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How to *Measure the ROI* of Customer Onboarding

Learn how to measure the ROI of customer onboarding using key metrics and strategies to pitch decision-makers effectively.

You already see the value of a customer onboarding solution, but you just don't know how to convince decision-makers to pull the trigger. Without the right language and data to position your choice as a solution to the organization's problems, you may not get the buy-in needed to move forward.

Let's look at the key metrics used to measure the exact ROI of an onboarding process and talk about specific strategies for pitching your solution to upper management for approval.

Importance of Customer Onboarding Metrics

Customer onboarding metrics provide quantifiable insights that improve operations and customer service. The results positively impact the entire organization, and with an organized approach, you can help leadership reduce churn, hire effectively, and inform product development.

Here are a few ways customer onboarding metrics are helping organizations make informed future decisions:

Time Savings

CS teams spend a significant amount of time herding customers through the onboarding process and managing ongoing projects. By leveraging onboarding metrics, these teams can streamline their efforts, allowing them to scale operations more efficiently and invest their time in higher-value activities.

Reduced CS Costs

Several bottlenecks in your onboarding process cause significant CS resources to be funneled into these problem areas. Identifying problem areas with customer onboarding metrics helps you find solutions quickly, reducing the CS costs needed to maintain your process.

Error-Free Onboardings

Getting your customers through onboarding will help open opportunities for more upsells, cross-sells, and referrals to drive more revenue. You want the process to feel effortless, like doing taxes with TurboTax. OnRamp makes it easy to create delightful customer onboarding experiences with automated data collection and data centralization.

Metrics To Measure the ROI of Customer Onboarding

Customer onboarding metrics can help you understand how to measure the progress of your customer onboarding efforts. You can set up benchmarks based on industry standards and use your data to adjust strategies as you go.

Time To Complete Onboarding

The time it takes to complete onboarding means how quickly your customers go from sign-up to using your SaaS product. According to Visa, 70% of customers abandon attempts to open an account if the process takes longer than 20 minutes.

If the typical customer is supposed to take one day to onboard your software, but you notice a significant number of customers taking a week, that's a sign something's wrong with your onboarding process. You may need to take a look at advanced software such as OnRamp to help automate the onboarding process and reduce the time it takes for customers to complete onboarding.

Customer Satisfaction Scores

Customer satisfaction scores (CSAT) gauge customer satisfaction with your onboarding process. To measure CSAT, send surveys to new users after specific stages of onboarding, including after they've completed a test project or after a few initial onboarding steps.

You can identify trends and make data-driven decisions to beef up the user experience by consistently tracking these scores. This, in turn, helps measure the ROI of your customer onboarding by showing how efficiently new users are integrated and retained.

Customer Engagement Rate

Customer engagement rate measures how actively customers interact with your software product during and after onboarding. Here are several individual metrics that can help you gauge the overall customer engagement rate:

LOGIN FREQUENCY

FEATURE USAGE

TIME ON PLATFORM

NUMBER OF TASKS COMPLETED

See which steps of your onboarding process customers engage with the most and try to replicate what works in other steps. You'll also notice a specific drop-off point where customers stop using your product. Onboarding software such as OnRamp will track your key metrics and store them in one place to help you make informed decisions about making adjustments.

Customer Lifetime Value

Customer lifetime value (CLV) is the total revenue you can expect from a customer throughout their entire relationship with your company. To calculate CLV for a single customer, take their total revenue per month and multiply it by how many months they've been with your company.

Customers with high engagement rates and satisfaction scores will naturally be more interested in your SaaS product. The CLV reflects your team's ability to onboard successfully and keep customers engaged from the moment they sign up.

Customer Churn Rate

Customer churn rate is the percentage of customers who sign up for your product but stop using it within a specific time period. While there are a number of reasons a customer will stop using a product, onboarding is where most fall off. According to a recent survey, 74% of customers will look to other software if the onboarding process is too complex.

No matter how many customers you can sign up for your product, if you have a high churn rate, you're losing them as fast as you're getting them in the door. Optimizing your onboarding process to keep customers through the crucial first month will give your company an edge over the competition.

Strategies To Pitch Decision-Makers

Once you know how to measure the ROI of customer onboarding, you can effectively pitch a software solution to decision-makers. Here are proven strategies to help you make a compelling case.

Quantify the Problem With Key Metrics

Company leaders want to know how the software affects the bottom line and how the organization will profit from the investment. With the key metrics highlighted in the previous section, you can show them how much money results from a successful onboarding process.

You can also show them how reducing churn, increasing CLV, and improving customer satisfaction scores directly translates into increased revenue and profitability for the company. By creating a presentation backed with graphics and data, you can "show your receipts" to prove the potential ROI of customer onboarding.

Focus on Benefits, Not Features

Like any great sales pitch, it's best to focus on emphasizing the benefits rather than listing features when presenting new software. Decision-makers are expert problem solvers, so communicating how your software will solve their specific pain points and improve efficiency will make them sit up and pay attention.

Here are some examples of how to focus on benefits over features:

Feature: Automated reporting system

Benefit: Save valuable time by allowing our software to generate detailed reports

Feature: Comprehensive data analytics capabilities

Benefit: Gain deeper insights into customer behavior and industry trends

Feature: High-level security protocols

Benefit: Protect sensitive company and customer data with our robust security measures

Use real-life examples and case studies to show the tangible benefits that other companies have experienced through successful onboarding. This will make your pitch more persuasive and give stakeholders a clear understanding of how implementing your software can directly impact their business's bottom line.

Measuring ROI for Customer Onboarding in SaaS

Improving your customer onboarding process saves valuable time, prevents manual errors, accelerates revenue for usage-based software, and adds substantial value to your business. OnRamp helps simplify the onboarding process to get customers up and running quickly. This time savings leads to more revenue from usage-based pricing and improved pilot conversions. Get a free demo to see how the software can help your company increase CLV, reduce churn rate, and improve customer satisfaction.

