

Your Moat Just Moved

Vertical Software Commercial Director

Every CCO in your sector read the same board deck this quarter

“Your customer’s procurement team now runs your renewal contract through an AI-powered benchmarker that did not exist last year. Your pricing is being anchored against quotes from three entrants before your CSM has scheduled the renewal call.”

01 Why are we losing demos we used to win?

02 What is happening to our NRR?

03 What happens if our top CSMs leave?



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Every chief commercial officer at a vertical software company in Europe had the same week. The AI-native entrant in your vertical raised a Series B. They announced a customer logo you recognise as one of your lower-tier accounts. They are now recruiting from your company. Your VP Customer Success came back from the user conference where three customers asked when your platform would ship the feature the entrant demoed in March. Your best account manager, the one who has been with you for nine years, told you on Friday that she has been approached twice this quarter. Your CEO wants to know by Tuesday whether this is a real threat or a distraction.

You have done this job for a decade. The pattern used to be clean. Build a better product for the vertical than the horizontal platforms could. Hire great account people. Renew 95% of the book. Grow expansion into the gaps the product filled every quarter. The moat was five years of integrations, regulatory nuance, and workflow embeddedness. Competitors needed a decade to catch up. You had time.

The technical barrier collapsed. A well-funded AI-native entrant can now reach feature competitiveness in 18 months, not five years. They have a better architecture. They price aggressively. They can ship the features your product roadmap promised for 2028. Your CEO and your board have read the same analyst reports you have. They are asking what your moat actually is now. The honest answer is not your code. The honest answer is everything your customer success team, your senior account people, and your implementation consultants know about how your customers actually work. That knowledge is the moat. It is also the knowledge nobody has asked them to write down.

This is not a competing-on-features problem. It is a knowledge-preservation problem that your commercial function is uniquely positioned to solve. Most CCOs in vertical software are treating it as three separate problems. The ones who see it as one are going to own the next decade.

This briefing covers what is happening in your sector, what it means for your commercial team, and the three questions your leadership meeting needs to answer before the next board cycle.

The technical moat that protected your company for a decade collapsed in a year

For a decade, vertical software won on three things. Deep domain knowledge encoded in your product. Long integration timelines that punished your customers for switching. Workflow embeddedness that made ripping your platform out a twelve-month project. Every AI-native entrant who looked at your vertical had to spend five years building what you had. Most of them ran out of funding before they got there. You had time.

Foundation models changed the math. An AI-native entrant with the right team and €30M in funding can now reach feature parity with your platform in 18 months. They write less code. They use modern integration tooling that collapses what used to take you six months to ship. Their product runs on architecture yours cannot match without a platform rewrite your CTO has been pushing back for two years. In your sector this is already happening. In construction software, the AI-native entrants raised a combined multiple hundred million euros across 2024-2025, and their products are shipping. Property, legal practice, healthcare operations, logistics. Every vertical has its version.

Your customer's procurement team now runs your renewal contract through an AI-powered benchmarker that did not exist last year. Your pricing is being anchored against quotes from three entrants before your CSM has scheduled the renewal call.

The second force is harder to see but it compounds faster. Your customers' buying teams now use AI to research vendors before your team is on the radar. By the time your rep books the first discovery call, the buyer has compared three platforms. At least one of those is an AI-native entrant whose demo video they already watched. Your pipeline looks the same, but the quality underneath has shifted. The deals you used to win in late-stage bake-offs are now decided before your team ever sees the customer. You are not losing demos on features. You are losing them before the demo is booked.

And then the third force, the quiet one. Only 4% of Nordic companies achieve strong AI returns, and most of them are spending 40 to 50 percent of their AI budget on generic productivity tools. Your CEO read this stat. Your CFO read this stat. Your board certainly read this stat. The question they are asking is not whether you should do AI. The question is whether your AI spend is building something that compounds, or whether it is feeding the same horizontal tools everyone else is paying for.

Your new logo team, your CSMs, your product marketing are all feeling it

Your new-logo pipeline. Deals you would have won at 70% a year ago are closing at 45%. Your reps are not worse. The buyer is more prepared, the competition is sharper, and the entrant's lower price shows up in the procurement evaluation before your rep gets to the first demo. Your reps who used to win on relationship are now losing on preparation. The gap is 15 minutes of context on the customer that your top performer carries in their head. Your middle reps walk in cold.

Your customer success book. Renewals are taking three weeks longer than they did two years ago. Procurement teams now demand benchmarking documents you never had to produce before. Your CSMs are defending pricing they did not set, against a competitor they cannot easily show, using slides they did not build. Gross retention held last year. It will not hold this year at the same motion. And then there is the deeper problem. Your best three CSMs carry the customer relationships your expansion pipeline runs on. Two of them were approached by the AI-native entrant in the last quarter. You know which ones.

Your product marketing. The competitive battle card your team updates every quarter is six months out of date the day it ships. The entrant's roadmap is moving faster than your content team can respond. Your product marketers are buried in feature-comparison spreadsheets and win-loss reviews nobody reads. The actual competitive asset is the ten-year depth of customer understanding your organisation carries, and nobody has turned it into a sales argument. Your reps are fighting on features because that is all your content gives them.

Your rev ops. The function that used to run renewal forecasting and pipeline reports is being asked to forecast against a market that reprices itself every quarter. The old retention model assumed annual churn of 7%. Your actual risk profile now has a long tail of procurement-driven price pressure that did not exist in your model two years ago. Your rev ops leader is the only person in the building who can rebuild the renewal motion around customer intelligence, and most CCOs are still treating them as a reporting function.

Your senior people. The implementation consultants, the senior CSMs, and the two account managers who have been with you from the early years carry the real picture of your product. Why the data model is shaped this way. What customers need that they never ask for. Which workflows are load-bearing and which are cosmetic. That knowledge never got written down. It cannot be trained into a replacement. When one of them leaves, twelve to eighteen months later a cluster of accounts goes quiet. You have seen this happen twice.

Your commercial team sits on the only moat you have left

Your industry lens and your function lens are telling you the same story from two altitudes. The entrant is catching up on product. Your commercial team is absorbing the pressure. Most CCOs are treating these as two separate problems. They are not. They are one.

The entrant has better code. They do not have your customers' ten years of workflow reality. The workflow reality is the moat. That reality lives in your customer success team's call notes, your implementation consultants' installation memories, your product marketers' win-loss files, and your senior account managers' customer political maps. It is biographical. Three or four people in the company carry most of it. When one of them leaves for the entrant, they do not just take a contact list. They take the moat.

The firms pulling ahead have named this and are moving. Customer success is being repositioned as the commercial organisation's intelligence engine, not its retention defence. Every CSM call, every quarterly business review, every implementation note is being structured into context every seller and every CSM can retrieve. The senior account managers are being run through a knowledge-capture motion before they retire or get poached. Product marketing is being rebuilt around the ten-year depth of customer understanding, not around feature comparison. Rev ops is owning the customer intelligence layer, not just the forecast dashboard.

The entrant can out-ship you on features. They cannot out-know your customers. Your commercial team already has the knowledge. The question is whether you are building it into something that compounds, or whether you are still treating every Monday as a fresh pipeline review.

You have 18 to 24 months. The entrant's customer base is growing. Every month they win a logo, they narrow your customer intelligence lead by a fraction. The CCO who moves first institutionalises the knowledge while the lead is still wide. The one who waits gives up the only moat the company still has.

What most firms are doing. What the winners are doing instead.

Every CCO has had the AI conversation by now. Most are making the same four decisions. A smaller group is making different ones. The difference is whether AI is being treated as a tool to roll out, or as the set of levers that reshape how the commercial team operates.

THE DEFAULT PATH

Add AI features to the product and call it an AI strategy

The entrant ships their version in a quarter. Feature parity evaporates. Product becomes a commodity race.

Let the CSMs carry the customer knowledge in their heads

Senior CSM leaves. Twelve months later an account cluster goes quiet. The moat walked out.

Defend renewals with discount authority and escalation

Procurement benchmarking wins. Renewal pricing compresses 3 to 8 percent annually. NRR drifts down.

Push new-logo sales harder to offset the churn pressure

CAC rises. Win rates fall. The AI-native entrant wins on price in every late-stage bake-off.

THE WINNERS' PATH

Build AI into your commercial organisation, not just the product

Customer intelligence, renewal defence, demo preparation. Your reps and CSMs walk in knowing more.

Encode what your CSMs know this quarter

Every call, every QBR, every implementation note structured into retrievable context. Knowledge stays when people leave.

Arm CSMs with the customer's realised-value case

Renewal conversation shifts from "why this price" to "what you have not yet captured." Pricing holds.

Run one commercial engine, two revenue sources

The same customer intelligence that holds renewals wins new logos against the entrant who cannot match your depth.

Same eighteen months. Same AI. The first path produces a faster commodity race. The second produces a compound asset the entrant cannot replicate.

THREE QUESTIONS

Pipeline. Retention. The moat nobody has measured.

Three questions every chief commercial officer in vertical software is being asked by their board. One year ago they were three separate conversations. They are one now.

01 · PIPELINE QUALITY

Why are we losing demos we used to win?

The late-stage bake-off closed with the entrant you did not expect to see. They priced aggressively. They arrived better prepared. They had the buyer's research earlier. Your win rate on the deals you used to close is sliding. Your reps are not worse. The preparation race is being lost before the demo is booked, and the entrant's price anchor is in the procurement evaluation before your rep introduces themselves.

02 · NET REVENUE RETENTION

What is happening to our NRR?

NRR is the number your board actually watches. Every point you hold compounds. Every point you lose multiplies. Customer procurement benchmarking is compressing renewal pricing 3 to 8 percent industry-wide. Your expansion motion relies on knowledge that lives in three senior CSMs. At 105% NRR, your company compounds at 5%. At 120%, it compounds at 20%. The difference is €200M of enterprise value on a €100M ARR base.

03 · THE MOAT

What happens if our top CSMs leave?

Your three best customer success managers, your senior implementation consultants, and your two long-tenure account managers carry the actual moat. Ten years of workflow reality lives in their call notes and their heads. Two of them were approached by the entrant this quarter. If one of them leaves, a cluster of accounts goes quiet twelve to eighteen months later. The moat has always been biographical. 2026 is the first year you can make it institutional.

What the firms winning this play are actually doing

Four concrete moves any CCO can start this quarter. Each touches one function. Pulled together, they turn your commercial team into one customer intelligence engine.

1

New-logo sales: walk into the demo with what your CSMs already know

Your best reps already do this. They phone the CSM before the demo. They pull up the account plan. They spend thirty minutes on context. Your middle reps walk in cold because the context is too expensive to retrieve. AI agents compress that retrieval to two minutes. The rep walks into the demo at the level your top two reps walk in today.

2

Customer success: capture what your CSMs know before they leave

Every CSM call, every QBR, every implementation note, every support ticket contains domain knowledge. Today it gets filed and forgotten. Capture it into structured context every seller and every CSM can retrieve. Senior CSM ramp drops from twelve months to three. When one of them is poached, only the relationship walks. The knowledge stays.

3

Product marketing: stop selling features, sell your ten-year depth

The entrant will beat you on features every quarter. They cannot beat you on depth of customer understanding. Rebuild the sales argument around workflow edge cases your team knows and theirs does not. Original research your vertical's analysts cite. Customer stories with specific operational outcomes. The conversation stops being a feature checklist and starts being about the customer's own business.

4

Rev ops: rebuild the renewal motion around customer intelligence

The renewal forecast used to run on contract expiry dates. That is a 2020 motion. The new motion runs on customer realised value, expansion opportunities the customer has not seen, and early warning on procurement risk. Rev ops owns this layer. Most CCOs still treat rev ops as reporting. The leaders are repositioning rev ops as the architecture of the whole commercial engine.

The only firm that joins the moat conversation to the working tools

The vertical software CCO in 2026 has four places to go for help. None of them can do what we do, and each for a structural reason.

AI-native sales and customer success platforms will sell you analytics on your meetings and your renewal book. They cannot sit down with you and talk about what your actual moat is, and their business needs your data inside their platform.

The big consulting firms will write a €1-3M strategy deck on your go-to-market. They cannot put a working tool in your CSM's hands in three weeks because their cost structure requires analyst hours. You get the deck or the tool. Not both.

Your product analytics vendor will add an AI layer on top of their platform. Their structural problem is that the signal stays in their product, not in yours. You become dependent on their data, not the owner of it.

Vertical sales tools and rev ops consultancies will sell you another point product your reps will not use. You have seen this before.

The market offers four things you have already said no to. GRAIL is the fifth option.

WHAT YOU GET

Senior advisory that speaks commercial, not strategy-deck

Working tools your reps and CSMs use the same week

Custom agents built on your accounts, your customers

The start of a customer intelligence system your team feeds

No vendor lock-in at any phase of the engagement

WHY IT MATTERS

Founded by operators who have led SaaS commercial teams

Business first, technology second

Three weeks from first meeting to working tools

Your team keeps the tools, you own the IP

Every next step earned by what just shipped, never assumed

Three sessions with your commercial leadership team. Working tools from week one.

We start with your commercial leadership team because the change cannot outrun the team's personal understanding of what is possible. Three workshops. Each delivers standalone value. Each earns the right to the next.

WORKSHOP 01

How to think

Walk through what is happening in your sector and in your commercial team. Build the first working tool in the room: a customer intelligence agent on one of your real accounts, informed by one of your CSM's actual call notes. Your leadership team leaves with a shared view of the moat and the first working tool already in their hands.

WORKSHOP 02

Your team's tools

A half-day activation. Each member of your commercial leadership team leaves with five to ten working tools tuned to their accounts, their customers, their renewal book. Pre-demo preparation. Customer intelligence capture. Renewal defence. Expansion signal tracking. Competitive briefing. Tools your reps and CSMs use the same week.

WORKSHOP 03

Ready to roll

Refined tools based on real use. The rollout plan to your wider commercial team. The customer intelligence capture plan for your senior CSMs and implementation consultants. The pricing defence playbook for the renewal book. The CEO and CFO conversation with NRR projections they can check, not a deck they cannot argue with.

Three weeks. No IT project. No board approval needed to start. The tools your team is already using when we finish.

For your next leadership team meeting

The questions where your leadership team cannot agree on an answer are the ones worth an hour on the agenda.

Of the last ten new-logo deals you lost, how many went to an AI-native entrant, and how many of those were decided before your rep ever booked the first demo?

What is your renewal pricing holding at today versus two years ago, and how much of that compression is procurement benchmarking versus real value erosion?

If your three best customer success managers left for the entrant next quarter, what happens to the accounts they own, and what is the knowledge transfer plan today?

Where does your product marketing team spend most of its week, and what would it take to shift their work from feature comparison to customer depth?

What is your NRR target for next year, and which of the four moves on page eight moves it the most in the next twelve months?

If any of these produces a disagreement in your leadership team, that is the conversation worth having before the board asks.

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