

Accelerated Digital Transformation Puts the Spotlight on Customer Success

By Craig Resnick

Keywords

Digital Transformation, Industrial Software, IT/OT Convergence, Cloud, Subscription, Software-as-a-Service, Customer Success, Outcome-based Services, Consulting

Introduction

A significant shift is underway as to how industrial software is being procured, from traditional, perpetual software ownership to subscription and cloud deployment. As digital transformation continues to accelerate, software-as-a-service (SaaS), subscription licensing models – including on-

Software suppliers must transform from a reactive focus to being more proactive in helping their customers be successful in achieving their business goals.

premise – and cloud solutions increasingly offer new, more appealing options for end users.

For software suppliers to encourage a long-term, mutually beneficial relationship with their customers, they must transform, moving from a traditional reactive

focus to being proactive in helping their customers be successful in achieving their business goals, and accelerating adoption and product value throughout the life of their solutions. This is critical, as end users are moving into the era of the digital enterprise where all product design, manufacturing processes, services and support, and customer experiences are connected by a digital thread that merges the virtual and physical worlds.

Rapid Growth of Subscription and Cloud

Subscription for software licensing has shifted the industrial software market. Many suppliers now offer subscription options. ARC Advisory Group anticipates subscription-based models to grow at a pace nearly four times that of traditional software licenses over the next five years in the industrial software market.

With subscription, users are empowered to leverage leading technologies and respond to evolving market demands, enhancing agility, and accelerating transformation and growth. The transition from perpetual licensing to subscription has lowered the barriers for adoption in several areas, such as

Most end-user organizations prefer bundled services for the software, support, and upgrades and paying for it using a regular OpEx budget rather than going through the often long approval process for CapEx funding. This can reduce first-year software costs by up to 65 percent.

much lower first-year costs and costs being funded as operating expenses (OpEx) rather than capital expenditures (CapEx). Most end-user organizations prefer bundled services for the software, support, and upgrades and paying for it using a regular OpEx budget rather than going through the often long approval process for CapEx funding. This can reduce first-year software costs by up to 65 percent.

With subscription, support services generally include software version upgrades and maintenance, as well as access to 24/7/365 remote troubleshooting and technical support. In the industrial sector, where software frequently requires implementation and deep domain expertise, the quality of the support users get when acquiring subscription software can dramatically impact the outcomes they get from the software.

Cloud-based solutions are flexible, allowing universal access to data, introducing a collaborative environment for remote workers across the globe, and addressing security and availability demands. They can also lower the cost of entry, provide near-limitless scalability, and they inherently include a routine, “automatic” schedule of software maintenance and updates. This eliminates much of the cost and overhead associated with owning and maintaining an in-house IT infrastructure.

The Need for Customer Success

Unlike perpetual software licensing where software is purchased outright at the start, subscription solutions begin with a fraction of the initial “full” product cost. That is typically a big advantage for users, as they pay over time rather than upfront for product functionality, and if they don’t feel they are getting the value from their investment, they are able to re-evaluate periodically and make adjustments.

For software suppliers, however, it means revenue is received over time, only a portion coming early on. To ensure long-term customer relationships and minimize churn, suppliers must help ensure that their customers can optimally use their software and that they are able to meet the business objectives

they acquired the software to achieve. Now, more than ever, suppliers need to be focused on their customers' success.

As part of the selection criteria for industrial software investments, users should look for a vendor that offers programs and services that balance reactive issue resolution with proactively driving onboarding, adoption and success.

AVEVA Builds on a Strong Foundation of Support

As a leading industrial software supplier, AVEVA has decades of experience and deep domain knowledge from working with thousands of customers around the world. It also has cultivated an extensive global partner network to help customers wherever they do business.

For years, AVEVA has offered comprehensive support services through its foundational Customer FIRST Maintenance and Support Program. That program, for example, has provided software maintenance to help keep clients' systems up-to-date as well as provide access to technical support. Technical incident management has been a dedicated customer support function, de-

AVEVA's Customer Success organization and success offerings help its customers accelerate time to value, reduce risk, increase operational resilience, minimize or eliminate unscheduled downtime, and help to prevent supply chain disruptions.

mand-driven and focused on customer satisfaction and resolving immediate issues.

AVEVA has built on this foundation and moved beyond a primary focus on reactive support to be more proactive and prevention-oriented. The company's Customer Success organization and portfolio of success offerings help its customers ac-

celerate time to value, reduce risk, increase operational resilience, minimize or eliminate unscheduled downtime, and help to prevent supply chain disruptions.

Customer Success at AVEVA leverages people, processes and technology to ensure customers more quickly achieve their targeted operational and business objectives with AVEVA software solutions. AVEVA is ramping up the hiring of Customer Success Managers and has expanded its offerings to include Success Management Packages and Success Accelerators.

Customer Success Managers

AVEVA's Customer Success organization aims to proactively help clients reach the business goals that justified their AVEVA software purchase, remove obstacles they may face in pursuit of those goals, and inspire them to innovate and derive additional value. The organization seeks to continuously improve the customer experience and be an integral part of their success. It is comprised of experienced Customer Success Managers (CSMs) responsible for delivering personalized engagements and fostering optimized technology deployments and long-term, collaborative relationships.

CSMs perform comprehensive onboarding to help clients understand their software and entitlements, know and align on the outcomes they expect from their software purchases, and develop agreed-upon success plans that include critical actions to help ensure expected outcomes are achieved. CSMs also provide guidance and insights to help clients more efficiently and effectively adopt AVEVA solutions and quickly realize value. CSMs achieve this through periodic success plan reviews, tracking client progress, and providing recommendations to stay on track.

Success Management Packages

Success Management Packages include strategic engagements and services. They provide structured guidance from CSMs and AVEVA product experts across three key areas: onboarding, adoption, and success. Packages include:

Onboarding Personalized plans to quickly get up to speed	Adoption Helps customers effectively use their software	Success Proactive outcome-based engagements
<ul style="list-style-type: none"> • Team Introduction, including roles and responsibilities • Comprehensive Review of Service • Leverage AVEVA Resources 	<ul style="list-style-type: none"> • Application Design and Architecture Consulting • Adoption Workshop • System Health and Performance Review • Training Assessment • New Software Features and Offers Introduction 	<ul style="list-style-type: none"> • Success Planning • Business Reviews • Pre-Commissioning Consulting • Upgrade and/or Migration Planning • Lifecycle Management

Sample Success Management Package Deliverables

a team focused on long-term success that helps extend a customer's capabilities through best-practice leadership and hands-on expertise, and achieve more rapid adoption and optimized performance.

Depending on a client's size and geographic footprint, the packages also allow for coordination across regions. CSMs can provide cohesive, global oversight to help ensure client-driven, best-practice standardization as well as optimized technology deployment.

Success Accelerators

AVEVA's portfolio includes an extensive collection of Success Accelerators. These pre-packaged, fixed-fee services are designed to help clients across the various lifecycle stages of their software. A client could be in any stage, or more than one stage at a time if they have multiple products.



Success Accelerators Help Customers Through All Lifecycle Stages of Their AVEVA Software

In the Plan and Implement stages, Accelerators help engineer best practices into the application architecture, which improves time to value and lowers the long-term cost of ownership. In the Operate stage, the focus is on effectively running the software with expert training and driving increased engagement and adoption. Users in the Maintain stage are looking to efficiently maintain their software, including software updates, patches, and license management. In the Optimize stage, the goal is to improve software performance and reliability (over time, system changes

can degrade performance) and help drive changes in functionality to address new market requirements. And then in the Evolve stage, the objective is driving innovation through the deployment of major version upgrades, adopting new technology, and future-proofing the application. After the Evolve stage when, for example, the user adopts new technology, they may then enter the Plan and Implement stage anew.

Helping Users Get the Most from Their Software

The shift from perpetual software ownership to subscription licensing and cloud solutions presents a significant opportunity for end users and for industrial software suppliers. AVEVA is helping its customers take advantage

of accelerated Digital Transformation, not only with its software, subscription and cloud solutions, but with an innovative collection of success-based services built on a leading support foundation. To help ensure these success services deliver for customers, the company is implementing a leading cus-

Proactive Customer Success engagements help to foster optimized technology deployments and maximize ROI with increased value realization and tangible and quantifiable business outcomes.

tommer success management platform, and it is extending its success activities through its global network of knowledgeable partners.

Proactive success engagements help foster optimized technology deployments and help maximize

ROI with increased value realization and tangible

and quantifiable business outcomes. They facilitate increased technology adoption through more coordinated, thorough, and successful solution deployments that result in a broader use of functionality that drives innovation. The engagements also help clients develop success plans and roadmaps to achieve their financial targets and KPIs. Best practices engineered into its clients' solutions deliver long-term results and a regular cadence of achievement that reduces risk and lowers total cost of ownership, while increasing long-term reliability, scalability, and usability.

End users should seek industrial software suppliers that offer onboarding, adoption, and success-focused programs and services that balance issue resolution with driving adoption and success. AVEVA is an example of a supplier that is investing in innovative ways to help its customers be successful in achieving their desired business outcomes.

For further information or to provide feedback on this article, please contact the author at cresnick@arcweb.com. ARC Views are published and copyrighted by ARC Advisory Group. The information is proprietary to ARC and no part of it may be reproduced without prior permission from ARC.