



## Engineering SaaS Account Growth Part 2: **Break Out of the “Good Enough” Growth Trap**



Grow  
Intelligently

# Executive summary:

## Making Investments that Reverse NRR Declines

[Engineering SaaS Account Growth Part 1](#) showed how telemetry data reveals cohorts that predict account retention and growth with 90% accuracy. This report shows how cohorts also identify which investments in the product and service will efficiently improve NRR.

### The “Good Enough” Trap Blocks Account Growth

An analysis of customers’ perceptions (solution quality, pricing, brand strength) on a 7-point scale revealed three distinct zones:



| Failure Zone   | Good Enough Zone   | Excellence Zone   |
|--|--|---|
| (scores ≤ 5.1) — <5% of companies  | (scores 5.1–6.5) — 84% of companies  | (scores > 6.5) — ~12% of companies  |
| <ul style="list-style-type: none"><li>82% churn probability, ~0% expansion likelihood</li><li>Immediate intervention required for survival</li></ul> | <ul style="list-style-type: none"><li>45% churn probability, 47% expansion likelihood</li><li>When satisfaction scores improve in this zone, retention and expansion generally do not. This is the growth trap 84% of companies are stuck in</li></ul> | <ul style="list-style-type: none"><li>26% churn probability, 79% expansion likelihood</li><li>Crossing the 6.5 threshold nearly doubles expansion and cuts churn by 41%</li></ul> |

### Telemetry Patterns Reveal Which Investments Lead to Excellence

Overlaying telemetry data onto cohorts separates Growth Signals and Commercial Noise, clarifying which service and solution investments are most likely to drive NRR improvements

- Growth Signals: features high-NRR cohorts use that low-NRR cohorts don't; investments here improve NRR and move companies into the Excellence Zone
- Commercial Noise: features all cohorts use equally; investments here are unlikely to improve NRR

### Three Ways to Use Telemetry Patterns to Boost Retention and Expansion

1. Prioritize Essential Features: Identify Bridge Features (capabilities needed for renewal) and Dynamic Features (capabilities driving expansion)
2. Accelerate Customer Journeys: Benchmark accounts against peers to identify next actions based on feature gaps
3. Strengthen Value Perception: Surface benchmarks proving customers outperform peers, reinforcing value and building confidence

## Declining NRR Puts Most SaaS Companies' Goals at Risk

Net Revenue Retention (NRR) remains the defining obstacle to SaaS growth, with 58% of companies reporting lower NRR than two years ago. Facing this reality, CEOs are prioritizing two areas they hope will help hit revenue and margin targets: realigning resources to drive expansion from the existing base and sharpening account prioritization guidance.

[In Engineering SaaS Account Growth: From Guesswork to Predictable Growth](#), we showed how patterns hidden in telemetry data reveal account cohorts that predict retention and expansion with 90% accuracy, leading to a 5% increase in NRR. By decoding the patterns in what customers do (captured in telemetric data), GTM leaders have the insight needed to reverse NRR declines.

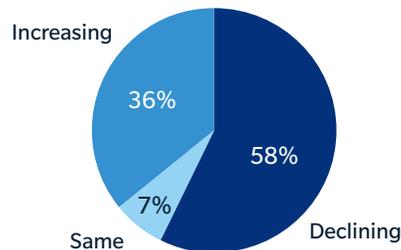
Knowing which accounts to prioritize helps reverse NRR declines, but cohorts and telemetry data can help in another important way: they are the key to identifying the product and service investments that drive efficient NRR gains.

Customer sentiment (NPS, surveys, verbatims, etc.) and telemetry data are key inputs to prioritize investment decisions, but most companies overweight sentiment data and lack an effective framework to decode telemetry data. As every GTM team knows, customers often say they are satisfied and indicate willingness to renew or expand, but ultimately churn. This reliance on sentiment data, and disconnect between what customers say and their ultimate behavior, leads to inefficient investments.

What causes this misalignment and more importantly how can telemetric data help reconcile the differences to improve GTM efficiency and commercial outcomes?

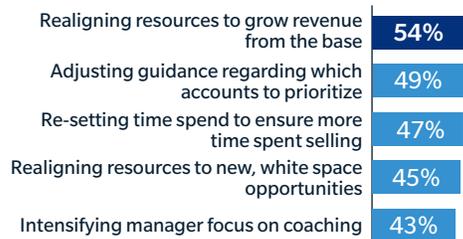
**58%**  
of companies  
report lower  
NRR than two  
years ago.

**Most Companies' NRR is Lower than Two Years Ago**  
Share of companies with declining NRR Q1 2023 to Q1 2025



Source: SBI NRR Dataset N = 45 Q1 2023; N = 80 Q1 2025  
Note: Pie Chart percentages do not equal 100% due to rounding

**Increasing Retention is The Top Priority**  
CEOs' top five growth levers to value creation plans



Source: SBI 2025 Q2 CEO Survey N= 120

## Understanding What Drives Customer Decisions

To understand this, we examined two types of data: customer survey data, showing customers’ feelings about their solutions, suppliers, and repurchase journey, and telemetric data, detailing how customers engage with offerings and use solutions.

We analyzed customer survey data for 364 renewal and expansion (upsell) outcomes, then worked with QuadSci to examine 160 billion telemetric data points across 9,100 commercial outcomes.

The analysis revealed the fundamental disconnect:

- Sentiment captures intentions and aspirations; what customers believe they value or will need.
- Telemetry captures revealed preferences; what they actually rely on in their daily work.

When these diverge, behavior consistently predicts commercial outcomes while sentiment misleads. A customer may report satisfaction with “robust reporting capabilities” in a survey, but if they never access those reports, that feature isn’t driving their renewal decision.

## A Market Full of “Good Enough” Solutions Creates a Growth Trap

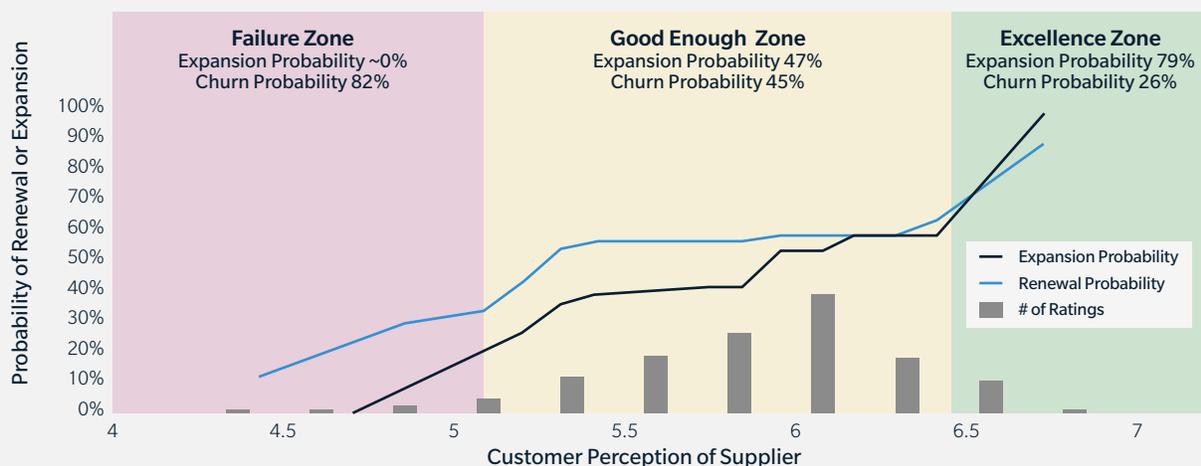
This disconnect plays out across the entire market. For customers, the challenge isn’t a lack of quality options; it’s an abundance of indistinguishable ones. We analyzed how customers rate their supplier’s product quality, pricing, and brand on a 7-point scale and found three distinct zones.

Only a small segment of providers, fewer than 5%, falls into what we term the “Failure Zone” where customers have a neutral or negative perception of their supplier (composite score at or below 5.1). For these companies, the risk is existential: 82% churn probability and ~0% expansion likelihood. For companies in the Failure Zone, immediate intervention is the only path to survival.

The vast majority of companies escape the Failure Zone. This creates a more insidious challenge: in today’s market, where most suppliers appear interchangeable, customers perceive nearly everyone as “Good Enough” for their needs, yet nearly none stand out as excellent.

Over 96% of customers have a favorable view of their supplier and agree that their solution feels premium, their brand is high quality, and their pricing is flexible and reasonable (scoring above 5.1 on a 7-point scale), but this positive sentiment is often deceptive.

### Customers’ Perception of Supplier and Its Impact on Retention & Expansion



Source: SBI 2024 B2B Buyer Survey

N= 364 Renewal and Expansion Decisions

Note: Probabilities were estimated using Locally Weighted Scatterplot Smoothing (LOWESS) to identify non-linear inflection points in customer behavior. These inflection points defined three distinct performance zones. Aggregate probabilities for each zone were calculated using the mean success rate of all accounts within that score range. With fewer than 5% of companies in Failure Zone Retention and Expansion rates are based on a small sample size.

For the 84% of customers in the “Good Enough” zone (scores between 5.1 and 6.5), positive sentiment holds almost zero predictive power. A customer who rates you a 6.4 is almost no more likely to renew or expand than one who rates you a 5.5. Satisfaction scores improve, but commercial outcomes don’t. This is the growth trap—and 84% of companies are stuck in it.

## Excellence is Rewarded, but Feels out of Reach

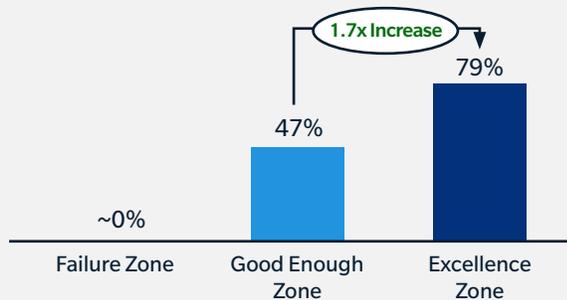
Escaping the “Good Enough” zone’s growth trap requires crossing a precise threshold of excellence. Our analysis identifies a clear threshold at 6.5 where commercial outcomes flip dramatically. For the ~12% of providers who clear this bar, the commercial rewards are immediate.

Moving a customer from “Good Enough” to “Excellent” changes the economic relationship:

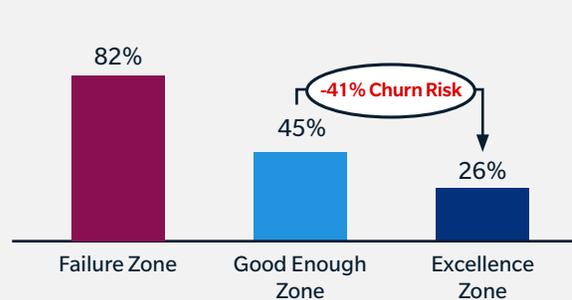
- **Predictable Expansion:** Upsell probability nearly doubles, from 47% to 79%.
- **Resilient Retention:** Churn drops dramatically, falling from 45% to 26%.

In short, “Good Enough” is merely survival and often results in a slow erosion of revenue growth or profitability. Only excellence drives the predictable growth required to engineer enterprise value.

**Probability of Expansion by Customer Perception Zone**



**Probability of Churn by Customer Perception Zone**



Source: SBI 2024 B2B Buyer Survey  
N= 364 Renewal and Expansion Decisions  
Note: Small Failure Zone Sample Size Limits Significance

Everyone wants to be excellent, but for most teams it feels out of reach. When companies are stuck in the Good Enough zone, the growth trap makes it feel like the investments necessary to improve customer perceptions are disproportionate to the benefit. In pursuit of excellence, leaders typically pursue a combination of two paths:

- 1. Investments in the offering itself** – Building more capable solutions that can handle more use cases, deliver better integrations, and provide easier-to-navigate user experiences.
- 2. Investments in service quality** – Developing more mature and robust CSM teams able to highlight value-creating features and link capabilities to customers’ needs as they evolve.

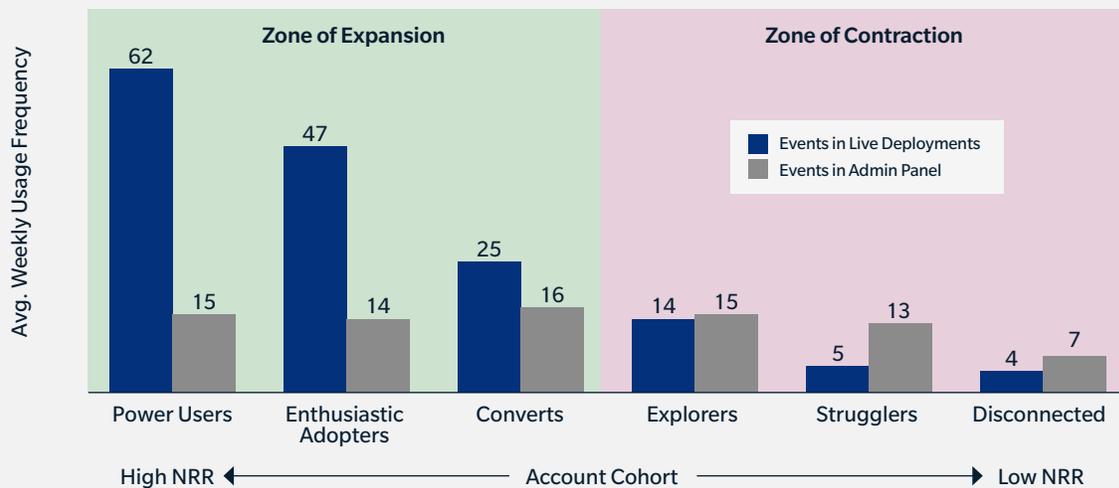
With both approaches, reliance on sentiment data means suppliers struggle to improve customer perceptions because of the fundamental disconnect discussed earlier: what customers say they want often contradicts what actually drives their success. Traditional methods, relying on surveys, NPS scores, and QBRs, lead to reactive investments that satisfy vocal requests but fail to impact commercial outcomes.

## Telemetric Data Reveals the Path To Excellence

To bridge this gap, GTM leaders must pivot to relying more on telemetric data. By overlaying behavioral data onto the customer cohorts established in Part 1, leaders can distinguish signal from noise. This approach reveals the specific behaviors and features that differentiate accounts likely to expand from those likely to contract.

Consider the usage patterns in the chart below. Analysis reveals that while all cohorts consistently use the “Admin Panel” (the Grey bars), only high-NRR cohorts in the zone of expansion heavily utilize “Events in Live Deployments” (the Blue bars). This insight is immediately actionable: rather than allocating resources to enhance or encourage use of the Admin Panel, which drives no differentiation, Product and CS teams should focus entirely on driving the adoption of Live Deployments. This is the precise lever that shifts a customer from “Good Enough” to “Excellent.”

**Illustrative Telemetry Data on Feature Usage By Cohort**

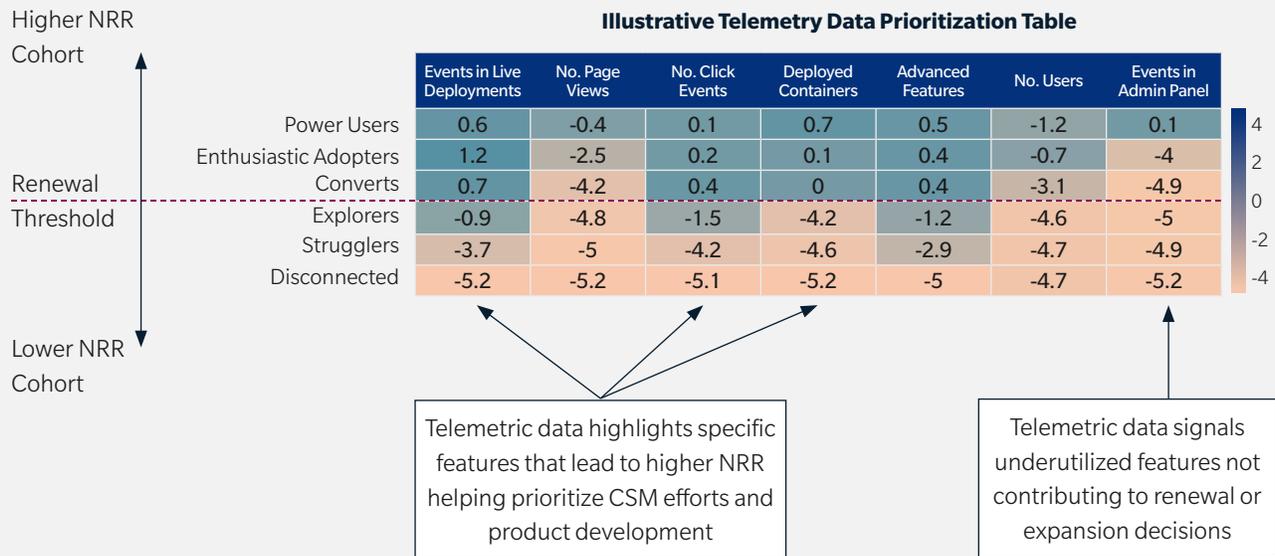


## Prioritizing Investments Around Observed Behavior

Identifying a single high-impact feature like “Live Deployments” is valuable, but insufficient. To engineer growth at scale, GTM leaders cannot rely on manual, ad-hoc analysis of every capability. They need a systematic framework that continuously separates signal-rich behaviors from the noise of billions of customer interactions.

Access to data is no longer the bottleneck; GTM teams are drowning in usage reports. The challenge is that raw telemetric data lacks the context to distinguish activity from value. Just as cohorts clarify account prioritization, they revolutionize investment strategy. By leveraging AI and machine learning, GTM teams can organize this noise to identify dynamic behavioral patterns that prioritize investments:

- Usage Velocity: Not just if a feature is used, but the frequency and intensity of usage across specific workflows by cohort.
- Adoption Trajectories: The specific sequence of feature adoption in the first 30, 60, 90 days that correlates with long-term retention and growth.
- Sentiment Correlation: Mapping support ticket frequency and tone against usage to adopt a proactive approach to churn risks before a customer complains.



When GTM leaders view telemetry through this pattern-driven lens, they can distinguish the specific capabilities that move customers out of the “Good Enough” zone. The chart above illustrates this dynamic vividly. By comparing usage patterns across cohorts above and below the renewal threshold, two distinct stories emerge:

- 1. Growth Signals** (Events in Live Deployments, No. Click Events, Advanced Features): Usage of these features correlates with commercial outcomes. High-NRR cohorts engage with it intensively, while low-NRR cohorts barely touch it. These features drive value and should be prioritized for investment.
- 2. Commercial Noise** (Admin Panel, No. Page Views): In contrast, usage of the Admin Panel and No. Page Views is consistent across cohorts. While necessary functionality, engagement here does not distinguish a successful customer from a churning one.

This distinction allows leaders to move beyond generic “product improvement” strategies. Customers often struggle to articulate which features drive their success in surveys, but their behavior offers definitive proof.

This analysis shifts investment prioritization from a debate about opinions into a data-driven question: Which capability do our most successful customers use that the rest don’t?

Answering this question creates confidence when arguing for resource reallocation. By focusing engineering and customer success efforts on the capabilities that actually move customers toward the renewal threshold, leaders stop subsidizing “Good Enough” and start funding “Excellence.”

# How to Use Telemetry Patterns to Escape the Growth Trap and Drive NRR Improvements

With signal separated from noise, the question becomes how to operationalize these insights. Companies that combine telemetry patterns with cohort data gain a blueprint for driving predictable NRR gains.

**Three ways to use telemetry-driven insights and Cohorts AI to operationalize improvements:**

## 1. Prioritize the Essential Features That Drive Value

Modern SaaS solutions contain hundreds of features, yet only a minority (typically 15–25%) determine commercial value. Telemetry allows leaders to ignore commercial noise and focus on two specific feature types that drive NRR:

- **Bridge Features (The Path to Safety):** These are the capabilities customers must adopt to progress from “Struggler” to “Convert.” Without them, customers stall in shallow usage patterns and never reach the zone of expansion. Identifying bridge features clarifies critical inflection points like what successful onboarding looks like, which workflows need simplification, where documentation fails, and how to design activation paths to secure renewals.
- **Dynamic Features (The Path to Growth):** These are “knife-edge” capabilities. When used correctly, they rapidly increase perceived value and drive customers toward expansion. However, if introduced too early or without guidance, they can increase complexity and overwhelm customers.

Together, these features create perceived value and break companies out of the growth trap. Telemetry is the only reliable way to identify and prioritize them.

## 2. Accelerate the Customer Journey with Pattern-Based Guidance

Customer journeys accelerate when the operating model is aligned with the features that matter. However, investments in in-product guides, CS enablement, or context-aware AI Agents must be grounded in actual usage behavior, not generic best practices.

Using Cohorts AI, GTM teams can benchmark every account’s usage against their peers. This creates a recommendation engine that identifies the next best action based on the specific feature gaps preventing each customer from moving to the next cohort. This systematic approach ensures that every interaction, whether digital or human, and every investment, whether in the product or service, is focused on moving accounts toward higher-performing cohorts.

## 3. Strengthen Value Perception Through Peer Benchmarking

Customers want proof they’re using the solution well relative to their peers. This confidence directly determines their willingness to expand.

GTM leaders can leverage cohort data to surface real peer benchmarks across industry, ARR band, and segment. Using these insights creates transparency customers value. Early in the relationship, this validation accelerates onboarding. Over time, this reinforces that customers are outperforming their peers, building confidence to expand.

## What This Means for the Future of Account Management

The companies that master this approach will have a significant advantage. Leading SaaS companies will make product quality measurable rather than abstract. This requires basing product, success, and enablement strategies on telemetry patterns, not sentiment.

This approach helps escape the “Good Enough” growth trap and achieve excellence by:

- Clarifying exactly which features to invest in to improve NRR.
- Accelerating adoption of those investments through personalized, cohort-aligned experiences.
- Guiding customers toward value-driving behaviors through personalized recommendations.

Ultimately, this gives GTM leaders a reliable way to engineer predictable NRR improvement, anchored not in opinions, but in the behaviors that define customer success.

### Why SBI?

Driven by insights and delivered from experience, SBI continues to help clients grow their revenue, margin, and enterprise value in ways never before possible.

Working with us, go-to-market leaders can expect confidence and trust with experienced partners every step of the way. We engage and support our clients as an extension of their team, both guiding and working side-by-side to deliver reliable, practical strategies that work for today and tomorrow.

Connect with SBI today and talk to us about how we can help you on your growth journey.

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### About QuadSci.ai

QuadSci is a provider of AI Products for B2B Software GTM teams. QuadSci applies AI to product usage data by processing tens of billions of telemetry events to capture the behavioral patterns of customers, allowing the analysis of customer behavior and usage patterns. QuadSci’s AI products identify patterns across these billions of telemetry events as well as tens of thousands of customer engagement events to predict growth, churn, and contraction up to 12 months in advance with 90% accuracy. QuadSci was recognized as “Machine Learning Company of the Year” in the 8th annual AI Breakthrough Awards program conducted by AI Breakthrough, a leading market intelligence organization that recognizes the top companies, technologies and products in the global Artificial Intelligence(AI) market.



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