



Getting Started with ChurnScores

ChurnScores allow you to easily identify those customers who are at high risk of churning. By customizing and weighing factors that are relevant for each part of your customer lifecycle, your ability to predict the likelihood of a customer leaving increases tenfold. Once we can accurately predict the risk level of a customer, we can take proactive steps to increase the value and stickiness that your service can provide.

Factors that can affect churn

Demographics

Industry – Identify industries and sectors with given rules and regulations that make it difficult to use your solution, and therefore more likely to churn.

Location – Identify if there are nuances around a location that could prohibit your customer from being successful.

Number of employees – Understand the range of employees that align with your ideal customer profile and whether that affects adoption success.

Annual revenue – Consider creating a separate ChurnScore for customers that may have more complex needs due to their size and revenue.

Usage

Login frequency – Consider whether your solution requires users to log in daily to get the full value from your tool.

Use of sticky features – Identify the features that make your product sticky for customers and how often they should be using these features.

Dashboards, reports, etc. License Utilization – Don't just look for logo churn, think about whether under-utilization could be a sign of an unhealthy customer.

Power Users – Discover what a power user looks like for your tool and find which accounts have them.

Factors that can affect churn (cont.)

Engagement

Engagement level – Identify the right amount of engagement and how it can affect a client's health. Areas to monitor engagement include:

- Direct engagement such as emails and meetings
- Brand awareness such as attending webinars/events
- Content engagement such as blog posts and product release announcements
- Product learning engagement such as going through LMS training courses
- Lastly, keep in mind customers in different stages might require different levels of engagement as well

Support tickets – Sometimes, support tickets can signal the health of a customer, especially high-priority tickets that have gone unresolved for a long period of time, or if a customer is sending in many tickets. Consider how the level, frequency, and weight of support tickets reflect on customer health.

NPS responses – Receiving negative NPS responses could be a sign something is not quite right. Consider how to factor NPS responses into your ChurnScores.

Product feedback – Product feedback is great. These customers want your product to work for them which is why they took the time to consider sending the feedback. But if a customer is submitting feedback every day, this could signal dissatisfaction with your solution.

Relationship

Tenure – Consider if the amount of time your customer spends with your organization makes them more (or even perhaps less) likely to stay with your platform.

Depth of relationship – Set up a field to allow your team to check-in with feedback regarding their customer relationships.

Perceived satisfaction – Take into account perceived (or vocalized) satisfaction as a factor in your ChurnScore. We tend to see this as an Account Attribute.

Unexpected Changes

POC departure – Having a POC leave can affect how the team operates. Consider whether or not it could put your relationship at risk – especially if your new POC is an advocate for a competitor and/or not willing to give you an opportunity.

Company restructures – A company restructure could bring about uncertainty and could stop or delay an early project or onboarding in its tracks.

Cancellation requests – This is a serious factor and will impact your score heavily. While it's hard to come back from – it can be done!

Acquisition – An acquisition does not always point to churn, but it is likely that there will be some bumps ahead to look out for.

Stage of Journey

On track, behind, stuck – The customer's Journey is set to a specific timeline. Consider what being stuck or behind means in terms of success (or realization of value).

Onboarding vs live customer – Think about whether an onboarding customer should be scored differently than a live customer? (Hint: Yes!)

Time spent on a stage – How much time they spend in each stage is also an indicator of their success, so adjust scores accordingly.

Example onboarding ChurnScore

Factors that contribute to churn	Ideal threshold	Weight
Login frequency	Daily logins	5%
Basic usage	Basic usage > 3x/week	5%
Sticky feature usage	Sticky feature usage > 1x/week	10%
Beta usage	Beta tester for a new feature	5%
Onboarding stage	On track	10%
License utilization	> 90% utilization	10%
Relationship and engagement depth	Responsive with weekly engagement	25%
Main POC left the company	POC is still with the company	15%
NPS score	Promoter Score	15%
		100%

Best Practices for ChurnScores

- + Configuring ChurnScores for different segments of your customer base
- + Setting up anywhere between five to seven factors that make up each ChurnScore
- + Review and update your ChurnScores quarterly for accuracy
- + Involve your team for well-rounded input on how to create and enhance each ChurnScore