The simple method with product data

Predict & Reduce churn

-20% churn

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🌐 **by June.so**

Foreword

Hi there, I'm Enzo 👋

In my day to day I'm the CEO at June.so - the next-gen product analytics for B2B SaaS.

In my free time, I share my learnings about product management & early-stage startups.

In this playbook, you'll find everything **we learned about predicting churn, and preventing it, using the tool you already have in place - your product analytics.**

If you want to read more of this content as I publish it, you can follow me on Twitter or Linkedin. As usual, feel free to reach out to me if I can support you (enzo@june.so).

Hope it helps 💜
Enzo

Want to share this eBook? You can find it online here too.

📕**The First Product Manager**

I'm writing a book called "The First Product Manager".
It's about Product management in early-stage startups.

To be on the VIP list and receive the first chapter for free:
http://eepurl.com/gRFbhT

(🔒 *no promo emails will be sent)*

Intro

Churn is your #1 enemy. It slows down your revenue growth, scares investors and demotivates your team.

Early-stage startups selling to the bottom and mid-market companies often have >3% of monthly revenue churn.

Still, most teams are only reactive to churn. **The key** though, **is being proactive**.

In simple words: understand when the account is starting to take a bad trajectory, reach out and help them get back on the right path before it is too late.

But what's a bad trajectory?
When should you reach out?
And what message should you sent?

If these are the kind of questions you've asked yourself, then keep reading, this guide is for you.
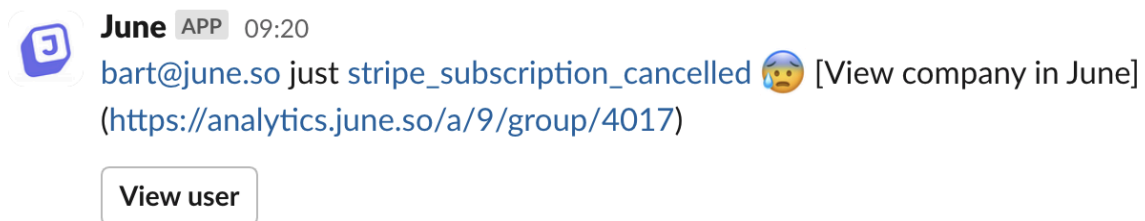
Table of content
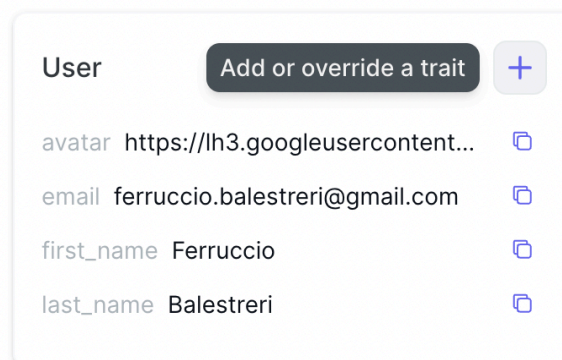
Flag your already churned customers

First of all, you'll need to flag all your churned accounts.

Using your product analytics solution, you can add properties (traits) **programmatically** using the *.identify* or *.group* call. Typically whenever a customer cancels a subscription, you can trigger an event and a group call to update the subscription state of the company.

June APP 09:20
bart@june.so just stripe_subscription_cancelled 😰 [View company in June]
(https://analytics.june.so/a/9/group/4017)

View user

Slack notification for a subscription cancellee

Alternatively you could add this trait **manually** from the profile of a user. This typically looks like this:

User	Add or override a trait	+
avatar	https://lh3.googleusercontent...	
email	ferruccio.balestreri@gmail.com	
first_name	Ferruccio	
last_name	Balestreri	

Adding a trait manually in June

With the right trait in place, you'll be able to have an Audience with all of your churned customers. You can then use this churned audience within reports, and should be able to compare it with other audiences.

Churned customers

Where **subscription_status** is **downgraded**

An churned audience saved in June

Understand churned users and how they behaved before churning

Now that we identified who churned, we need to list the patterns that brought the to churn.

There are various ways in which you can do this but here's how we do it for ourselves.

First of all you'll need a way to understand which features you customers used the most and which instead were not even used. An easy way to do this is by doing a feature audit.

FEATURE	EVENT COUNT ⌄	USER COUNT ⌄	MEDIAN EVENT COUNT PER USER ⌄
Loading report	38921	943	5
Viewed user	9112	609	4
Viewed company	4911	273	5
Edited audience / used filters	3552	320	3
Creating reports	1409	341	2
Saved audiences	497	69	2
AI	41	18	1
View created	27	13	1

**Total usage and users**
Last refreshed 2 minutes ago ⟳

The [feature audit report](#) in June

This report will need to have all of your core features so that you can see how many people used them and with which frequency.

By customizing the audience, you should already be able to see which parts of your product are the most critical ones and which instead are not really related to a churning behavior.

Still, here we're looking at aggregated behavior which, even if informative, is not as insightful to determine what the churn predictors are. We need to go more in-depth.

By adding the same feature audit to workspace/company profiles you can now dig deeper into how each single churned company interacted with your app in the days before churn.
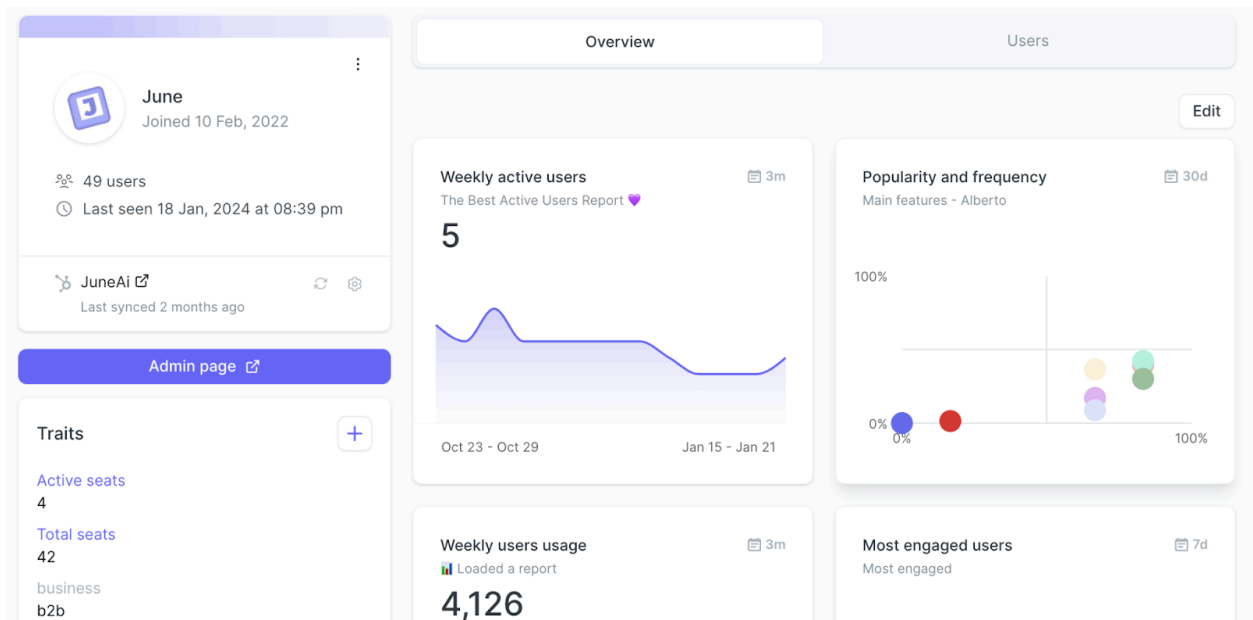
A company profile in June

Congrats 🎊

After going through a couple of them you'll be able, with just a glance, to identify a company that is on a bad trajectory.

By now, you should have a good understanding of what a bad journey looks like!

Come up with some "churn predictors"

Here comes the manual work 😛

Now we know how people behaved before churning but we're missing one last piece of the puzzle.

- Who are they?
- Are they within our ICP or just a random company that we don't really care about?
- On which plan were they?
- How long did they stay before churning?

I like to fill a spreadsheet with all the useful information together. This makes it easier to find patterns and identify trends at a glance.

Here's a small piece of our sheet with a couple of interesting data points from which we can derive patterns

| Total spend	MRR lost	Months c	MAU	Plan	Vertical	Stage	Employ	Active	Persona	Reports	Profiles	Groups	Slack c	Hubspot	Usage
2,384	149	16.00	1000	Growth	B2C	seed	15	0/11	pm	0	5	no	yes	no	https://analytics
1,163	179	7.00	2500	Growth	B2B	seed	12	1/9	founder	8	21	yes	yes	no	https://analytics
149	149	1.00	1000	Growth	B2B	preseed	2	1/1	founder	0	13	yes	no	no	https://analytics
567	194	3.00	2000	Growth	B2C	Seed	6	1/6	eng	4	7	no	no	no	https://analytics
596	149	4.00	100	Growth	B2C	B	50	1/3	product	12	9	no	yes	no	https://analytics
1192	149	8.00	1800	Growth	B2B	Seed	20	2/4	CS	4	2	yes	yes	no	https://analytics

Interesting patterns:

- most companies had only 1 active seat in the previous 14 days → **good churn predictor**
- all companies opened less than 15 reports → **good churn predictor**
- All companies opened less than 20 profiles in the previous 14 days → **good churn predictor**

Here's the sheet with the data points I personally use.

Now that we know under which numbers we should worry, we need to measure them at scale. To do this, you can ask your engineering team to use cron jobs. A cron jobs is an automation that runs in the background every X hours and that compute an information you can attach to users or companies in your favourite analytics.

Alternatively some tools like June gives you Computed traits, the equivalent of cron jobs, but without code required.

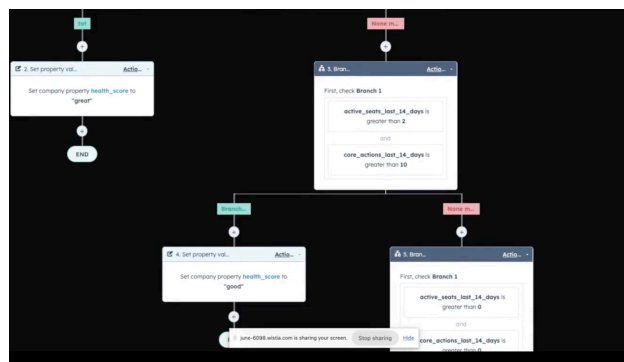This feature will compute every day these predictors for all of your companies.
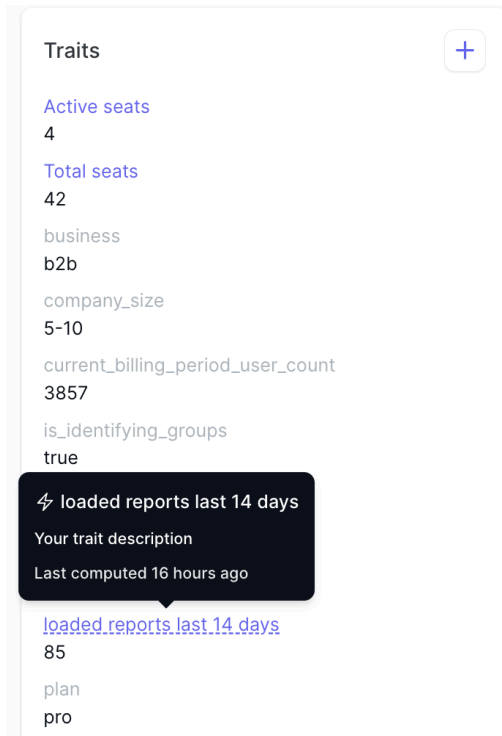
A company profile after using a cron job or computed traits.

Using churn predictors in the CRM

It's action time!

Once you have all of your churn predictors, sending them to your CRM is a piece of cake.

An automation in Hubspot

For the rest of the eBook, and for the sake of being precise, I'll be sharing how we use our product anlaytics, June, and send the information we discussed to the Hubspot or Attio.

If you're using one of these two CRMs, then you can replicate exactly this playbook. If you don't you'll have to find equivalents in the CRM you use. But that shouldn't be a problem as most CRMs work the same way.

_____

In this video you can see how to set up the integration in just a few minutes!

Once you have all your churn predictors in the CRM, you can use them to set up workflows or lists so that you can re-engage customers before it's too late.

Here you can find some examples of reactivation efforts we run on an ongoing basis at June.

Example 1

Here's an Attio list that we use to reach out to accounts with only one active seat (very dangerous scenario for us!)
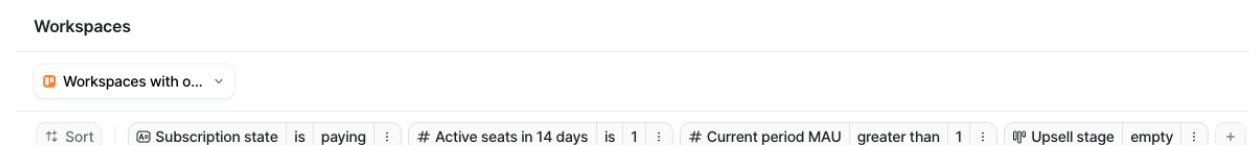
The rationale behind this initiative is the following:

Vast majority of the companies that churn from June have only 1 active (or not so active) member. In most cases they invite most of the team but they do not really activate. Normally the most active person is the founder which also happens to be the only "persona" that cares about others in the org. For this reason reaching out

to him offering to help the team activate in June and make them more successful would be a good bet.

Process:

1. Go find the workspace in June using the Id.
2. Find who's the active seat there (using active users report or another one there on the company page).
3. Make sure you did not email them with the other sequence recently

And this is the copy we use:

> *Subject: What about <teammate1>, <teammate2>, and <teammate3>?*
>
> *Hello,*
>
> *it's Hani, customer success at June*
>
> *I noticed you've been the main person at <company name> using our app, and it got me thinking. Our dream for June has always been to make it super user-friendly for everyone in a team, whether they're in engineering, sales, or anywhere in between. The goal is to make sure everyone knows what's happening in the product so that they can do their job at best!*
>
> *I'm really keen to find out how we can make June work better for you and your colleagues. Maybe there's something we're missing, or perhaps there's a way we can tweak some features to suit different needs in your team?*
>
> *Looking forward to catching up!*
>
> *Cheers,*
> *Hani*

Example 2

In this Attio list, we focus on pushing some unengaged customers to use a feature that similar customers (based on setup and vertical) like a lot.Rationale: a good amount of customers are tracking groups with their setup but are not using one of our customer's favorite features: the company page. With this message we will push them to something that technically should be valuable for them.

Process:

1. Go find the workspace in June using the Id.
2. Take a screenshot of their company page (so they can understand what we see about them)
3. Paste it in the email

This is the copy we use:

Subject: B2B's favorite feature

Hi [Company name] team,

Hani here, customer success at June.

I'm reaching out because I noticed that even if you are indeed tracking companies you haven't really used the "company page" which is one of our b2b customers' favorite features.

As an example, you can see here below how you look like in our own June account:[screenshot here of the company page which is object of the email]:
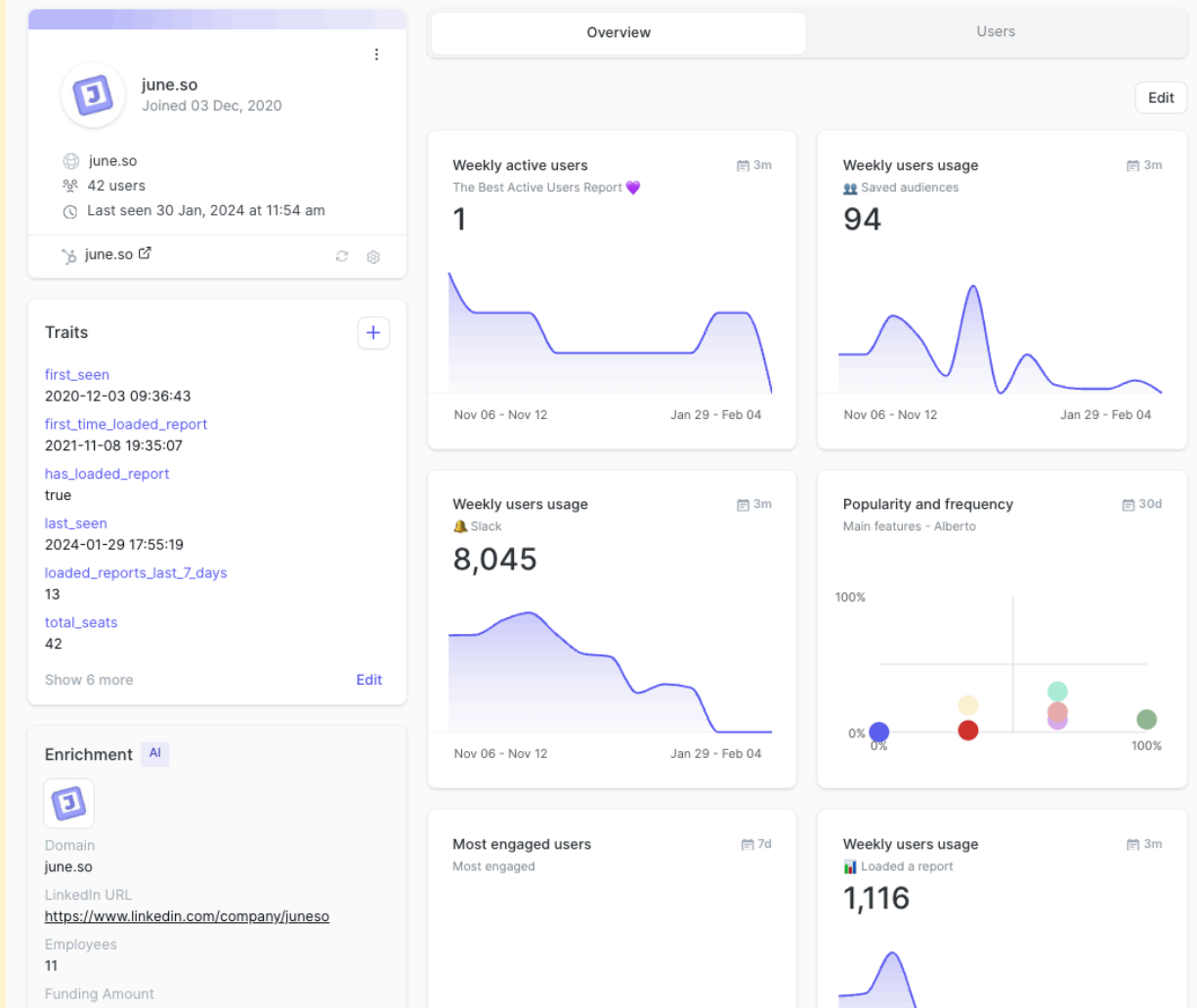
As you can see it's really simple to understand what the engagement of a single company looks like. You can configure your company page how you like it the most to answer questions like: how many weekly active users out of the total seats, which main features they're using, who are the power users, etc.

Most of our customers are using the company page just before hopping on a customer call or just to understand if it's time to upsell/re-engage.If you have any questions or doubts about how to set it up at best just let us know!!

Best,
Hani

Conclusion

In conclusion, proactively addressing customer churn is not just a strategy; it's a necessity for the growth and sustainability of early-stage startups, especially those targeting the bottom and mid-market segments. The insights gleaned from June's approach to understanding, predicting, and mitigating churn are invaluable. By meticulously identifying churned customers, scrutinizing their behavior prior to churning, and deriving actionable churn predictors, startups can transition from a reactive to a proactive stance.

However, the true efficacy of this strategy lies in its execution. Integrating churn predictors into a CRM and setting up informed, targeted re-engagement initiatives allows startups to not only anticipate potential churn but also to take decisive, personalized action to retain customers. This approach is not about salvaging every single account; it's about focusing on those whose loss genuinely impacts the business and whose retention aligns with the company's ideal customer profile (ICP).

June's method, characterized by its meticulous data collection, insightful analysis, and thoughtful customer re-engagement strategies, exemplifies a proactive churn mitigation strategy. This strategy is not static; it's a dynamic, ongoing process that requires continuous refinement and adaptation based on emerging data patterns and evolving customer behavior.

Ultimately, the battle against churn is an ongoing one, demanding constant vigilance, adaptability, and a deep understanding of customer needs and behaviors. By embracing a proactive approach, startups can not only diminish their churn rates but also enhance customer satisfaction, foster loyalty, and drive

sustainable growth. The journey from data to insight to action is challenging but immensely rewarding, paving the way for a more resilient and customer-centric business model.

If you have any questions or need help in leveraging your product usage data reach out to me or alberto at alberto@june.so

with your
product data

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