



Brad Benner is the founder of SmileBack, the client service experience product which is a vital tool for many IT companies, and is successfully used today by over 600 IT solution providers in the US, Canada, UK, Australia and New Zealand.

Clients credit SmileBack with helping them get in tune with their customers, allowing them to build closer relationships over a longer period of time, and they also help to set value-based pricing.

After selling his own Managed Service Provider (MSP) company in Seattle, Brad decided to start SmileBack with the conviction that customer experience is the only sustainable competitive advantage, which leads to organic growth in revenue.

Brad moved from the USA to Berlin, where he runs his business, and is also a former recipient of the "US Small Business Administration Young Entrepreneur of the Year" award. Brad's vision is to create value by always striving to understand the customer's mindset, to harness it to grow and to guide innovation.

RT: Tell me about SmileBack as a business?

BB: My co-founder and I set the business up two years ago, and we currently have seven staff, made up of people from all over the world. SmileBack is all about helping companies get actionable insights from their customers, specifically focusing on what their customers experience.

We believe that understanding and being in tune with that experience is the only competitive advantage, as you said. All over the world, you see examples of atrocious customer service and the impact that has on the customers and the business.

RT: Tell me about your journey from being an MSP to where you are today?

BB: I started my company in 2002 and I was really young. I learned a lot, and over time the core of the business was providing IT solutions to companies in the Seattle area. We became an MSP in the same way as many others did at the time – offering fixed-fee, all-inclusive ongoing support.

We were a small company, and I was really emotionally invested in our customers. The connection and investment on my part set the stage for a lot of rewarding interactions, but once in a while we'd lose clients, and it was a crushing experience for me.

I often didn't see it coming, and I felt that we needed to be more aware of when it might happen. It was about understanding the customer's journey and how we were interacting with them, to identify places where we could have learned to do things differently.

RT: We were colleagues at the HTG Group (Heartlands Technology Group), an IT peer group. What influence have peer groups like that had on your business?

BB: Two things come immediately to mind. HTG have done a great job of creating a culture of collaboration and openness, which flies in the face of the default attitude that most business owners have towards others. They usually worry that the other owners are competitors or will take away their customers.

HTG has done an amazing job to create a different attitude, to show that through collaboration, learning and shared knowledge that we all do better. Personally, what I got from being part of a peer group was the discipline to take a very small business and build it into something that would have value and I could sell.

I thought of it as a set of systems that you learn – the disciplines that have to be in place in order to be successful (and there are lots). I attended quarterly training meetings and learned those systems.

RT: If you were going to start an MSP business tomorrow, what would it look like?

BB: There's always a lot of discussion about feeds, technology, devices and stacks, and very technical terms – the vision of the world through tech. I always wonder: "What's the

vision of the world through people? What are their needs and what are they trying to do? What's getting in their way?"

When you understand the world from that perspective, you build a very different type of business. You become focused on solving problems that people are running into, and although there are solution sets that grow out of that idea, you need to start with the people first.

The other key thing is that customer experience is king. It's the most important thing, and you need to look at the world through their eyes. You see that there's a journey that develops over time as you interact with the clients and manage the conversations.

This starts before they become a customer and there's a life cycle that develops. It's not just about one specific touchpoint; you have to see the journey from beginning to end and that becomes the key element for business success.

RT: Why did you move from Seattle to Berlin?

BB: After I sold my MSP in 2010, my goal was to take some time off and decelerate from an intense few years. I set off on a five-month trip to go from India to Mongolia, but seven weeks in I realised I'd created a massive project for myself. I didn't want things to be so intense and have to travel five countries in five months just after selling a company.

I went to visit a friend in London and then went to Berlin, which I'd visited before. The city has an amazing feel and energy, and I found myself coming back, before moving permanently at the end of 2011. One of the other things that kept me here is that start-up business costs are low, as are living costs, and there are great advantages to base yourself here. I liked the fact that there was a different way of living, instead of being in the rat race in America.

RT: What was your main motivation to create a tool to help people measure customer satisfaction?

BB: It goes back to the experiences I had in my MSP business. I worked with a finance company and regarded them as more than just customers, and when they said they were leaving us it was like a kick in the stomach. The response is really reactionary, and you ask yourself a lot of questions.

There's some soul-searching, because you want to know what you did wrong and what you could have done better. When I gave myself some space to calm down, I realised that I wasn't paying attention to the journey. There wasn't one problem, it was the culmination of many things that created minor tensions and disappointments that we weren't paying attention to but should have been.

We were sending out regular questionnaires for people to give feedback, so I went through them to see if there were clues we hadn't picked up on, and I realised that the system itself

wasn't working or giving us the information we needed. I was sure this was a common problem, so I set out to find a solution to it and to help people increase their response rates.

RT: I shared on social media that I'd be interviewing you and asked people for questions, but I found that I was also getting lots of fantastic comments from your customers to say how great your product is.

BB: It's great to hear that. We recently attended an exhibition where people were coming up to tell us how much they liked the product. We're always learning, and we use SmileBack for our own support operations, and I'm pleased with how the progression we've made, but it's a journey. Our MSP partners spend a lot of time thinking about service delivery, so we take every opportunity we can to learn from them.

RT: Every IT company I come across says they deliver excellent customer service, but what are the typical mistakes you see people make?

BB: Firstly, they're not actively measuring client satisfaction, nor are they actively listening. The mistake is to say you do great customer service without being able to back it up, or demonstrate that there's something in place to gather information.

We also see that companies can be myopic and don't realise there's a journey that begins well before the support technician having an interaction with the end user – it's a much wider experience which needs to be followed and companies don't notice that.

The other piece we notice is missing is that MSPs are asking for feedback and either they have a system which doesn't work – it's quite common that they're sending surveys out but not getting anything back.

When they do get feedback, they don't have a process in place to look to react to what they get, to look for actionable insights and see what they can draw from the information collected to improve the customer experience and the rest of the business.

One thing I hear from MSPs is that they want to argue with the feedback, because they don't see themselves the way the customer is describing them. But the customer's experience is true and real for them, so even if you don't agree with why they're upset, it *is* their experience and so it's a great opportunity to learn.

RT: It often seems that the business is putting their ego first. Of course, there are two sides to every story, but the customer is talking about the experience from their perspective. What is the typical response rate that MSPs should expect when they survey their customers?

BB: We designed our platform to fix the problem of low response rate, and we did it through clever design. We don't use the word 'survey', because everyone hates them, and we use smiley faces with simple questions to find out how the business did with each request.

The brain processes smiley faces and emoji in a very similar way to the human face, and it's designed so there's very little effort required for the end user to decide how they want to answer the question, and they click the face that matches their level of satisfaction.

The design has been key to the success of our product, and as a result our subscribers get an average of 39.1% response rate. Some partners see up to 70% response, which is phenomenal – nobody gets numbers like that. We were excited to see those results, because it was exactly the problem we set out to solve.

Compared to other methods, such as sending a link out for the user to follow in order to answer up to 20 questions, they get single digit responses (1 to 5%). What kind of conclusions can you draw from that? In order to extract useful data, you need a better sample size.

RT: I'm sure many MSPs would say that their customer service is great and there's no need to measure it. In your experience, what are the dangers of assuming everything is fine, ignoring customer satisfaction levels and not surveying at all? Can you give any examples?

BB: We hear from companies all the time that their customers are satisfied, and we ask, "How do you know that?" and they say "We just do." There's an assumption that because they care about their customers, they must be satisfied. I was that person, and as I said earlier, I was blindsided when I lost a client unexpectedly.

You can say that you know, but unless you're actually asking for feedback in a way that's appropriate and doesn't require a lot of effort from the end user, you don't know.

Our business today survives on subscriptions, which is a model that's relevant to MSPs. For an MSP to be successful, they need to retain revenue. That means they need happy customers who commit every month to come back, and remain clients of the business over several years.

Not listening to customers or allowing them to give feedback in a way that works for them and turning that satisfaction into customer loyalty is where companies struggle, and that's why we built our product.

RT: In my experience, MSPs assume their customers are happy because they haven't said anything, but by the time they complain, they're close to ending the relationship. It's better to know on an ongoing basis about the little niggles which might build up into something bigger before you lose the customer.

BB: The statistics show that people complain one out of 20 times, which means there are a lot of unhappy customers telling everyone else that they're not satisfied, but the MSP isn't hearing it and so can't learn from it or incorporate that feedback into the business.

Think about times when you've been frustrated and the person you're talking to really listens, and how much better you feel. It's not about neutralising the complaint, but it's about

responding to it. This is a golden opportunity for the business to turn the situation around and make the dissatisfied customer a champion, but they regularly miss that chance and put themselves at a competitive disadvantage.

RT: How do you capture positive customer service experiences? Is it common for MSPs to not acknowledge good feedback, and is there a way they can make more of it?

BB: One of the fears many companies have is that they're going to get a tidal wave of complaints when they put a feedback system in place. It's a rational response, and very relatable.

In our experience, when the feedback comes in it's not all bad – there are rays of sunshine. Often what comes through is positivity and appreciation, and our system is designed to let people click the smiley face – ideally the green face to show they're satisfied. There is a space for them to leave a comment at the end, which is completely optional, but 25% of respondents will leave one, most of the time leaving a positive reply.

It's easy to look for the criticisms, but it also works to help shine a light on things that have gone well, and it can be powerful to have specific feedback, for instance, when they highlight something that really made a difference to them. We spend so much time working that we don't always notice the success – people can be doing things right and we take it for granted

RT: I know a couple of people who've implemented "Wow Boards" to display and celebrate great customer feedback.

BB: One of our partners told us that they'd worked out how to parse the incoming notifications from SmileBack (we also have an integration to help them do that), and when they got positive feedback they had a light go on and the sound of people clapping. They'd even worked out which engineer was connected to that feedback, so they had their name read out too.

RT: Would you implement that into the software?

BB: We talked about having audio for when new notifications arrive. We have Zapier integrations, and I think they're great. It's even possible to use Zapier to connect SmileBack to a cookie delivery company, so they can post out cookies when positive feedback comes in!

RT: What about rewarding employees? There's an argument that quality of service means doing less but better. Do you agree with that? And secondly, how should you reward employees for delivering excellent customer service, rather than rewarding them for knocking off high quantities of tickets?

BB: The data that our partners capture become an important backbone in evaluating and celebrating the success of their staff, both quantitative and qualitative. They can have all the

information compiled into monthly reports and sent to team leaders to see how their staff are doing.

Some companies have leaderboards to rank staff members, which can be displayed in the office somewhere, which serves as live reinforcement and encouragement. It creates a nice atmosphere of camaraderie, which is particularly effective. It's about celebrating publicly and providing critical feedback privately.

RT: Have there been instances recently where you've been blown away by exceptional customer service? And it doesn't just have to be in the IT arena.

BB: Yes. I was taking a commuter flight from Bakersfield to San Francisco and I had an awful encounter with the gate agent which felt really personal and I couldn't understand why. She was rude and kept interrupting me when I spoke.

I kept an even tone and said: "Could you please let me finish my sentence?" and she told me she didn't care what I had to say, which took me aback. It got nasty quickly, and I was so upset when I got on the flight.

I felt like taking it out on someone, and I was a bit rude to the flight attendant, but she gave me a big smile and told me we'd have a great flight together. She was genuine and heartfelt with the way she dealt with me, and I felt better immediately.

I did some reading around non-complementary behaviour, where as humans we tend to react to an emotion with the same one. It takes skill not to do this, and to use the opposite emotion instead. The flight attendant got it right and helped me lift my mood.

RT: Given what your business does, do you find yourself casting a critical eye on customer service when you go to a restaurant or to the newsagent?

BB: Not critically, but with empathy. Despite all the talking we do about customer service within the company, I know I can be an annoying customer in my real life! I'm still subject to human deficiencies, and being impatient or snippy with staff. I empathise with those dealing with difficult customers, and that's my predominant feeling.

We're all trying to get through the day and survive intact, and on the best days we're able to manifest a more skilled response – kindness in the face of annoyance, or patience in the face of a stupid question. That's what I strive for, and I celebrate when I achieve that.

RT: SmileBack integrates with ConnectWise, a popular professional services automation (PSA) tool that lots of IT companies use, as well as Dropbox. Are you planning to integrate with any other platforms? The one that I was asked about most prior to this interview was Autotask.

BB: We're committed to integrating with more platforms. We rebranded last year to reflect what had become the focus for expanding our platform and integrating it with other helpdesk and ticketing solutions.

Autotask is on our radar, and we've undertaken a number of initiatives on how we're taking and storing data. We're looking at data models and how we accept information, and we've made it more generic, so it will make integration easier. We've been building the team so we can do more.

We don't lose a lot of customers, but churn rate is important for SaaS (Software as a service) companies, and about 25% of ours comes from people who want to work with us but still use Autotask, so if we can bring it in, that will be good.

RT: One of your customers asked a very specific question which I thought was a good one to ask: "Is there any chance that SmileBack is going to implement decision-maker surveys?"

BB: I take that to mean surveys that go to the key account contact within the customer organisation. We haven't decided not to do it, but we see that as a different problem requiring a separate solution, and we're not sure how to do it. There's definitely a need and a benefit that comes from getting more in-depth feedback.

It's an important element in understanding the customer journey, but we haven't worked out how to do it in our way and make it successful. It comes up frequently, but we haven't made a decision to do it yet.

RT: What have you learned on your entrepreneurial journey? What's the biggest pain point you've experienced in your business?

BB: Hiring and retaining great staff. It's a challenge for a lot of businesses, and it's tricky to find people who are at a stage in their career that matches up with what the company needs, and how to encourage them to join us.

For me, it's an ongoing effort to understand the contribution a staff member makes and how we as a company can create an atmosphere that allows talented, bright, dedicated and energised individuals to come in and make a contribution.

This is the issue we face the most. The mechanics and financing of products all have interesting challenges and problems to solve, but the people aspect is the most important one to solve.

RT: What's been your most unpopular idea of the last few months, and why?

BB: Maybe something from my personal life... I made a decision to move to Berlin, and I find it's a level-headed place right now, which I really respect. I wish we had more of that in America.

The Germans have done a great job of creating a non-reactive culture and they take time to reflect on things. We need more of that, because it's a good strategy and a way of not

becoming reactive to what goes on in our lives, but talking about that has been a bit unpopular amongst my compatriots.

There are lots of ideas and ways of living in Germany which I've adopted as my own, and it flies in the face of current thinking, in terms of facing political problems at home.

RT: Thinking about running your business; is there a productivity tool you use every day to keep your house in order?

BB: The one I live in every day is Slack. I have high standards but it's one of those products I respect because they've really nailed it. It's replaced email, so we don't send them internally any more.

It's taken conversations that used to happen at the side, within a closed circle, and made those public and visible so that everyone in the company has access to what's happening in the discussion.

When emails come in, they come from external suppliers or customers, but all of our internal communications happen on Slack. We've also been able to include various systems such as our credit card processor, subscription billing and sales and marketing data points.

They create notifications that come in throughout the day for the whole staff to look at and get a sense of how things are going. Previously, we'd have to collate that and send it as a monthly report, and somebody had to take responsibility for.

RT: If you could give one piece of advice to aspiring entrepreneurs, what would that be?

BB: When I talk to younger people leaving university and wondering how they can fit into the world, I always encourage them to study business models. It's not the most exciting thing, but everything has a model, from companies to departments, whether they're profit-making or not for profit.

Every business has variables, and when you understand what they are, you can work to produce results. Understanding that has been key for me, as I've looked at all the different levers and parts that have to be managed to bring about a result. It's about understanding the world and how it works, and all the complex systems that interconnect to build the planet we live on. Study business models, because it's interesting.

RT: How would an MSP wanting to try SmileBack get started? Is there a free trial?

BB: Yes, we offer a 14-day free trial and talk to our prospective clients on the phone to fully integrate the product, get the survey in place and help them get feedback as soon as it goes live. That's one of the great things about the way we've built the product – we can roll it out quickly and easily.

RT: What's next for SmileBack?

BB: We're working on integrating our platform with a number of ticketing systems, including Autotask. We're working on an API (Application Programming Interface) which will allow customers to interact programmatically with the information we collect on their behalf.

We're setting up the ability for third party platforms to pool the information and integrate our platform into their functionality. There are improvements from a UX perspective and to revamp the data and analytics experience within the platform.