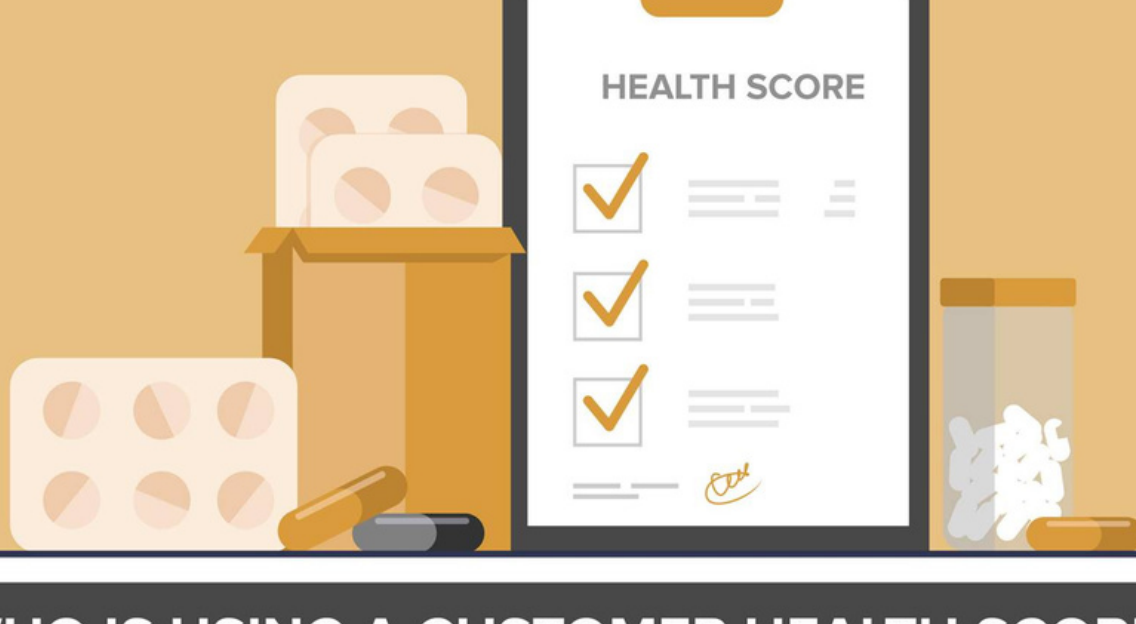
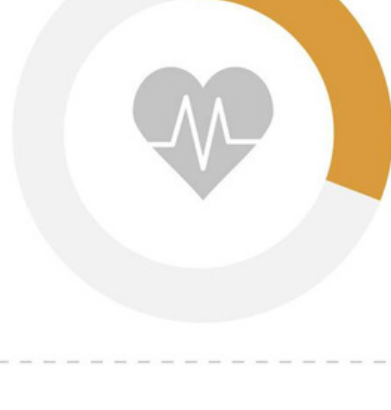


CUSTOMER HEALTH SCORE FACTS

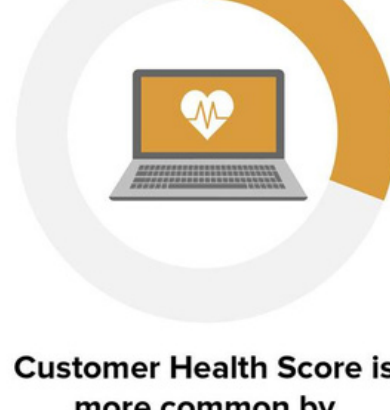


WHO IS USING A CUSTOMER HEALTH SCORE?



Customer Health Score is more common by 31%

thirty-one percent points in companies with large customer success teams



Customer Health Score is more common by 30%

thirty percentage points in SaaS versus On-Premise or Services organizations

Customer Health Score is more common by 7%

seven percent points in companies that have more than 100 customers



A Customer Health Score is more prevalent in companies with a more frequent client-CSM touch point cadence



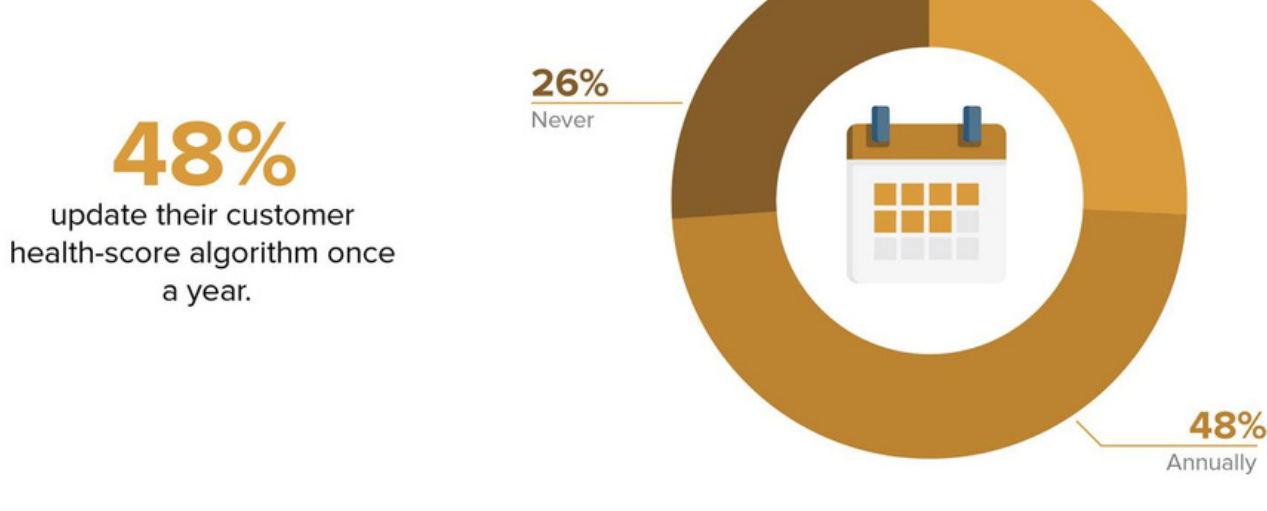
Companies where CSMs manage **less than 60** accounts are more likely to develop and maintain a customer health score



WHO IS USING A CUSTOMER HEALTH SCORE?

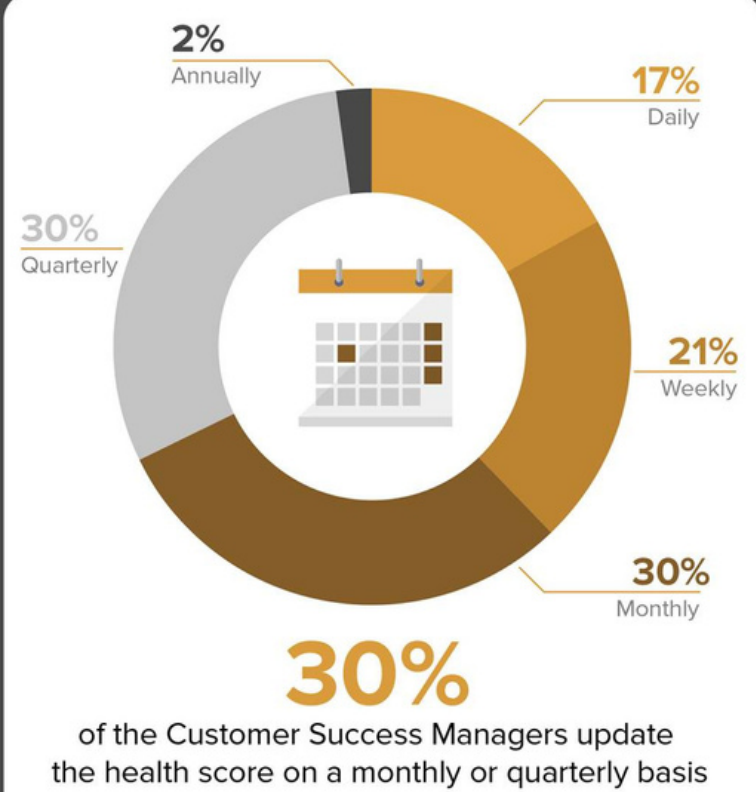
Customer Health Scores are more prevalent across companies with

- Larger Customer Success teams
- Larger customer base (over 100 customers)
- A low CSM to customer ratio
- A high touch customer engagement model
- SaaS companies

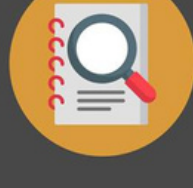


48% update their customer health-score algorithm once a year.

THE TRUE IMPACT OF CUSTOMER HEALTH SCORE



30% of the Customer Success Managers update the health score on a monthly or quarterly basis



Teams maintaining a Customer Health Score are more **mature & scalable**



Churn Rate is **LOWER** when a Customer Health Score is developed and maintained.



Lowest Churn Rate is obtained by using Customer Success Software or a CRM application, regardless of a customer health score.



Churn Rate Trends

In 2020, companies using health score noted better control over their churn rate.



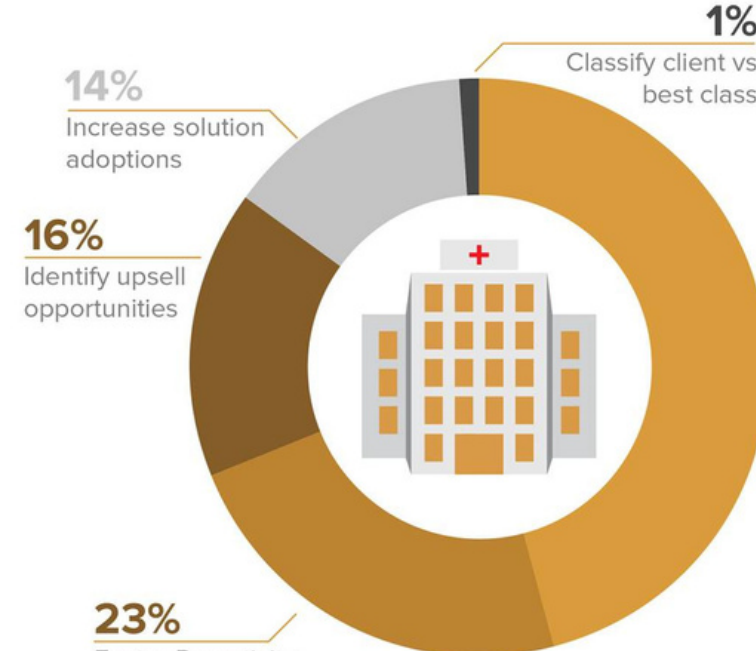
The % of Revenues From Upsells/Add-on Sales

No clear connection was found between upsell / add-on sales and the use of a Customer Health Score.



Renewal Forecast Accuracy

The accuracy of the Renewal Forecast is the highest, when a Customer Health Score is maintained using a Customer Success software or a CRM application.



46% maintain a Customer Health Score to forecast churn / renewals.

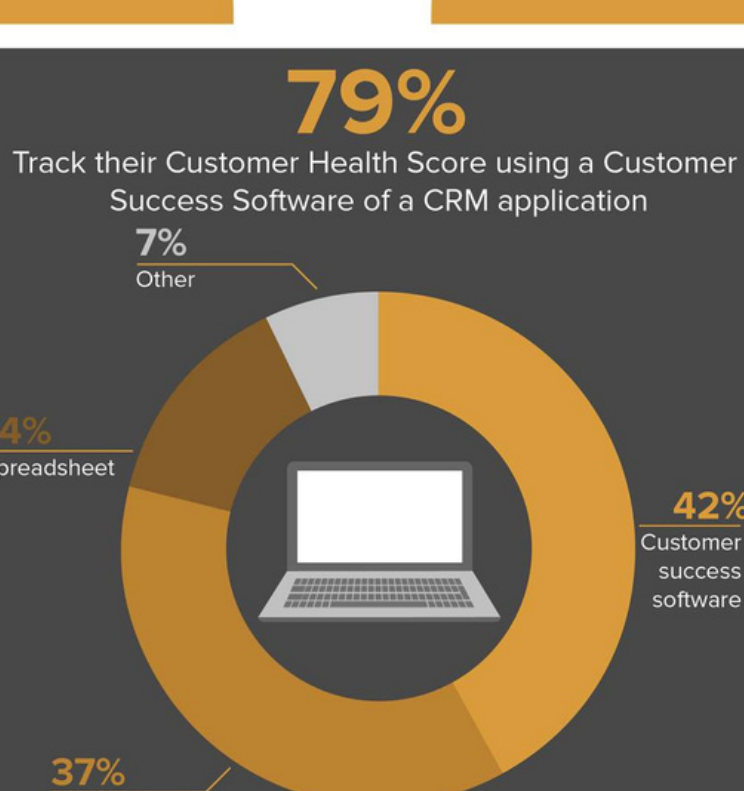
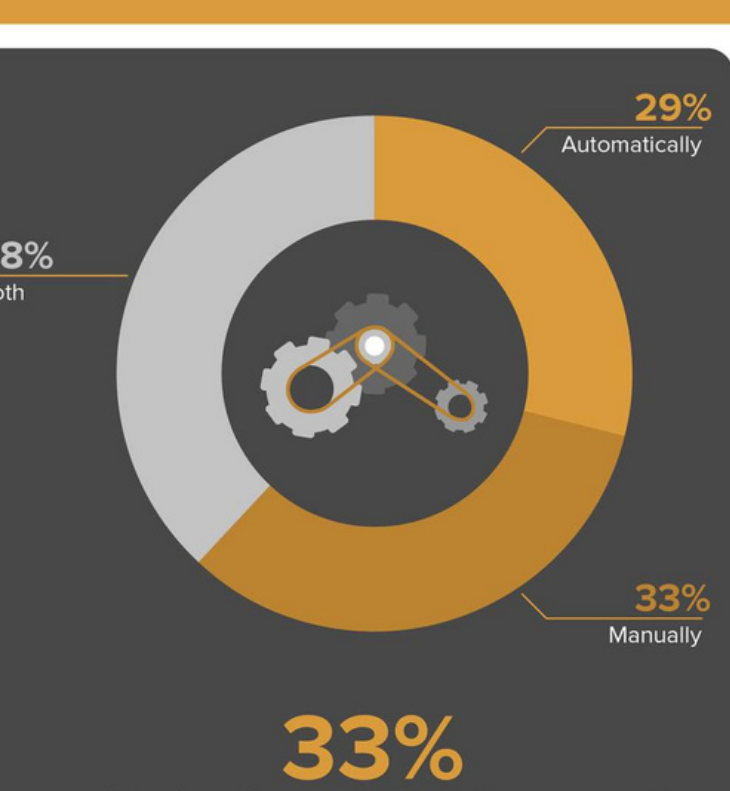
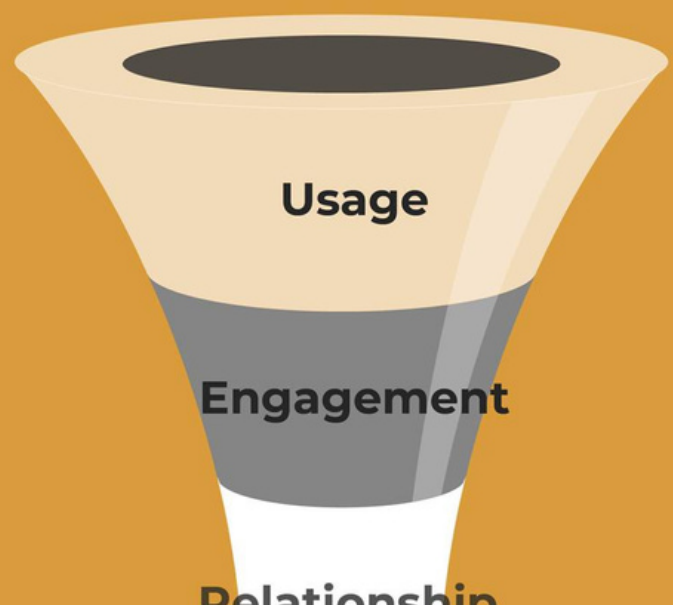
CUSTOMER HEALTH SCORE: CURRENT TRENDS



Usage and Customer Engagement are **2x** more likely to be used in assessing a customer's health than ROI and use of resources

What is most commonly included in a Customer Health Score definition?

Usage, Engagement and Relationship are the most used components in the calculation of a Customer Health Score



CSM PRACTICE
THE CUSTOMER SUCCESS STRATEGY CONSULTING FIRM