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SPEAKERS

Matt Hunckler

00:00

So if you think about the role of a customer success manager, I've been calling it a unicorn. They are a unicorn. They have got several hats that they wear and bless their heart for the job that they do.

Matt Hunckler 00:19

Hey there Powderkeg fans. This is Episode 96 of powderkeg igniting startups the show for entrepreneurs, investors, leaders and innovators building remarkable tech companies in areas outside of Silicon Valley. I'm your host, Matt Hunckler. And today, we'll be talking about customer experience, the future of the industry and how it's continuing to evolve. But also just what that whole startup lifecycle is like with two amazing startup founders. You know, customer experience is your customer's perception of how your company treats them. And these perceptions affect their behaviors and build memories and feelings that ultimately drive their loyalty. In other words, if they like you and continue to like you, they are going to do business with you and right commend you to others for a long, long time. So we're gonna cover a lot of ground today. And I want to just dive right in and introduce two great friends and guests on the podcast today. Our first guest started out his career as a software developer and systems engineer, then segwayed into business development of many of a few international organizations. He's grown his current team from 2015, to

where it is today, raising 1.5 million last year. Please help me welcome all the way from Indianapolis, Indiana, the CEO and co founder of a customer success work management platform, bolster, harass golani. Alright, thanks for being back on the podcast. Thank you. Thank you

01:39

much. Appreciate it. And it's a pleasure.

Matt Hunckler   01:40

Absolutely. And we'll make sure we link up your past episode in the show notes as well. And then we also have another veteran of the show back back again today to talk about a company he was not working on, at least to my knowledge last time he was on the show. Our second guest started his career within our fellowship program, which is A program I was involved in right here in Indiana connecting people with their first time full time career or full time job outside of the University with a high growth technology or venture associated business. He quickly got the knack for entrepreneurship, starting several companies, including the one he manages now, please help me welcome the co founder and CEO of shipment tracking platform for e commerce businesses. a startup called Momo, help me welcome yo na. Yeah, thanks for having me. Yeah. Thanks for being here, man. It's so funny that my my intros are like, very much associated for like a crowd, but it's literally just us. 30 sitting in here, like, please help me welcome and hopefully you're at home listening to this and just clapping with your headphones. And I wanted to kick this off, guys. Just talking a little bit about your background, because I know you both have very interesting ways that you got into the startups that you're running today. And yeah, I know you just started this business or at least announced it very recently raised a little bit of money here from some well known folks. Which is really exciting. So I'm interested to hear kind of your backstory of how it how it all got started. So, yeah, do you remember your first entrepreneurial memory? Oh,

03:10

yeah. I, so I used to in school I would, oh, sorry, growing up, I would, you know, I was trying to get in everything I would, I would go to my parents and try to sell them the book that they buy me for,

Matt Hunckler 03:23

to read.

03:24

And so yeah, it always felt like launching new businesses was in the blood of our, of our family. And in my parents always encouraged me to go out and try to find something that I loved and was passionate about in entrepreneurship was one of those big things. So, so yeah. I mean, I when I when I was graduating college, like you said, Matt, we joined or fellowship and that was like the really, really great experience to figure out, you know, how do you launch a company from scratch? I studied engineering in school, and so I had a lot of technical experience. But no, those are the mechanics of how do you find a market? How do you analyze that market? How do you figure out what to build and produce a product that they're going to use and love and pay for was something I was very foreign to me. So the fellowship was a jumping point to get a lot of that background and

Matt Hunckler 04:14

knowledge. Well, and you mentioned, sort of like, almost engineering what the market is. But I know at some point, you got to get feedback from customers or potential customers, which is a big, big piece of deciding whether or not to launch a business. And probably one of the biggest mistakes. I'm not saying you made this mistake. But one of the biggest mistakes I've seen entrepreneurs make and I personally have made in the past, is launching a business just based on what people are searching for this. That means this there might there must be a market for this and just launching it without talking to anyone about it. Have you in sort of your work in the or fellowship and even mentoring some other people in the tech community? What are some of the other sort of common mistakes that you've seen people make or that maybe even you yourself? Yeah. And your earlier ventures,

04:59

so I ran, I ran a digital agency called sticks and leaves for a number of years. And I think one of the biggest mistakes that people made a lot was they had this. They had this vision for their product that was like five years out from what it was what they needed to do today. Yeah. And so they always felt like whenever they go and talk to customers, they didn't have enough. So then they'd be like, well, I can't, I can't launch it. Because I don't have this and this and this, and this and this. And they got into this phase where they built

so much. They took it to the customer. And the customer said this, only this part is important to me and other customers would be like, well, that's not important to me. And none of these other things are important to me. And so I think I think people get get stuck on the love for they have have the vision that they think they want for their product. And don't take a step back and say, you know, how am I going to take step one, to figuring out what's the thing that's going to resonate with? With a broad group of people.

Matt Hunckler 05:52

So what does that what does that look like to you tell me how Tell me about how you did that with myeloma? Yes, maybe you even zoom out a little bit and be like, what, what probably Did you first see?

06:01

Yeah, so, so we with sticks and leaves. So we we launched multiple auto sticks and leaves, we spun it out as a new business. So it was a great,

Matt Hunckler 06:09

great thing to be able to do.

06:11

Yeah, no, it was it was awesome and and we we worked with a lot of consumer center technology companies like double map who I mean they sell the businesses what their end users are our our consumers cluster trucks, same thing. We served a lot of e commerce businesses. And one of the things that we noticed in the e commerce space was you ship something to a customer in that product may or may not arrive on time. And if it doesn't, it, that customer ultimately blames you for that experience being poor when it might have been UPS or FedEx. So the brand for us had no control over that. So we thought that that was a unique problem to have like such like customers, having a bad experience don't come back to you. And ecommerce retention is incredibly important. Yeah, they

Matt Hunckler 06:59

spend all Any business? For sure. Yeah. But yeah, you were seeing an e commerce. Yeah,

a lot in e commerce. Yeah. customer experience in today's world, it's everything with these brands. And so we thought that was a really compelling idea. We've had a lot of experience building tracking platforms in the past and, and thought that was good. But we also knew that we had to go validate the idea. Yeah, and it was really difficult because we as a, as a company, we we specialize in launching new tech products. I mean, we built 100, web and mobile products over the course of the business. So first inkling was well, it's just gonna build a mini prototype, and then show it to people. And we had to kind of take a step back and be like, what, what would we advise our clients to do if they were in our same situation we ended up doing was going out and kind of pitching this problem to brands that we were close with or connected with, and got some feedback that yeah, this is a major problem. All of our customer support tickets come from a lot of these words, my order questions. So what we ended up doing was instead of building anything, We told them that we had this technology product that we're going to use one of the things that we need in order to implement it as we need log into your e commerce systems, we'd log in, we'd manually grab all of their orders, grab all of the customers, whenever a new order was placed, we then log into an email marketing platform, and then send emails directly to the customers whenever their order status changed. And so we did that for I think, 1000 packages before we ever wrote a line of code and

Matt Hunckler 08:30

did it all manually. Did it all mean what the software would eventually do exactly? The unique part of the software? Yeah, yeah, exactly. So you weren't like pulling up Gmail and writing a crafted email.

08:44

But I mean, it was close.

Matt Hunckler 08:44

Yeah, it was pretty good. It sounds pretty close. Pretty close. Yeah.

08:47

And so yes, we did that. And that's what gave us this unique insight that ended up being like the bread and butter of our business, which is customers check tracking three to five

times on average, and most brands are Sending plain text emails that are not well timed. And so if they could harness that attention and create a good experience for those customers, they'd be able to retain those customers over the long term. And so that was kind of the genesis of the business.

Matt Hunckler 09:12

Oh, that's great. Well, I want I want to hear a little bit more what you learned since then. But first, Hersh, I was hoping maybe you might share with us what your very first entrepreneurial memory was, or maybe one of the first

09:25

Yeah, no, thank you. I was that great commentary. Yeah. So I was listening to it. And I said, let me let me go back to when I actually stepped into customer experience. And it was back in the early 2000s. When I was working for a marketing technology company based out of Indianapolis, one of the few Beautiful, beautiful exits that they have had, amongst other companies that have had out of Indiana share a promo was a huge success. Yeah, it was. I'm grateful to be part of a Primo. So what happened there is we signed on a lot of big customers and once the sale happened And that contract went into a team of people, which was called extended services, also known as concierge services. These were the team of people providing ongoing engagement, value driven engagement to their customers. And lo and behold, we saw the subscription services revenue growing right at the same pace, but in some cases even faster than software sales. Yeah. And the value that the customers received, they kept, you know, staying with us, they kept growing with us and lifetime value went up,

Matt Hunckler 10:32

upgrading software package.

10:34

Exactly right. So it was all beautiful, but the need for bolt struck came around when after I left a Primo and became part of a software company based out of Austin, Texas, where the responsibility as a chief revenue officer, I had a team responsible for renewals and upsells we were traditionalist, calling it account managers but we really were customer success manager And what happened is the the metrics that plagues every executive I

was dealing with those metrics, which were going in the wrong direction, are shown was high. Yeah, I negative churn, which is upsell was very, very low. Our Cost of Goods Sold were extremely high, and our gross margins were very low. So when you look at the worst case scenario, exactly. The only one metric that was really, really powerful was our sales metric acquisition. So we were built bringing on 40 to 50 to 60 customers on a quarterly basis. But we were losing companies and the back end. So we had a leaky bucket problem. Yeah, at that point, was when I realized reflected back on the days when we were growing customers, without even a software technology. It was based on best practices and good team of people. I said, Wait a minute, there's got to be an answer to that. So I called my friends back from the old days of software artistry, and a Primo says we have to build a software platform got

Matt Hunckler   11:59

that band back together. Yeah, seriously. And and they were,

12:03

they were so nice that they jumped in with me to help me build what today is a software platform that's geared towards customer success and customer experience, helping companies grow their lifetime value and retain them for life.

Matt Hunckler   12:18

So I love that story, because it touches on so many things. And one of the things that I think is so powerful about what you just shared, is the relationships that you maintained along the way. And in a lot of ways, it's a little bit of a history lesson of tech in Indiana. And I think it's interesting even for, you know, this has a pretty global audience. You know, we certainly have a lot of listeners in Indianapolis, but our second and third highest Listen, you know, listener population is in San Francisco in New York, on the podcast, so for those that don't know, the Indy tech community, the Indiana Indianapolis tech community, I think it's interesting to note that most of these sort of like mid market type of cities like Indianapolis and Cincinnati, Austin Nashville, usually can trace back to one or two. I mean, even Silicon Valley, you can trace all the way back to, you know, when silicon chips were being produced in Silicon Valley. So for those that don't know, do you mind maybe telling the abbreviated version of what software artistry was? Yeah,

13:19

absolutely. And again, I smile every time I think about software artistry, because that's where you call it a seed that grew into big tree, which it is now and there's so many branches of it and so many beautiful lots of

Matt Hunckler 13:32

acorns fell into this community.

13:34

So software artistry, I joined software artistry right out of college and a couple of years I did at another company that I was a software developer at which was based on Terre Haute, Indiana. Came to Indianapolis

Matt Hunckler 13:47

Well, what was the what was the year? What about about what time if you don't know exactly 9393 94 timeframe so early on and early on

13:57

and software artistry had up? product that sold into customer help desks as a helpdesk solution. So it was a call center. And we also had change management as well as asset management solution. So it was geared towards it buyers. That company, I was a software engineer, then we became a systems engineering team all the way to win that company got acquired by Tivoli, IBM. Yeah, so I became part of Tivoli group, big blue, big blue, it was great. And my, my, my travels were all over the world. So I had I was a global SC for software artistry, and then Tivoli. And then I found myself to be in a very large company. Yeah. When I joined software artistry, it was amazing people. It was a scale up company at that point, just gone public. The first company to go public out of Indiana was suffering. Wow,

Matt Hunckler 14:52

was it so company it

14:53

was a tech company and it was amazing experience. And I

Matt Hunckler 14:56

didn't know I don't think I knew that. I didn't know that first tech

14:59

company that went public in Indiana software, obviously nice WRT was the symbol.

Matt Hunckler 15:04

I like it was wonderful. Well, and I mean, that exit has had huge ripple effects. Right, going into a Primo going. I mean, I don't know what company maybe that hasn't affected Indianapolis. But I mean direct connections, interactive intelligence, those companies went on to interact intelligence got acquired by Genesis. Yeah, yeah. Made to manage. Yeah, that's right. Right. Right. That's cool. I appreciate you recount that. And we could probably follow that thread for the entirety of this podcast and a whole 10 episode series on that. But I think it's interesting to point to that because a lot of times when you enter a new market, whether you're graduating from college or you're starting a new office for your company, or you're joining a new team and moving to a new city, a lot of times all you see is sort of what's going on in the last six months before you got there. What's going on in that immediate moment, and you don't always know that there are deep roots in any community, any local community, usually going back 2030 years. And those things can have huge ripple effects and the exits that are happening today. The big acquisitions that are happening I know rook security we recently got acquired here in town. There are several others that are that have happened and are happening. No spoiler alerts on this podcast though, stay tuned. Those are going to have huge ripple effects going forward as well. And so it's it's just cool to kind of point that out to listeners because it's fun. It's fun in my role to be able to see a lot of that in Indy, but also in a lot of the other markets like Raleigh, Durham and Denver, and I mean, the sendgrid acquisition as yet is big in Denver. tons of things happening. So it's just kind of kind of cool to see and yeah, I know you were you're in the banking world there for a while. Yeah. Do you mind talking a little bit about your work that you did with Citi securities? And maybe what you learned from from that?

17:08

Yeah, so excuse me? Yeah. So I worked for city securities, a boutique investment bank here in Indianapolis. And so I was on their corporate finance group where we did a lot of merger and acquisition advisory work for companies here in town. And so I joined the company at a pretty interesting time. 2007. So like, the market is just exploding. There's like multiple dynamics where, you know, everybody's looking for capital. Yeah. But capital is dry. But then it's also an opportune time to if you are capital rich, to make acquisitions and find those strategic partners to go out and work with

Matt Hunckler 17:48

when you said exploding. Did you mean exploding in a good way, in a bad way? It was good for city securities, but it was bad for everyone else. Yeah. Yeah. That's a great

18:01

And so yeah, that that time was was pretty formative for me like the first year for me was just drinking from a firehose, coming from engineering out of school and then going into finance was kind of a new world.

Matt Hunckler 18:10

Yeah. So like, I could probably write a book

18:12

around. I learned, but one of the things that I found pretty fascinating was just how, how crucial understanding, like more macro economic factors factor into businesses on a micro scale. Oh, yeah. So you look at, well, I probably won't name specific companies, but there's companies here in town, when markets crash, they serve consumers, consumer spending dries up, their business has to adjust very quickly. And so we, you know, in the business, we were tasked with trying to figure out well, what are the other markets that you can use to grow and find pockets of, you know, pockets of revenue that you can continue operating the business until that? Yeah, that store?

Matt Hunckler 18:55

Oh, that's interesting. Yeah. So it was it

18:57

was it was a good time and yeah, fascinating time to kind of be there,

Matt Hunckler   19:01

when that kind of plays plays into both of you starting businesses in the customer experience space. You know, it's an interesting time where it's sort of like, there has been a boom in people adopting software and new technologies. And people understand that like, it's just as important if not more important to grow your existing customers then acquire new customers if you've got a leaky bucket, or you're putting money into acquire customers, if the lifetime value isn't there, and even if it is there, but could be two x or three x what it is, sometimes even more than that, depending on what industry you're in. That's a huge opportunity. So so being in a market, I guess, is what I'm saying that is it is exploding in a good way. Expanding is probably a better verb, but here a powder keg, we love the word exploding, so expanding in a good way. It's pretty interesting that you both ended up in that space.

19:59

Yeah. The example that you just gave, and we were talking a little bit about stats before. Yeah. It is amazing. How if, if there's anybody listening to this podcast, and it's not thinking about having a create an experience pleasurable experience with with value based outcomes for their customers, they gotta, you know, smell the roses because things are not good for them. Because right now as as the stats goes that 90% of the lifetime revenue from a customer comes post initial sale. Yeah. So what you get in the beginning is only 10% of the total revenue that comes throughout the life of the customer. And it takes approximately there's a rule of thumb that people have, you know, throwing some numbers that 13 cents into retention, versus $1 25 to acquire a customer. So it's like, duh, why wouldn't you focus your efforts into pleasurable experiences but with outcomes because expensive By itself is not the full story. You got to deliver desired outcomes with good experiences. And that's what you should be doing right now. And I'm glad to hear how things are happening and how the space is growing.

Matt Hunckler   21:14

Yeah. Well, can you give us maybe the elevator pitch on vostro what is bolstered?

21:19

Yeah. So bootstrap is a software platform. And we have designed this platform for Customer Success managers, or people who are responsible for creating those outcomes for their customers after they sign off. So think about the steps that a customer goes through once you sign them up, whether it is and this is probably more of like a b2b, b2b, it's a b2b. And so onboarding, training, business reviews, retrospectives, expansions, renewals, all the stages of the customer journey that exists, post initial sale, we manage it through our software and with automating playbooks that prescribe what needs to be done for Customer Success managers.

Matt Hunckler   22:00

I love that. I love that. And yeah, you're on more of the b2c side. Yeah. When you talk to customers today. I mean, we heard your initial go to market of you're taking in, you're taking in orders, and literally going into what did that turn into in terms of the platform? Yeah, yeah.

22:18

So the platform now it's a we're kind of like a data layer that moves data between siloed products. So we, our initial platform connects into Shopify. So we grab order data from Shopify, we take that and we will send a tracking number to a carrier like FedEx or UPS, they give us a real time stream of events happening with that particular package. And then we connect into a company's ecommerce platform. So you use that event data, then trigger emails to your customers, let them know where their packages and transit and so and then once once they get that email, they click through and they get to a tracking page. And that's we've been telling brands that's a landed tracking page for you to build your brand. Yeah, what is the experience that you want to deliver to that customer at a moment when their emotions are very high, right? They're anxious to know where their packages are excited. You should be using that to communicate things that make them become a lifetime customer. And so everything that we're doing is around customer experience. The interesting thing is we have we serve, we serve two masters. So like you said, a rush, we sell the b2b. But the end product that we have to build is b2c. And so we have to understand that dynamics around how do we make our customers successful by making their customers experience really great. And where do we invest our resources and energy along that spectrum to know, you know, what's going to give us the most

impact today? And then the future with the business? Yeah,

Matt Hunckler 23:43

absolutely. Well, so can you mind share maybe a story or two of some of the unique ways that customers have surprised and delighted their customers at that moment of like, Hey, where's my package? I haven't heard anything hit my doorstep.

23:58

So there's a couple of ways so One is, we can we can detect when a package is, is going to arrive early or late.

Matt Hunckler 24:06

So I think my dog can do that too. Seriously, he loses his mind every time, every time a package hits our doorstep. And sometimes I swear, it's like 30 seconds before the truck even

24:18

pulls up. I'm just like, how did you know that? That's awesome.

Matt Hunckler 24:21

But he has enormous here. So I think he's cheating. So sorry, no, no, I really took that on a tangent. Yeah, happy to help. He is pulling in no revenue right now for the for the family unit. So

24:37

I'll give two quick stories. So like, When, when, when something arrives, late, for instance, like it's all about, you probably know, would like, have a lot more insight into this. And like, so much of managing successful outcomes is expectation setting. So it's like if we set the expectation that the packages is going to arrive on this date, and it changes There's some anger there, right? If we didn't tell you at all, and it just showed up, there might be less anger. But they'd still probably frustrated because they're gonna wonder when the thing is

going to arrive right? So if we set the expectation and we do not deliver on that expectation, we don't tell our customers they're going to be very frustrated so having those like dynamics and if we know something's gonna arrive early, let's let our customers know because they're probably sitting probably sitting in an apartment complex somewhere, probably get stolen off their porch. So that anxiety is there. So one of our one of our not related to that but a different different customer story. We're working with a cookware brand and they were getting a lot of product reviews that you know, people would I didn't realize this I don't I cook but like I'm not a professional not to that level means Yeah, I know how to make a mean macaroni. So apparently when you put a pot on the stove, you're not supposed to crank it on high, you're supposed to warm it a medium for two minutes. And when you crank it on high, to warm it up, you'll burn the pan and it will it will be become ruin so they were getting a lot of bad product reviews that were like, Hey, you said this is professional chef quality pots, but they're they're getting ruined really quickly. And so they're like, how do we figure out how to solve this problem. So we use the tracking page to deliver care tips. So there's four tips around how to how to season your pots and pans, how to make different types of food, with different techniques, how to care for your cookware. So that tracking page gets incredible click through rate. So you think of like a Facebook ad gets, you know, a two to 3% click through rate. They're seeing 16 20% click throughs on those care related items. And when the customer does that, when they go and look at those, those pages, they feel great about the brand, they get excited to use the cookware and then they go through and make additional purchases. That was great. Closing that loop around that experience is really beneficial for the brand because they're delivering on education that helps their customers be successful. And it helps the brand get longevity with a customer and possibly more revenue in moments. Absolutely. I love that. Yeah,

Matt Hunckler 27:02

I need to buy some new cookware. So I need to get the name of that brand. Awesome. And I think that's what happened to my last set was just, you know, Saturday morning time to make brunch. Yeah, set it on high. I

27:15

don't want to wait for this thing.

Matt Hunckler 27:18

Exactly. Well, and Hersh, I know you're, in some ways, doing a lot of the similar things but,

but more on the b2b front and helping people better utilize the software that they buy and b2b products that they buy. Do you mind maybe sharing one of your favorite examples?

27:33

Sure, absolutely. I'll share two examples if

Matt Hunckler 27:36

that's okay, I've got several customers. But I learned something from every single example. So yeah, like, like that example, that you just shared? Yeah, I'm already thinking, all right. How can we better help when when people sign up to be part of the powder keg, town talent and careers network where they're looking for the best companies to work for, you know, how do we immediately start kind of coaching them and giving them tips along the way? So yeah, every time Hear one of these I'm trying to translate. All right, how do I how do I apply this cookware example to powder keg?

28:07

So the couple of companies that I will talk about where we have engaged with them, and they are our customers and how they are leveraging Customer Success platform to deliver value to their customers. One of them is a Chicago based company, they are global. And I remember that when we sat down with their steering committee that was evaluating a solution of software, because the business of customer success, customer experience in a b2b environment is pretty high touch it's human to human interactions.

Matt Hunckler 28:36

You know, it's a big business when there's a steering committee to make decisions.

28:39

Absolutely. And trust me, I was in a Bake Off when that

Matt Hunckler 28:45

was hopefully your hands weren't burnt?

28:47

No, no, it was it was great.

28:53

So we were sitting down and we said, Okay, first of all, what is I mean, you guys are growing. You don't have a churn problem. So they said, We don't have a churn problem. Our customers are there. So I said, Okay, if you don't have a churn metric problem, what is the problem? Right? I mean, what are you looking at solution for? Number one? They said, Well, we don't have a churn problem. But we have a negative churn problem. We want to grow our customers, expand our customers, and keep renewing the customer, our customers with more opportunities.

Matt Hunckler   29:22

All right, and it just wasn't happening. It wasn't happening. It wasn't happening. Gotcha.

29:25

And, and the reason why people weren't leaving is because they had a really good software, but they weren't necessarily growing their customers. Number two, when we found out Okay, what else is it that you're looking for a customer success customer experience solution? And they said, our customer success managers who are the life blood of our company when it comes to delivering value to our customers and value for our customers. They're living a life of a nightmare, which is friction that goes into going in six different solutions to find the details about a customer and see There's about six hours of prep time that goes into a one hour meeting. And right there, we need a solution that brings the customer 360 view in one place for the CSM, so they can be effective and efficient in delivering them.

Matt Hunckler   30:15

So what would be like an example of that? If you're if you're if you're this big global b2b company, sure what systems would you be going into together? What kind of data?

30:26

Yeah, so the very first thing we did is we did an architecture diagram to see which systems are people going to Salesforce was one of the systems Sure, they were using NetSuite, which is an ER p system to get data about the customer there. There was another contract management system where they were looking at contracts about the customer that they wanted to have access to. They were then going into Google Sheets and smart sheets and posting notes and binders and their tribal knowledge to figure out what they did with the customer last time they spoke to so because the systems were so many, and they were silos, they were too many fiefdoms. So the delivery of customer value was slow and not on time, and customer success managers ended up being reactive, rather than proactive in their approach. And that was the biggest need for them to look for a customer success solution.

Matt Hunckler   31:14

Why? Why do customer success? leaders or practitioners need to be proactive rather than reactive? Yeah, I know. It sounds like a dumb question, but that's what I'm here for.

31:23

Yeah, yeah. No, no, no, no. Very good. So I will tell you that I get engaged in a lot of companies that have support services tools. Yeah, there are many out there that you call one 800 support desk. in a b2b world support is traditionally looked at as firefighting because it's got you got a problem, your screens frozen, you got a call to make sure your system is back up again. And that's reactive support because you're waiting for people to call you. Customer Success is proactive. And the reason why you need to be proactive is because you want to make sure that you leave the customer Towards the destination, which is growth and retention. So you got to keep making sure that you don't get a call from a customer that says, hey, listen, I bought your software. And yes, we high fived when we saw the demo, but the value has not yet received been received by us. So the reason why Customer Success management team exists is not necessarily for break fix. It's for delivering ongoing continuous value from the time you embark the journey with your customer.

Matt Hunckler   32:30

So in a lot of ways, it's it's similar to Hey, before you burn the pan, why don't we be proactive and tell you how to use the pan rather than waiting till you get the negative Amazon review? It's just the same b2c problem in b2b world and a lot of ways I'd be I'd be curious to hear to like I imagine every every business's growth drivers are a little bit

different. So do you do you measure like, kind of brand, pull in like very disparate data sources to measure those like, Hey, we actually just covered, this is a big, this is a big data point that says this customer is going to churn.

33:04

Yeah, yeah, no, absolutely, once again, to have a good visibility about the customer is also to manage the customers health. And health is not necessarily the temperature, it's the signals that the customer is exuding from different systems that they are using. nps systems are one of those right survey data net promoter score or school. That's where you get the signal from the other ones, our support desk, say for example, you're calling your customer support line 10 times in the same day, and all of them are saying one call severity one, that's a signal, then again, I'm sending you marketing communication, and you are not even opening my emails or not even clicking into the links, but you're deleting them and I've got a cookie that strike. That's a signal. So those are some of the areas that you measure information from and those are called quantitative measures. But then what our CSM do with our software is also measure the engagement They are creating with their customer meaning if I scheduled a meeting with my customer as a CSM for a QB, our quarterly business review, and you declined that meeting, or the meeting stayed there for a long time, but you never joined. And I did not close that activity that I had created. It's still sitting in my to do lane, or in my own hole name. Well, that's a qualitative measure of there's something there is a problem. So what we do is we marry the qualitative and the quantitative signals together to provide the measures that will be effective. That's phenomenal.

Matt Hunckler   34:40

Yeah, I love that. I love that. Do you going back to net promoter score? For those that maybe don't know, net promoter score, and I've also seen some people, maybe not using Net Promoter Score, the way it was initially intended to be used? And actually I think we did that you know, Several years ago when we first started using it, how have you seen Net Promoter Score be used most effectively, either whether it's in your own business or in other businesses that you've worked with? Yeah. And maybe even start by just the the quick flyover. Sure. How would you define net promoter score? So,

35:15

the way we did Net Promoter scores is, we did it twice a year. We can do it every quarter Net Promoter Score, but it's asking the questions, how is our engagement been with you?

And would you recommend us to your peers, sure, and then we have a scale of one to 10 if you're within the lower quartile if you weren't, then you are a detractor. If you are in the upper than you are a promoter, otherwise you are, you know, steady, steady flow.

Matt Hunckler 35:43

And so a detractor is going to actively, basically route against you spread bad

35:49

yeah, they won't be advocates. If you're looking for them. They'll actually be the opposite.

Matt Hunckler 35:54

That's exactly right. Whereas a promoter, they're gonna go out of their way. That's exactly to say you know what you need to

36:00

Talk to this company because we are very happy with that company. Yeah. Now there is a gotcha in Net Promoter scores are sat metrics, which is also another form of survey. They are lagging indicators. Yeah. Right. So if I did a net promoter score last quarter, and if I'm doing it quarterly, let's say for example, my last quarters net promoter score that I'm looking at the through that lens is through a lagging indicator. Yeah, what you need to do is pay attention to those because those are important. But I think what's really important is when you deliver the value, achieve a milestone, do a customer Sentiment Survey, right at that point. So you are now tracking the information real time. And you're also measuring that against with other variables are the measures to give a true score?

Matt Hunckler 36:49

Like that piece of advice. Anything you would add to that?

36:51

Yeah, I don't think I could have anything better than that. That was That was great.

Matt Hunckler 36:55

Hirsch is the Wizard of Oz. customers. Yeah, we need to get you a wizard cloak or something. That'd be pretty awesome. Well, as you guys have both grown your business, how have you been paying attention to your own customer success and customer experience at Malone mo I mean in the startup world, that can be a really trying time like in those early days when you're literally working with customers taking in data manually creating emails manually, you know, there can be some lag in value delivery. And so I've heard I've heard you mentioned you know, setting expectations being an important thing in e commerce, I'm guessing that probably translates to your business as well.

37:39

So our, our, our lead designer, she she comes into the office every day and says we need to CSM because right now it's like it's it's kind of falling on her because she like most of the services work that we do is like designing out the emails and the tracking pages on behalf of work. So she takes the brunt of like some of the feedback directly from clients. So no, as an early stage company, we live or die by our early cohort of customers being incredibly happy. Like they have to like you said harsh, they have to be promoters even if they're in that like that middle ground that they could that could be dangerous for us as a business because we've got to go to our investors in a prospective investors and tell them we've we've found a group of companies, we've built a product, they've gotten ROI and they're super happy. And we know there's a market that's there's incredibly more that we could find that look like this. So we a lot of time, we spent a lot of time investing in just personal like, I think somebody told me bill Godfrey said this like he loves assurance services like you every month you're providing a a like tangible service for your customers. That could be like a unique report. That could be insights that you can use. If you could do that Every month along with the platform that you provide on a monthly basis, you kind of I wouldn't say you put that on autopilot. But as an early stage company, you can get some assurance that they're going to renew every month. And so that's how we've been thinking about it early. So because we're like you, man, like you probably have a very limited team. So you've you've got probably engineers are trying to build the product designers designing the product sales people selling the product, but he's making sure that customers are great

Matt Hunckler 39:24

like that. Probably. Everybody.

39:27

You and everybody. Yeah. But who like who's the one that's talking to those costs? Yeah.

Matt Hunckler 39:30

Who owns it? Yeah.

39:32

And usually it's like, well, nobody nobody's like define as a person they should go to to have those like qualitative conversation. So we've, it's Yeah, it's it's kind of like a mixed bag right now. But we're trying to be very intentional given the company and product we're trying to build.

Matt Hunckler 39:47

Yeah, it changed the game when Meg who was running content for us, or like, well, half of what we do is making sure our customers are displayed right in our content and are getting visits ability. We're just like, dude, now the CSM. And that changed that changed everything because she's like, okay, I own it. Yeah. And and now I own the NPS score, which means I own this and this, and now she's building the systems to make sure it happens, doesn't mean she's doing all of it. But everyone knows, you know, she in his running events, and Robert on the product, and, you know, like, all of those things kind of came together once we defined it as a function. Yeah, but it took us a while to get there. You know, there's that awkward stage where you got to figure out alright, how does this How does this get done? Yeah, yeah, that's great. I love that, that that concept of assurance services, yeah, anything you'd add to that,

40:41

other than the fact that everybody in our class so we drink our own, I like to call it bourbon, rather. We use our own product and one of the things that we have done is, first of all, to have a way to deliver value. It requires human Communication, right? There's engagement that people are actually in the seat that are, they empathize with the situation, they are technically savvy, they understand the needs of the customer. And they have a mind, which is like, Okay, if I do this, I'm going to get a reciprocity from a customer which is in the term of growth. So if you think about the role of a customer success manager, I've been calling it a unicorn, they are a unicorn, they got several hats that they

wear and bless their heart for the job that they do now. So first of all, hire the right talent for the role and then don't put all of the burden on a CSM, because customer success or customer experience should not be considered as a departmental issue. It's an enterprise wide philosophy. So in our organization, our marketing team has access to our software. Our r&d team has access to our software and of course our customer success managers even I have access to our software. So if any measure dips Or go sideways or goes up, or any journey is delayed in their ability in our ability to deliver that everybody on the team knows about it, and they jump in based on our automated playbooks. So final point is the customer success should not be just viewed as a departmental thing. It should be viewed as an enterprise like philosophy.

Matt Hunckler 42:20

I like that it's good. I'm taking away a lot from this conversation. This is great. Make sure the whole team listens to. Well, I I could keep asking you questions about customer success, but I'm gonna pivot just a little bit, because you both have your business based here in Central Indiana. you've both been involved with several companies here in Central Indiana. What is it about this particular market that made you decide? Yeah, when I start this business, I want it to be here and not in New York or in San Francisco, or Toronto for that matter.

42:58

You go first

43:00

I'd be happy to go. For me to make a decision why being Indianapolis and start a company in Indiana and Indianapolis is just one main reason and that is, I've gotten a lot from Indiana. I am where I am based on the connections and based on the network that has helped me and my kids were born in the state of Indiana. And they went to school here. I love the community. I love the people. I've got great friends. Even in my competitive base, when I was in the marketing automation space, there was a lot of marketing automation companies that we were competing with, but they are awesome people. So given the dynamics of what it gave to me, I there was no other place for me to be at.

Matt Hunckler 43:44

But yeah, good answer.

43:46

Yeah, I'd love to echo that. So true. Indiana has given me a lot. I was when I graduated, I was ready to go to the coasts I thought that's where that's where product development, new technology innovation happened. And in the fellowship kind of sucked me in and it kept me hearing it. And then you very quickly build a network. One of the things I love about indie is every buddy is so accessible. Yeah. So like you can you can have, you know, a coffee with somebody who scaled exact target, yeah scale, the Primo scale interactive intelligence scaled Angie's List, and then you can you can also meet with people in the front lines who have to wade through the trenches in a lot of different problems and select the accessibility and in being able to just tap somebody when you're going through a particular problem, Matt, I called you like three or four times and I was racing around. And like being able to talk to other CEOs who are at your stage or a little bit ahead of you. It just feels like I mean, I haven't been in a lot of communities, but this doesn't feel normal or natural to me to have that level of level access to some of these people. So yeah, Indian is great, and there's a strong concentration and talent pool here. And then there's like a secret weapon that I feel Like, I'm obviously bias, but the word fellowship I think, is I don't know how you replicate that. It's amazing. Yes. so unique. It's so unique. I

Matt Hunckler 45:09

think the closest thing I've seen is venture for America. There is a national program called venture for America, but it's not quite the same. You know, I don't I don't think anything that's scaled nationally like that will have the same level of connectivity and uniqueness and value add that something built for a specific community would have. I agree that that was a very unique and I was only giving, sharing my experiences because I had been through it and I had been on the phone with someone you know, six months before having the exact same conversation. So I'm like, I gotta, I gotta share this knowledge. Yeah. And pay it forward. Yeah, exactly. It's like I don't want other people to have the same struggles that I had. So it's, it's Yeah, it has been an awesome community. Well, I want to thank you both for sharing your knowledge around customer experience, the entrepreneurial journey. And coming back on the show for a little bit more in depth conversation on this very much excited for your pitches on August 13. here in Indianapolis downtown, all focused on customer experience. We've got both of your companies as well as Genesis presenting we've got some VCs who are or at sorry, investment bankers who are going to be advisors,

we're going to have some folks who are community leaders, some folks who are co founders of companies giving feedback and then we'll even have a number of companies exhibiting there as well. So if you want to check that out, friends of powder keg, go to powder keg comm slash events, or if you are not able to make it in town and you're in Australia tuning in, you can go to facebook.com slash Powder Keg, but thank you both again for being on the show. Hi.

46:51

Yeah, thank you very much. And I'm sure y'all will echo that what Mac you have done in the team at Powder Keg is done to help us know Want to build a foundation here but grow, and what you've done for the community is amazing. And thank you. Thanks for

47:06

the opportunity. You're phenomenal advocate. Thank you.

Matt Hunckler 47:09

Well, thank you both for the opportunity to do it. If I didn't get to do this kind of work, I don't know what I would do. Well, I really appreciate it and I just want to say thank you again for tuning in powder keggers. I hope you walk away feeling inspired and armed with lots of insights. Make sure you follow both of our guests on social media we will have that linked up in the show notes at powder keg.com just go to the most recent articles, look up this episode number Episode 96 and you will find those and to be among the first to hear the stories about entrepreneurs, investors and other tech leaders outside of Silicon Valley. Subscribe to us on iTunes at Powder Keg comm slash iTunes. leave a review while you're there if you don't mind reviews help us reach more people. And at the same time, it's just great to hear from you. So we might even call out some of those on a future episode. And until then we'll catch you next time on Powder Keg igniting startups.