



The Deloitte On Cloud Podcast

David Linthicum, Managing Director, Chief Cloud Strategy Officer, Deloitte Consulting LLP

- Title:** Cloud success is defined by providing an outstanding customer experience
- Description:** What lies at the core of cloud success? For many companies, success is defined by how well cloud enables them to meet their customers' needs. In this episode, David talks with Manjula Talreja, senior vice president and chief customer officer at PagerDuty, about how cloud can help companies become more proactive and customer centric. According to Manjula, focusing on customer centricity helps deliver an enhanced customer experience that can lessen churn, increase revenue, and drive value.
- Duration:** 00:24:39

David Linthicum:

Welcome back to the On Cloud podcast. Today on the show, I am joined by Manjula Talreja. She's the senior vice president and chief customer officer at PagerDuty. She has lots of accolades to her bio, lots of awards, things like that. Manjula, tell us about where you came from. Give us the story. Also, tell us about some of these rewards you got recently.

Manjula Talreja:

Thank you so much, David, for inviting me. I'm so looking forward to the conversation. My journey, I actually started my career in IT. As I moved in the IT space, I actually realized, as the technology field continued to transform, my passion was really with customers. So, I moved out of IT, moved into strategy consulting, then went to engineering, then to sales, then to services. So, my journey has really been more general management, but very focused on the customer. That is why today I am Chief Customer Officer of PagerDuty, where my passion is and bringing the whole digital economy to becoming more and more customer centric.

About awards, I do get recognized in the cloud space and have been recognized for multiple years, and most recently in 2023, top women in customer experience, the success space in 2022 as well; and then of course 2020, Top 50 Women in Technology. It's lovely to be recognized, truly a pleasure and an honor to be recognized. I actually am also on boards of directors of public companies, and an accolade, an award is coming in and a recognition this month, in June as well, in that space as well. So, I'm humbled and honored to have received so many accolades and awards.

David Linthicum:

You should be very proud of yourself. You've got an extensive list of organizations that recognize you in terms of what you do in the industry. That's helpful. That's motivating as we try to progress through. Sometimes we're not aware in terms of how we're doing relative to peers and relative to the market. So, it's great having those awards to remind us. Those are going to be well-earning. I'm sure these are well-deserved, and I think these are absolutely great. Very impressive. So, what does a chief customer officer do?

Manjula Talreja:

Yes. As the industry has evolved, if you think about it, every company is becoming a digital company, regardless of industry, and customer experience is a top driver in reference to whether it is revenue or dollar-based net retention. As software companies became more and more seen as service-based, customer service organizations have evolved from just being reactive to the customer in answering product and company information to becoming customer success. This model was actually invented by Marc Benioff, the CEO and founder of the largest SaaS, Salesforce, and Maria Martinez, who was the President of Customer Success for many years there and now the Chief Operating Officer of Cisco. So, typically, what chief customer officers do is they run everything post-sales.

So, my role at PagerDuty is I run the customer success or customer success managers who drive deployment and adoption of the software, professional services, the renewals team, the PagerDuty University organization, the technical support organization. But the area that I find really exciting in this space of customer success is data science, and how data science is used as foundational to customer success and how we engage with customers. Therefore, we are accountable to the top-line of the company on customer retention, and more and more CEOs are asking us to be accountable for the expansion as well. So, a pretty large portfolio of functions reporting into me, and basically owning all of post-sales and some key accountability to the top-line numbers of the company.

David Linthicum:

I love the fact that when you deal with customers, it's something that should be proactive and not reactive. My time in leading companies in the past that always drove me nuts was that people were waiting for something to catch on fire before they show up and fix it, versus people who can proactively work ahead of the customers to understand where the innovations are coming, what they need moving forward, and have more of a link into that environment. I find it's a common pattern of success with technology companies, services companies. In my experience, it's organizations that have this proactive relationship with customers, where they can anticipate the needs, anticipate issues before they become issues, become the ones that are more successful in the technology space. Have you found the same thing?

Manjula Talreja:

Absolutely. Right now, in the digital world, and if every company is becoming a digital [company], that customer experience can be lost in buckets and won in droplets. Proactive communication, getting ahead of the customer and truly becoming their trusted advisor is so, so, so important. That is the magic that is giving us the power today, especially in companies that are moving more and more to becoming software-as-a-service companies, and the magic of human interaction and data science. Those companies that figure out that magic are the ones that are more proactive and become trusted advisors to their customers, and ultimately become the players that are embedded as a window to their customer, as well as within their company contribute to the revenue growth and the dollar-based net retention, which is the expansion engine across the company for their customers.

David Linthicum:

What are the upcoming challenges and opportunities as related to working directly with customers, the ability to translate technology, what your company sells, as well as services, and your ability to understand where the customers are in terms of their expectations and their anticipations? It seems like we're focusing more on some of the analytical tools these days and some of the data, but also, the ability to understand the essence of what your customers are, and what they need seems to be missing from the equation in many instances. So, what are the challenges and opportunities you see coming forward in customer relationships, and the ability to grow a business around a good relationship? What do we need to focus on now and what can we capitalize on?

Manjula Talreja:

This is such a relevant question in the current economy. Let's talk about what are their challenges and opportunities before we talk about us as windows to them and our opportunities and our risks. If you think about a customer today—and I said that earlier as well, and I'd like to repeat it because this is so important—every company is becoming a digital company regardless of industry. If they are becoming a digital company, they're in an environment where every second matters. If I am shopping and ordering something, and even if there is a one-second glitch on it, I'll jump as a consumer and may go to another

website in order to try that. Or if a large financial institution is providing digital experiences to all their traders, and even if there is a half a second glitch, they'll jump to another vendor, another financial institution.

So, whether it is a B2B business or a B2C business, uptime is money. And if uptime is money, what does that mean to me from providing the customer experience that I need to provide from a PagerDuty point of view or any company that is part of the vendor equation with that customer? In order to achieve this customer experience that they need to achieve, they must have an operational model in this digital interchange that is world-class, and we call it Operations Cloud, because they have to drive operations for their modern enterprise that has never been built before. If I think about the operating model that they need to change, they need to change the people process and the technology. So, let me get to them. What is it that we are driving in reference to that customer experience? You mentioned it really well, proactive versus reactive. So, proactively, if we know how and what is the business problem our customers are solving, how are they using us?

We can go in then and have discussions with them proactively saying—and I'll give you a PagerDuty example, "We see that you're not configured appropriately. Your productivity gains are x, y, and z. Your ROI is x, y, and z. But your competition and the benchmarks in the industry, and this is where world-class is, how can we get you there versus going in and being reactive, saying, 'Our product does this. Therefore, we would like you to use our product and you can use our product in this way.'" So, if you have the data of your customer through your data science tools, you can proactively understand how they are using us. How are they solving their problem? And how can we help them proactively move from where they are today to become best in class?

David Linthicum:

Wow. Ultimately, it's a ton to think of. Also, you have to consider how these businesses are evolving moving forward. Let's drill down on one thing. You talked about digital operations and your ability to in essence, do this within either the organization providing customer services or from the customer organizations themselves. What do we need to do to become excellent at digital operations? What are the step-wise things? We understand that it's good, but what step-wise do we need to do to evolve into this excellent state of doing digital operations at the second level/third level?

Manjula Talreja:

It is so magical right now, and I get so excited about this subject, because it is truly the magic of using technology, people, and processes in new and different ways. I think about this as three big vectors that can help us as we think about this. David, many years ago, when digital transformation was in its infancy, we used to talk a lot about the business model needs to change and the operating model needs to change. That fundamental is still there. If you think about defining the operating model, it's, again, the words I often use: people, process, and technology. So, the three vectors I'm going to anchor on those, number one is in this age there is no shortage of customer data, and leveraging that for data science is foundational to a customer success organization.

Let me give you an example. What have we done at PagerDuty? By analyzing the data and creating a robust data science team, we have something called the early warning system that identifies customers that are at risk of churning for customer retention, but also may not be achieving the maximum value of our product and service, which I've shared with you, and a third dimension, which is the propensity to buy. So, I start looking at customers saying, "Are you achieving maximum value for your product and services on our platform?" Number two is in reference to, "Are you at risk, or do you have the propensity to buy?" I can guide them in reference to how they can optimize their platform. They need to do the same. If they are in the digital economy, the use of data science is super-important, and I would encourage those in the new world of digital Operations Cloud to look at data. What data do they have, and what can they do, both in terms of predicting churn, as well as predicting the propensity to buy?

The second big area, which is so critical to Operations Cloud is when unplanned, interrupting works strikes, for example, a disruption on your platform. Remember I said seconds matter? Well, what if your platform is down longer than seconds? We know software. There will be disruptions, and at that time, communication and poor coordination is essential for resolution, and every company needs to think about what happens to their customer experience when unplanned, interrupting work strikes. This is not just the remit of customer success, customer support, and customer-facing organization.

Operations Cloud goes through our operations platform, for the modern enterprise goes through all organizations. The entire company, all organizations, need to be working tightly, across product, across engineering, across business operations, across IT, and customer support, and customer service, and customer success organizations to drive that synchronized effort to drive that customer experience. I'll give you an example. I was talking to a couple of our customers the other day. One customer told me it takes them eight minutes between the customer support organization and the engineering organization to communicate. I don't know about you, but eight minutes is a very long time in a customer's experience. I talked to another customer who said 70 percent of the disruptions and outages on their digital platforms are first reported by the customer even before the engineering and IT organizations know about it. This amplifies the importance of having an operations platform for the enterprise.

So, think about it as the second big vector on Operations Cloud. How are you going to create consistent, predictable communication with your customers, but also within the company? That's where we as PagerDuty play a very important role in what we call customer service operations, so we can deliver with our technology the processes we recommend for real-time predictable, transparent communication that turns a negative experience into a positive experience. Remember when I said trust is lost in buckets and won in droplets? Trust can be lost significantly if you're going to have an eight-minute, eight-hour, eight days of outage. The third area that I continue to get really excited about which is so new nowadays, is human beings cannot do this just by coming together with a whole operating model of people, process, and technology. It's too expensive to do it just through human beings, and today every company is being measured on profitable growth. That's where the rule of automation and the rapidly growing automation adoption of generative AI is driving this, a new area that we all need to explore.

I'll give you an example. Could you use generative AI to get integrated with your status update? Teams can save cycles of time on what to say and to whom they need to say it, to the various personas that they need to bring up to date. It can be done just through a few clicks. When an outage happens, can generative AI create post-problems for you, so that you can learn fast? Can automation become self-healing when there is an outage that may not even require human beings, because it has happened in the past, and gets the systems back up? So, going back to your question on what organizations should do is use data, and create magic about people and data together.

Number two is think about how you're going to create effective communication and coordination across your entire company to drive that customer experience. Number three is think about what is the role of automation, artificial intelligence and generative AI, especially since this technology is changing within minutes, within months, versus within years.

David Linthicum:

Absolutely. We have a big wave of technology coming at us, and the ability to use it in a certain way that's going to have a net positive value within the enterprise, that's going to be the key focus. It's not seeing the technology in front of you because you see it now. It's the ability to leverage it in some way that's going to produce a productive end state.

So, changing a bit, we talked about digital transformations and the ability to look at the value that it comes in, and how really should the internal business consider it. We just did a study at Deloitte where we looked at digital transformations as related to value creators within the company, in other words, the ability to become effective at digital transformation, which led directly into increasing the value of the company into itself. Even if there was no net benefit to revenue at this point, the ability to just have this capability made the company way more valuable than it was not having the capability.

So, what is the importance of digital transformation from the board of directors' perspective? What should they be considering? Are you seeing the digital transformation arguments getting to the board of directors, where they're able to respond to it in ways that are going to be productive for the business?

Manjula Talreja:

I am seeing a lot of digital transformation definitely being discussed at the board of directors' level. I'll say it with two dimensions. One dimension is, "How do we make a company more digital and get the human power to work on bigger and better things rather than the mundane, constantly repeatable actions? What that does that is really drive to greater efficiency?" There is a huge focus on productivity and cost effectiveness, especially in today's economy, to the point I made earlier about profitable growth. What's the ROI? And how can we deliver an effective way of driving that efficiency? The number two area at the board level that is becoming more and more important right now is security. That is such an important topic in industry, and the role of technology that's helping humans in reference to security.

But I'll also go back to the third one that is being discussed at the board level, which is customer experience. You talk about the studies that you've done at Deloitte. I was reading a couple of articles from multiple firms like yours the other day. What was striking for me, I was reading an article, and I was seeing these kinds of numbers that are coming from other companies, too, companies that excel in customer experience, who have digital experience—customer digital experience—growing revenue four to eight percent annually above market average, the ones focusing on customer digital experience to be world-class, and the dollar-based net retention is eleven percent higher than their peers. So, I believe you and Deloitte are absolutely right. This is definitely being discussed at the board levels, where the chief digital officer, on a period basis, comes to board meetings and presents from multiple dimensions, increasing company efficiency, security, and customer experience.

David Linthicum:

Where can we find more about you on the web, your work? Where can our listeners keep up with your work moving forward?

Manjula Talreja:

I am definitely active on LinkedIn. Please do reach out to me on LinkedIn. I would love to connect with you. I also have published a few articles that are written in *Forbes*. I continue to speak publicly at many, many forums. I am publishing papers, as well as I'm on LinkedIn and Twitter.

David Linthicum:

I'm sure a lot of people out there are going to want to keep up with your work, and certainly this is important, considering the fact that if we're doing transformations, it's about putting the customer at the center of the universe, and the ability not just to leverage technology, to abstract the customer and provide different experiences, but the ability to understand them better moving forward. It's an area I don't think we're focused on enough. We have to have some thinking there in how we reevaluate the relationship we have with our customers, and even our customers' customers. It's a very important aspect of business.

As everybody automates everything, the playing field is going level. We're all going to have great psychology and great products, and all of these things are going to be AI-driven and things like that. Your ability to provide a better customer experience is going to be a critical success factor to you making your business successful. So, if you enjoyed this podcast, make sure to like us, rate us, and subscribe. You can also check out our past episodes, including those hosted by my good friend, Mike Kavis. Find out more at DeloitteCloudPodcast.com. If you'd like to contact me directly, e-mail me at dlinthicum@deloitte.com. So, until next time, best of luck with your cloud journey. Stay safe. Cheers.

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