

# 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** - does your team tend to have trouble with a specific industry given rules and regulations that make it difficult to use your solution? and therefore more likely to churn?
- **Location** - do you find that a certain location has nuances surrounding it that could prohibit your customer from being successful?
- **Number of Employees** - could indicate whether or not a customer is the proper fit. Does your solution work better with larger teams? Consider this when creating your score.
- **Annual Revenue** - not only could you use this as a Factor but consider creating a separate ChurnScore for these customers that may have more complex needs as a result of their size and revenue.

### Usage

- **Login Frequency** - does your solution require that your users log in every day? If not, are they truly getting the full value or are they less likely to stay?
- **Use of Sticky Features** - consider the other sticky features in your solution. How often should an ideal customer be using those features? Dashboards, reports, etc.
- **License Utilization** - we're not just looking for logo churn. Think about whether under-utilization could be a sign of an unhealthy customer.
- **Power Users** - typically an organization selling in the SaaS world wants to see a few power users in their tool to help drive adoption across the organisation. Do you have any of these? if not, should that negatively impact how health that customer is?

### Relationship

- **Tenure Length** - does the amount of time your customer spends with your organization make the more (or even perhaps less) likely to stay with your organization?
- **Depth of Relationship** - have you considered setting up a field that your team can adjust based on how they feel the relationship is?
- **Perceived Satisfaction** - should their perceived (or vocalized) satisfaction be a factor in your ChurnScore? We tend to see this as an Account Attribute.

### Unexpected Changes

- **POC Left** - a POC leaving can be a big deal. It could also put your relationship at risk - especially if your new POC is an advocate for a competitor and not willing to give you an opportunity
- **Company Restructure** - a company restructure could leave a lot of uncertainty and could stop an early project or onboarding in its tracks.
- **Request to Cancel** - this is a serious one. While it's hard to come back from - it can be done! Although - this should likely impact your score in a fairly heavy way.
- **Acquired** - an acquisition isn't the need of the road but it is likely that there will be some rocky roads ahead.

### Stage of Journey

- **On Track, Behind, Stuck** - the customer's Journey is set to a specific timeline. If they get Stuck or Behind - it is possible they won't be as successful (or realize their value)
- **Onboarding or Live Customer** - should an onboarding customer be scored differently than a live customer? (Hint: Yes!)
- **Time Spent in a Stage** - have they been spending way too long in a specific stage?

### Engagement

- **Level of Engagement** - if a customer is in onboarding and you haven't heard from them in 14 days, should they be considered healthy?
- **Support Tickets** - Some support tickets can signal that a customer is healthy. But what about High Priority tickets that have gone unresolved for a long period of time? Or a large amount of tickets?
- **NPS Score** - if the Account has a negative NPS Score then this could be a sign something is not quite right. While you continue to strive for Promoters instead, consider this a risk.
- **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 might signal dissatisfaction with your solution.

## EXAMPLE Onboarding Churn Score:

Top Factors That Contribute to Churn	Ideal Threshold	Weight
Login Frequency	Daily Logins	5%
Basic Usage	Basic Usage more than 3 times a week	5%
Sticky Features Usage	Sticky Feature Usage more than 1 time a week	10%
Beta Usage	Beta Tester for New Features	5%
Onboarding Stage	On Track	10%
License Utilization	> 90% Utilization	10%
Relationship and Engagement Depth	Responsive and Weekly Engagement	25%
Main Point of Contact is No Longer with Company	POC is still with Company	15%
NPS Score	Promoter score	15%
		100%

### Best Practices for Churn Scores:

- You should have churn scores for different segments of your customer base
- You should have between 5 to 7 factors that make up your each ChurnScore
- Review and Update your ChurnScores quarterly to ensure accuracy
- Involve your team and get input on what needs tweaking within the ChurnScore