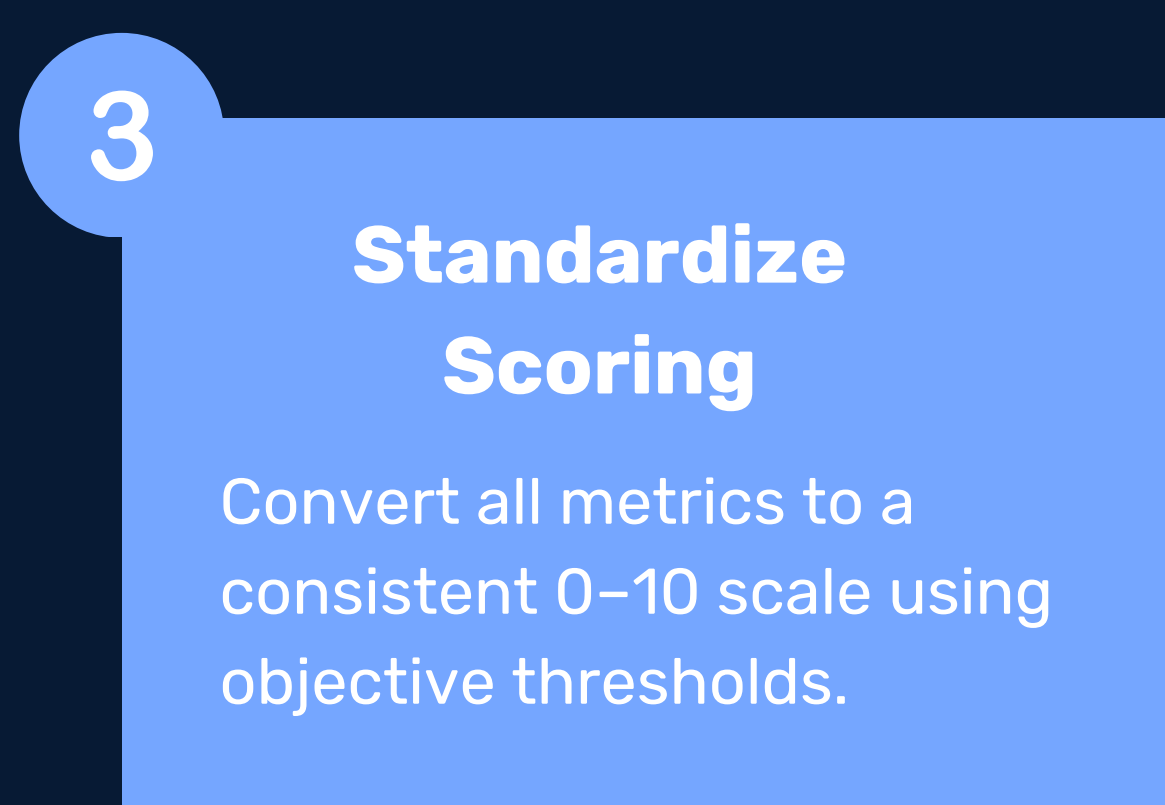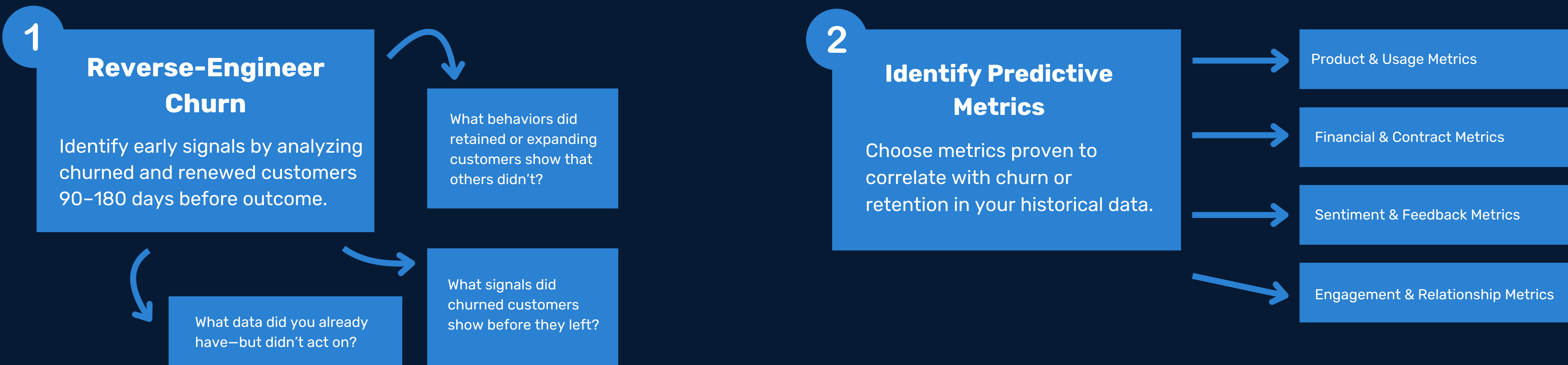# Poor Customer Health Scoring is a Revenue Issue

How to create a Customer Health Scoring System that identifies early warning signs and expansion opportunities.
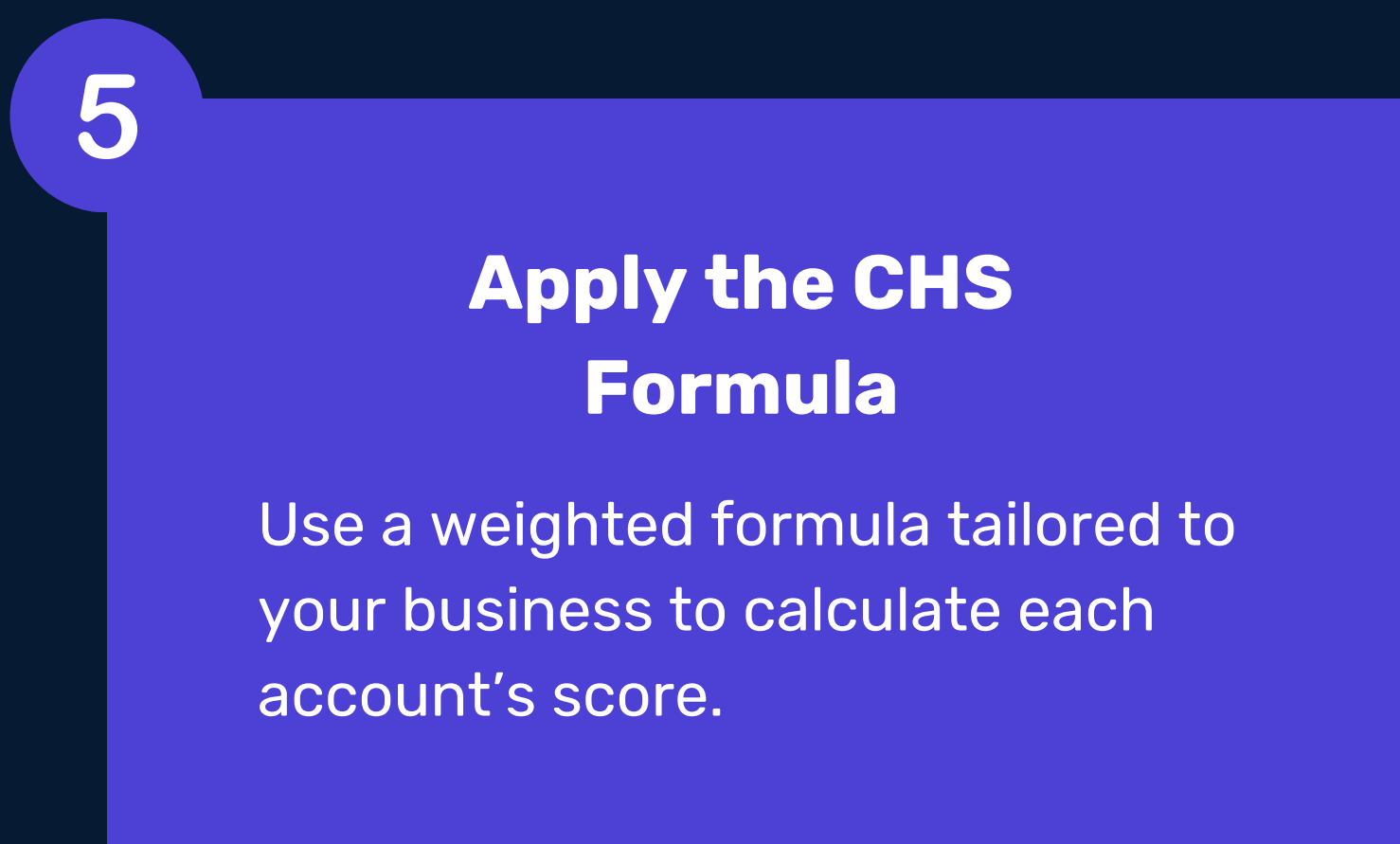
1 Reverse-Engineer Churn

Identify early signals by analyzing churned and renewed customers 90–180 days before outcome.

- What behaviors did retained or expanding customers show that others didn't?
- What data did you already have—but didn't act on?
- What signals did churned customers show before they left?

2 Identify Predictive Metrics

Choose metrics proven to correlate with churn or retention in your historical data.

- Product & Usage Metrics
- Financial & Contract Metrics
- Sentiment & Feedback Metrics
- Engagement & Relationship Metrics

3 Standardize Scoring

Convert all metrics to a consistent 0–10 scale using objective thresholds.

Example

METRIC CATEGORY	SCORE (0-10)
Feature Adoption	8
CSM Meeting Frequency	5
Invoice Payment Timeliness	7
Support Ticket Volume	6
NPS Score	3

4 Weight Metrics by Impact

Assign higher weight to metrics that best predict churn in your product.

Example

METRIC	WEIGHT (%)
Product Usage	30%
CSM Engagement	25%
Financial Health	20%
Support Activity	15%
Customer Sentiment	10%

5 Apply the CHS Formula

Use a weighted formula tailored to your business to calculate each account's score.

Example Formula

$$CHS = (A1S \times A1W) + (A2S \times A2W) + (A3S \times A3W) + (A4S \times A4W) + (A5S \times A5W)$$

Using Example Actions/Scores/Weights Above

$CHS = (8 \times 0.3) + (5 \times 0.25) + (7 \times 0.2) + (6 \times 0.15) + (3 \times 0.10)$

$CHS = (2.4) + (1.25) + (1.4) + (0.9) + (0.3)$

$CHS = 6.25$

6 Operationalize & Act

Tie CHS scores to automated playbooks, CRM workflows, and executive-level visibility.

7 Iterate & Improve

Continuously refine your CHS model using feedback, testing, and actual churn outcomes.

8 Use AI for Early Warnings

Apply predictive models to surface churn risk before it's visible through standard scoring.