Executive Summary

So far we’ve covered strategies for building your AI practice, finding and keeping customers providing them with ongoing support.

In this section, we’ll focus on how to optimize your practice, strengthen your relationship with customers, and evaluate your performance to help you continue to delight prospects and customers.

Are your customers delighted by your services and products? Delighted and not just satisfied? In this section, you’ll learn why customer lifetime value is so important, and how to create more customers for life. We’ll share how to get to know your customers better by following their journey with secret shopping and analysis. We’ll also explore the use of a “land and expand” strategy and see how getting to know your customers better can lead to incremental opportunities to provide additional services.

You will also discover ways you can keep your solutions top of mind for prospects and customers through nurture marketing, and how to grow and improve your lead generation practice through a well-planned referral marketing program. We’ll show you how to make the most of your renewal process, and how to get ahead of deadlines.

We will help you learn how to grow your business by identifying the best customer personas and creating “look-alike” prospects, deepening your expertise in key verticals and marketing that expertise, and collaborating with other partners to offer your customers a more comprehensive level of service and support.

We will end by discussing how important it is to create advocates for your company. This includes turning a customer into a fan and collecting testimonials to create case studies that can be used in future marketing campaigns. Map your customer’s experience and ask for feedback to ensure you are turning satisfied customers into delighted customers who can wait to tell your story!

Use the strategies we provide in this section and in the Optimize and Grow guide to optimize and grow your practice.

Top 5 things to do

Learn from your customers and experience to optimize your practice, and expand to new markets through strategic partnerships. These are the top 5 things you should do to optimize and grow your practice.

- Gather feedback from your customers
- Nurture existing customers
- Turn customers into advocates
- Generate referrals with marketing
- Nurture strategic partnerships
Understanding Customer Lifetime Value

Customer lifetime value (CLV) is the revenue from a customer over the lifetime of their relationship with you.

As most businesses have experienced within the tech industry, a lifelong customer is of far greater value than any one-off transaction. It’s no longer enough for companies to invest their time and resources into the generation of single purchases. Especially in the cloud world, it is critical for businesses to develop relationships and solutions that engage a customer for life.

CLV allows businesses to step back and look at not just one sale, not just one customer, but the customer base as a whole. It’s about defining the economic value of each customer within that base and using that metric to make data-based decisions. If you don’t know what a client is worth, you don’t know what you should spend to get or keep one.

Knowing the CLV helps you make critical business decisions about sales, marketing, product development, and customer support. For example:

- **Marketing**: What should my acquisition costs be?
- **Sales**: What types of customers should sales reps spend the most time on trying to acquire?
- **Product**: How can I tailor my products and services to my best customers?
- **Customer Support**: How much can I afford to spend to provide customer service to my customers?

CLV is also a good way to guide and reward your sales team. Pay them more for bringing in customers with high potential lifetime value. By measuring and monitoring your cloud customer CLV, you can:

- Gain insight into your customers’ cloud consumption and usage.
- Qualify for MPN cloud competencies that will help you grow your business.
- Help your customers reach their desired business outcomes.
- Leverage insight for cross-sell/upsell and proactively engage customers for extension opportunities.

By increasing your customer adoption rates, you can increase your CLV, particularly with cloud customers. The more employees you can get to use your service or solution, the more likely you are to increase CLV. Here are some ways to improve adoption:

What do you need to do to be successful?

Key attributes of a successful adoption approach

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<th>Define a vision &amp; identify business scenarios</th>
<th>Prioritize solution &amp; create an adoption plan</th>
<th>Commit resources &amp; execute an adoption plan</th>
<th>Measure, share success, &amp; iterate</th>
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<td>A deep understanding of the business goals, as well as people challenges and needs to achieve them.</td>
<td>A solution that people love and that helps them achieve business goals and get things done more effectively.</td>
<td>A strategy to drive adoption including communications, readiness, and community.</td>
<td>A benchmark, KPIs, and success stories to help demonstrate success internally, improve, &amp; expand.</td>
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While it’s important to define and track your metrics, there are some simple things you can do to increase your CLV.

Your customer strategy must be built on a culture of customer success and tracking customer satisfaction. Critical success factors, when it comes to CLV, are:

- Being sensitive to customer emotions.
- Maintaining good communication.
- Listening to customer pain points.
- Understanding that there are multiple layers to any one concern.
- Doing business with an understanding and empathy for where your customer is coming from.

Next Steps

- Identify customer lifetime value of your five best customers.
- Identify your average customer lifetime value along with your Microsoft contact.
- Identify actions to increase your average customer lifetime value.

Learn more about CLV in the Modern Microsoft Partner Series eBook, [Deliver Customer Lifetime Value](aka.ms/practiceplaybooks). To model CLV as it relates to your business, explore the modeling tool available on the MPN portal.
Guide: Optimize and Grow

Leverage the Microsoft resources available in the Optimize and Grow guide, for details on building customer lifetime value, executing nurture marketing efforts, optimizing and growing from feedback, refining your customer value proposition, growing partnerships, and measuring results.

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