

Executive summary best practice

A good executive summary provides all the key information in one slide

Consultants typically communicate in a “top down” or pyramid fashion, starting with the conclusion and then providing the supporting information

The goal is to communicate as much information in as few words as possible

Situation

- The energy market has become highly competitive, leading to significant churn, especially among PowerCo's SME customers.

Complication

- Existing churn reduction strategies, like across-the-board discounts, have had limited impact. PowerCo needs to better understand the key drivers of churn.

Question

- Is churn driven by the customers' price sensitivity?

Answer

- Based on the feature importance analysis, it appears that churn is not primarily driven by the customers' price sensitivity alone.
- The key drivers of churn for PowerCo's SME customers include: Net margin and consumption over 12 months, Margin on power subscription, Time-related factors, such as number of months active, tenure, and time since contract update
- While price-related features are present, they are not the main drivers of churn. The analysis suggests that a combination of factors, including electricity consumption, margins, and account history, are more influential in predicting customer churn.

Recommendations:

- Offer targeted discounts to high-value, high-churn-risk customers
- Focus on improving customer experience, not just pricing
- Avoid blanket discount strategies, which can be costly

Conclusion:

The analysis indicates that a more comprehensive, data-driven approach is needed to effectively address churn for PowerCo's SME customers. While price sensitivity plays a role, it is not the sole or even the primary driver of churn. By understanding the multifaceted nature of the churn problem, PowerCo can develop more targeted and effective retention strategies.