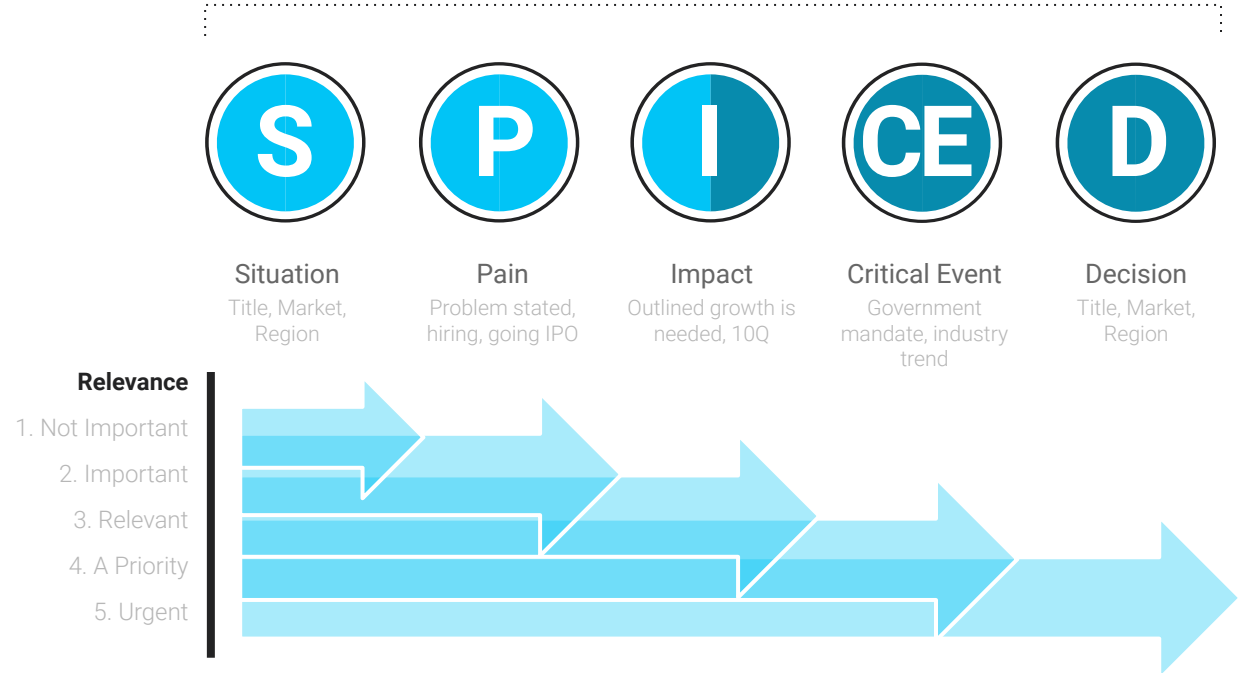
Sequential

S
SITUATION

Relevant background facts or circumstances about the customer's world. Factors such as size of company, location, number of employees, software they use, hiring needs, security needs, maturity level, and/or revenue goals.

P
PAIN

The problem a customer has or the opportunity they see for which they need for a solution. Pains are often expressed at a superficial level. To identify the true needs requires a deeper diagnosis.

I
IMPACT

The results produced by solving for that pain. These are the outcomes the customer is trying to achieve by using your product. Impact can be both emotional, focused on individuals, and rational, focused on the overall company.

CE
CRITICAL
EVENT

A deadline by which to the customer must achieve Impact or suffer negative consequences. Critical Events drive behavior, whether that be completing implementation, expanding use, or completing renewals or upsells.

D
DECISION

The people involved in the decision, the process they will follow to reach that decision, and the criteria they will use to evaluate the right solution.

Customer Framework

C2

Relevance is what is important for your customer.

How SPICED Creates Tiers of Relevance

S	P	I	CE	D
Situation	**Pain**	**Impact**	**Critical Event**	**Decision**
Title, Market, Region	Problem stated, hiring, going IPO	Outlined growth is needed, 10Q	Government mandate, industry trend	Title, Market, Region

Relevance

1. Not Important
2. Important
3. Relevant
4. A Priority
5. Urgent

Impact

C3

Impact is critical to driving recurring revenue from your customers, but what does IMPACT really mean?

Layers of questions uncover Rational & Emotional Impact.

Rational (quantitative) Impact and Emotional (qualitative) impact.

PAIN

SITUATION

I

There are 2 kinds of Impact customers want to achieve: Rational and Emotional.

Quantitative goals, such as increasing revenue or decreasing cost, have always been a key part of purchasing decisions.

These quantitative goals are defined as *Rational* Impact. However, we know that the most successful recurring revenue companies also understand and define *Emotional* Impact for their customers.
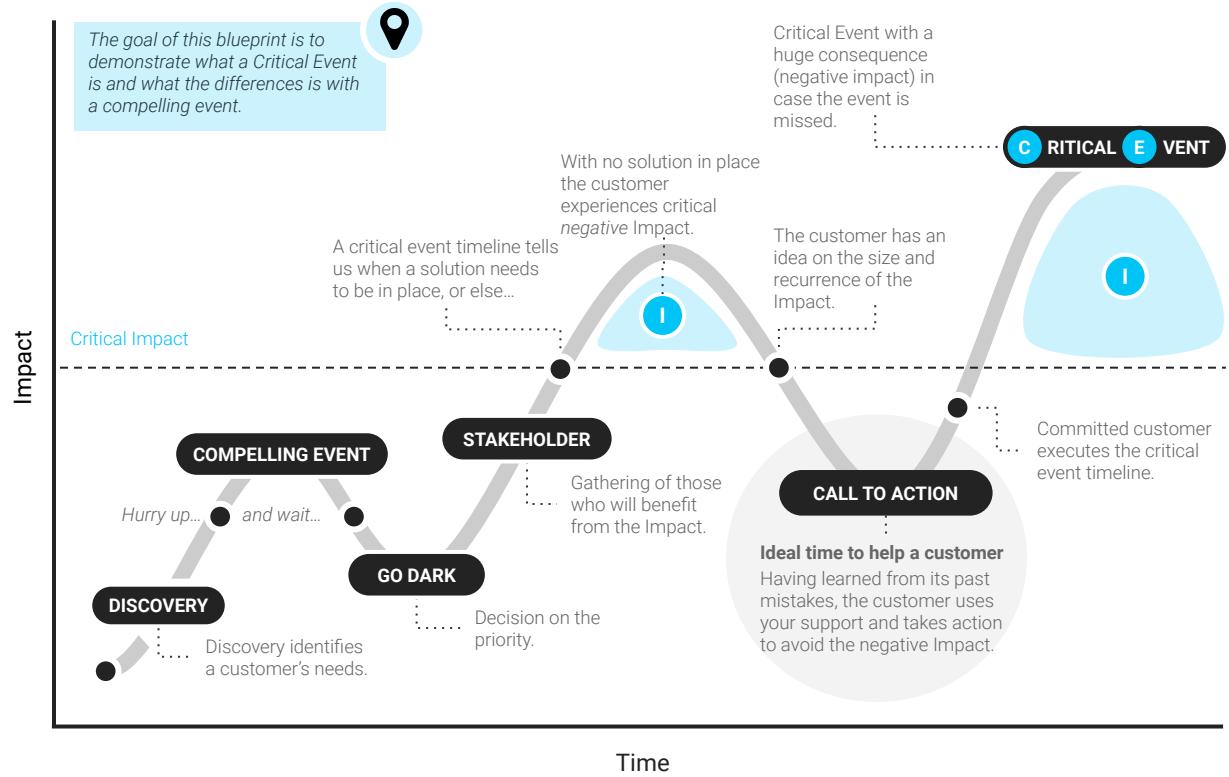
Emotional Impacts tend to be more qualitative and can provide deep insights into buying decisions, even if they are unspoken or not part of an RFP.

- Emotional Impact first benefits a person and then the company, such as a promotion earned with a successful product implementation. Rational Impact first benefits the company and then a person, such as dollars that an efficiency tool helps save.

- Emotional Impacts vary by person. Each person experiences Emotional Impact differently depending on their role or situation. Rational Impacts, on the other hand, often represent common goals shared by all functions at a company.

- Most humans make Emotional decisions. Whether we realize it or not, humans often make decisions based on emotions and seek to rationalize those decisions with facts and figures.

Core Elements
Identifying a Critical Event

C4

A Critical Event causes an Impact if the date is missed.

The goal of this blueprint is to demonstrate what a Critical Event is and what the differences is with a compelling event.

Critical Event with a huge consequence (negative impact) in case the event is missed.

C RITICAL **E** VENT

With no solution in place the customer experiences critical *negative* Impact.

A critical event timeline tells us when a solution needs to be in place, or else…

The customer has an idea on the size and recurrence of the Impact.

I

Impact

Critical Impact

I

Committed customer executes the critical event timeline.

COMPELLING EVENT

STAKEHOLDER

Gathering of those who will benefit from the Impact.

Hurry up… and wait…

GO DARK

CALL TO ACTION

DISCOVERY

Decision on the priority.

Discovery identifies a customer's needs.

Ideal time to help a customer
Having learned from its past mistakes, the customer uses your support and takes action to avoid the negative Impact.

Time

Impact and Critical Event

Rational Impact

Measurable, quantitative Impact, such as an increase in revenue, or faster.

1. _____
2. _____
3. _____
4. _____
5. _____

Emotional Impact

Qualitative Impact a person gets. Often worded as "better", "easier"
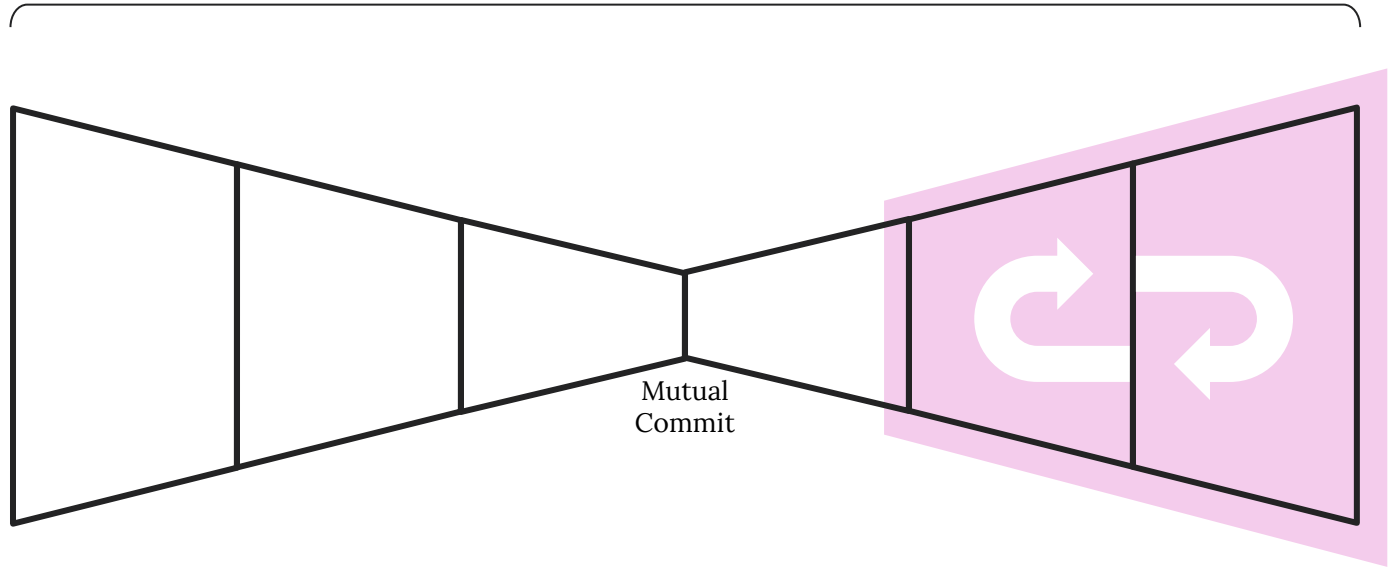
1. _____
2. _____
3. _____
4. _____
5. _____

Critical Event

An event that when missed has an Impact associated with it.

1. _____
2. _____
3. _____
4. _____
5. _____

The Recurring Revenue Operating Model
is build as an open standard and cross-functional interface

Step 1: Use of a Recurring Revenue Operating Model - *the Bowtie.*
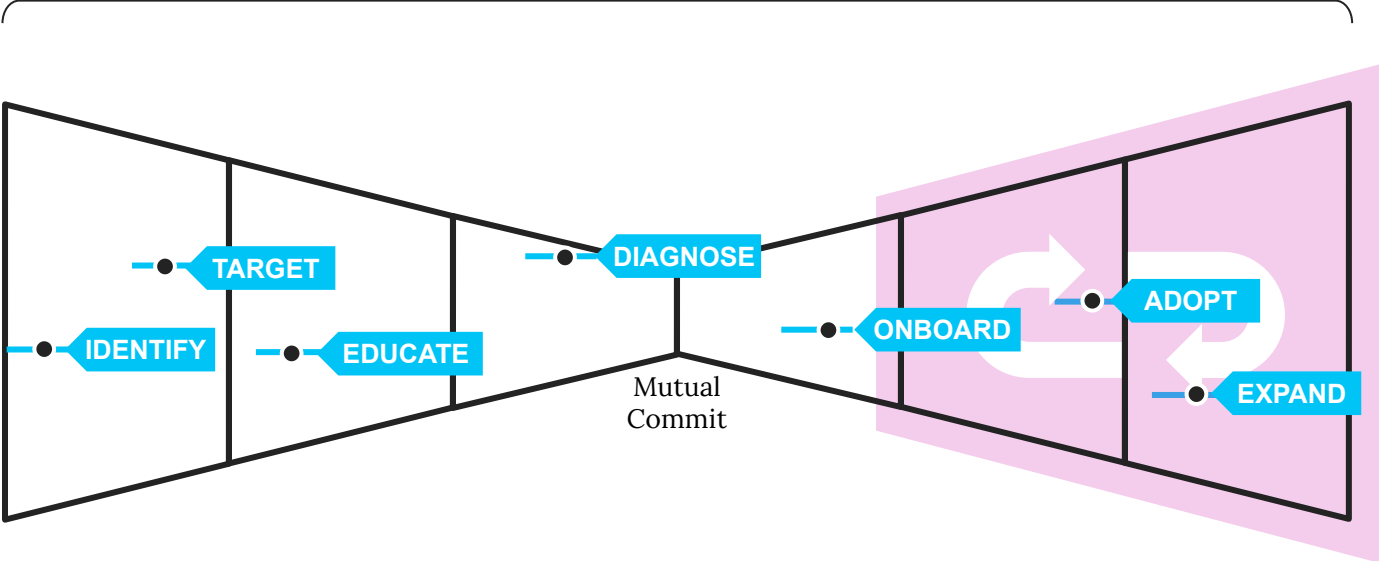
Mutual Commit

The Recurring Revenue Operating Model is build as an open standard and cross-functional interface

Step 1: Use of a Recurring Revenue Operating Model - *the Bowtie.*

Step 2: Identify *key moments* in the journey to improve using data.
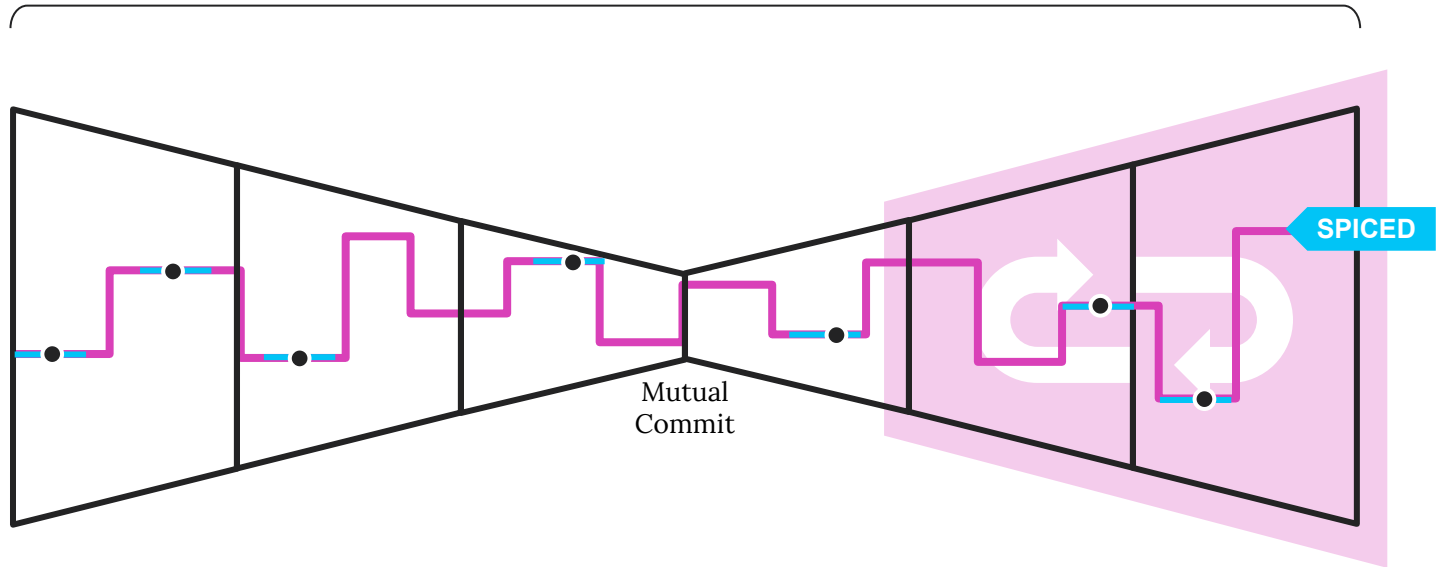
Mutual Commit

The Recurring Revenue Operating Model
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Step 1: Use of a Recurring Revenue Operating Model - *the Bowtie.*

Step 2: Identify *key moments* in the journey to improve using data.

Step 3: Map these moments to a **Blueprint** to improve each skill.

TARGET

IDENTIFY

EDUCATE

DIAGNOSE

Mutual Commit

ONBOARD

ADOPT

EXPAND

The Recurring Revenue Operating Model
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Step 1: Use of a Recurring Revenue Operating Model - *the Bowtie.*

Step 2: Identify **key moments** in the journey to improve using data.

Step 3: Map these moments to a **Blueprint** to improve each skill.

Step 4: Each Blueprint is based on **SPICED**.

Mutual Commit

SPICED

The Recurring Revenue Operating Model
is build as an open standard and cross-functional interface

Step 1: Use of a Recurring Revenue Operating Model - *the Bowtie.*

Step 2: Identify **key moments** in the journey to improve using data.

Step 3: Map these moments to a **Blueprint** to improve each skill.

Step 4: Each Blueprint is based on **SPICED**.

Step 5: Map other Methodologies to the Blueprint(s)

_____ +

Seamless integration by design

ABM

MEDDIC™

NPS™

SPICED

Mutual Commit

ICP

BANT™

MAP™

CHAMP™

The SPICED Framework

The GTM Framework centered around Customer Impact

START THE COURSE