Executive Summary — Churn Prediction for SME Customers

[Recommended Solution]

Deploy a Random Forest–based churn prediction model to identify high-risk SME customers with high price sensitivity, enabling targeted retention actions (e.g., contract adjustments, pricing incentives) before churn occurs.

Model achieved strong performance with balanced precision and recall, indicating reliable identification of high-risk churn customers for proactive intervention.

[Situation]

PowerCo faces increasing churn among SME customers, with analysis indicating that changes in energy pricing and price sensitivity may be key contributors to customer attrition.

[Complication]

Without a data-driven understanding of churn drivers, PowerCo is unable to proactively identify high-risk customers, leading to reactive retention efforts and potential revenue leakage.

[Question]

Can a predictive model accurately identify SME customers at high risk of churn, and which features most strongly explain churn behavior?