150% Increase in ARR over a Two-Year Period
From Smart Startup to the Leading Customer Data Platform

Segment

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>
> Joe Morrissey,
> Chief Revenue Officer

The Client

Segment enables customer-focused growth with good data by giving their customers a single API to collect, clean, activate and orchestrate all of their customer data. In late 2020, after working with Force Management Segment was acquired by leading cloud communication platform, Twilio for $3.2 billion. Segment provides the data platform to add intelligence to Twilio's digital engagement channels, which currently power one trillion interactions per year. Segment's Chief Revenue Officer Joe Morrissey launched a company-wide transformation initiative to complement the organization's product-led growth (PLG) strategy and improve alignment with their buyer. Segment's journey addresses many challenges organizations face when looking to scale PLG success and support their go-to-market (GTM) approach with a value-based sales motion.

Evolving Product-Led Growth

Morrissey had done extensive research in his first 90 days at Segment, holding interviews with stakeholders across the organization. These interviews helped Morrissey and other company leaders prioritize Segment's biggest opportunities to improve retention revenues and company efficiency. He says, "Companies can scale dramatically using that model, but at some stage, most companies realize that they have to start investing in their GTM approach, customer success and value-based selling."

Cross-functional leaders saw clear opportunities to improve efficiency,

within the sales organization and also in ways that impacted other customer-facing teams. Segment's overall GTM approach often required the product engineering team to too much time working on product escalations for current customers, and not enough time on product-related priorities.

Additionally, as customer usage matured, the owner of Segment deployment within that customer organization moved upstream, creating a massive shift for the sales team. Morrissey says, "As Segment became more deployed in customer companies, the sales team often had to go back and resell our deal all over again to a completely new buyer at the time of renewal and expansion. That buyer and their value drivers were completely different from what we originally sold on."

Morrissey shares, "These were big problems, and I needed a transformative way to address all of these issues holistically." With support from cross-functional leaders, Morrissey planned to use the sales organization to reduce inefficiencies across the company, and scale net-new and annual revenue growth.

The Solution

Segment prioritized a company-wide transformation initiative to evolve their product-led growth approach. Morrissey and other C-suite leaders focused on capturing company-wide alignment around a framework that customer-facing teams could use to improve customer outcomes, retention and growth.

FORCE MANAGEMENT®

"It's all about committing to your transformation, big bet, and delivering the outcomes. We had a rigorous board who was clear on ensuring I had defined success metrics and that we could tie this engagement back to improvements in retention, efficiency and sales productivity. **I am very happy to say that we delivered on those.***"*

Joe Morrissey,
Chief Revenue Officer

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Segment partnered with Force Management to implement Command of the Message®. The goal of this implementation was to drive alignment around the value and differentiation Segment's solutions provide to their most influential buying audiences. Morrissey notes, "I knew I needed to have a scalable way to enable our sales team. I knew they needed to be able to operate in a different manner with customers and align our solutions to problems that they were looking to solve, all without bombarding our product engineering team with customer issues on the backend."

A big part of equipping sales to execute in this way was introducing a professional service motion, leveraging the buyer-focused methodology and training delivered through the Command of the Message engagement. "That's where the Value Framework became so critical for us. It gave us a common language, not only to talk internally about the problems we solve for our customers but to talk to our customers about their problems."

Segment's leaders participated in workshops to build a Value Framework that enabled them to align cross-functionally around their solution's business value and differentiation. Generating cross-functional alignment on their solution's value and differentiation and rolling out a consumable sales methodology to operationalize that alignment supported Segment in enabling an efficient flywheel. Sales is now able to establish clear handoffs to customer success and reduce customer confusion after deployment, minimizing the need for product engineer support. "One of the

most dramatic results for me and for our Chief Product Officer is the transformation we see on the product side. The Product team now has more time to focus on building the product roadmap and improving product quality."

The Results

Their leaders' ability to drive buy-in from Segment's board did play a key role in achieving sales transformation. Morrissey shares,

"We got Force Management to talk to the board. I also exposed this transformation to every board member, and I focused on getting the board bought in. That was immensely helpful. Once the company sees that the board, founders, CEO, and all of the executive team are bought into this as the biggest transformation initiative that you're driving, that's how you get everybody bought in and how you make change stick."

Today, Segment's leaders are seeing significant improvements in productivity and efficiency across the company.

Measurable Results:

- $3.2B acquisition by Twilio

- 150% growth in ARR over a two-year period

- Increased efficiency within product and customer success organizations

- Significantly increased retention and expansion rates

- Significantly increased sales productivity and net new growth

- Enabled the flywheel

Morrissey's advice for CROs looking to scale PLG success, "It's all about committing to your transformation, big bet, and delivering the outcomes. We had a rigorous board who was clear on ensuring I had defined success metrics and that we could tie this engagement back to improvements in retention, efficiency and sales productivity. I am very happy to say that we delivered on those."