



# RevOps 2024 Churn Analysis

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Insights partly generated with AI utilizing Zeni ChurnGPT built by Krunalkumar Shah & Brandon Dith-Berry.

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## Goal & Methodology

The Zeni Revenue Operations team conducted a comprehensive churn analysis to validate and understand the reasons behind customer churn in 2024. Our goal was to approach this critical aspect with a fresh, unbiased perspective, leveraging direct customer feedback wherever possible. We gathered insights from Customer Success, Sales, Marketing, Financial Planning & Analysis, and Finance Operations, as well as data from Avoma meeting recordings, email communications (via Front and HubSpot), and HubSpot notes and churn tickets.

Central to this effort was the integration of ChurnGPT, our custom HubSpot and OpenAI GPT solution, which automatically analyzes every churn ticket upon resolution. ChurnGPT processed and summarized our entire dataset, which we further refined through prompt optimization and model training to ensure accuracy.

The result is a thorough analysis highlighting key trends and insights, along with a strategy to mitigate future churn. Our vision is to implement this automated process on a rolling basis—monthly or quarterly—to provide continuous, scalable insights into churn, ultimately enhancing Zeni's customer experience and business performance. ChurnGPT represents an exciting leap forward in our ability to drive data-driven decisions and improve retention.

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## Service Issues

32.1% of Churn | 26 Customers

### Common Issues:

- Service quality dissatisfaction (delays, billing issues, lack of communication).
- Controller transitions and insufficiently aligned services to customer needs.
- Unmet customer expectations for financial reports or technical support.

### Mitigation Strategies:

- Improve customer service responsiveness by implementing stricter SLAs and real-time monitoring.
- Offer tailored onboarding plans based on company size and complexity.

- Conduct more frequent check-ins to capture dissatisfaction early.
- Ensure clear communication about service capabilities to set realistic expectations from the start.

### **Example Tickets:**

- After Services: Churn due to complex reporting needs.
  - Beige Corporation: Issues with onboarding and unresolved service challenges.
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## **Uncontrollable**

Company Shut Down: 22.22% of Churn | 18 Customers

Company Sold: 8.64% of Churn | 7 Customers

Moved to Netsuite: 1.23% of Churn | 1 Customer

### **Common Issues:**

- Business closures due to financial instability, acquisition, or moving to a tech stack not supported.
- Customers consolidating services post-acquisition or shifting focus after being sold.

### **Mitigation Strategies:**

- Develop exit processes that maintain a positive relationship and open the door for re-engagement.
- Offer value-added services (e.g., post-closure tax services) to assist customers through transitions.
- Partner with companies like NetSuite for collaboration in cases where transitions are unavoidable.

### **Example Tickets:**

- SurfaceInk: Churn due to acquisition and operational closure.
  - Parafin: Moved to NetSuite, which Zeni does not support.
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## **Lack of Funding**

13.58% of Churn | 11 Customers

### **Common Issues:**

- Customers face financial difficulties and are unable to afford Zeni's services.

- Cash flow challenges due to market conditions, fraud, or operational struggles.

### **Mitigation Strategies:**

- Offer payment plans or pause services temporarily to help customers regain financial footing.
- Partner with financial institutions to help clients access funding or financing options.
- Provide advisory services on cost-saving measures or financial management to alleviate short-term struggles.

### **Example Tickets:**

- EMEDIC TECHNOLOGIES: Struggled with ongoing financial instability, leading to missed payments.
  - Stanza Space: Faced revenue growth constraints due to financial instability.
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## **Hired In-House Team**

11.11% of Churn | 9 Customers

### **Common Issues:**

- Clients feel an in-house team offers more control, faster turnaround times, or cost-efficiency.
- Miscommunication or under-delivery of services pushes clients to manage finances internally.

### **Mitigation Strategies:**

- Provide clear ROI demonstrations that highlight the long-term benefits of Zeni vs. internal teams.
- Position Zeni's services as a scalable solution that grows with the business.
- Offer flexible pricing or services to accommodate growing teams bringing certain tasks in-house.

### **Example Tickets:**

- Medallion: Hired an in-house controller to reduce reliance on Zeni.
  - Pupford: Transitioned to an internal CPA to cut down costs.
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# Pricing Issues

6.17% of Churn | 5 Customers

## Common Issues:

- Customers believe that Zeni's services are too costly compared to competitors.
- Price-sensitive clients, especially during periods of financial strain or slow growth.

## Mitigation Strategies:

- Introduce flexible, customizable pricing packages based on the client's current financial health.
- Offer discounts for long-term contracts or bundle multiple services to create more value.
- Provide more transparent reporting on cost savings or value-added from Zeni's services.

## Example Tickets:

- &Collar: Churned due to finding a lower-priced competitor.
  - Rapchat: Could not justify Zeni's pricing in comparison to a cheaper alternative.
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# Unresponsive

2.47% of Churn | 2 Customers

## Common Issues:

- Customers become unresponsive despite multiple outreach attempts.
- Lack of clear feedback or communication, making it difficult to resolve issues or re-engage.
- Customers may disengage due to internal changes, shifts in priorities, or dissatisfaction not directly communicated.

## Mitigation Strategies:

- Implement an "escalation path" for unresponsive clients, where a Customer Success Manager steps in after the first sign of disengagement.
- Offer a reactivation plan that includes incentives like temporary discounts, additional services, or personalized support to reignite interest.
- Use engagement triggers such as service usage patterns or inactivity alerts to identify and address potential issues early.

## Example Tickets:

- Klugonyx: Churned due to lack of engagement and communication, despite attempts to re-engage.
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# Moved to Competitor

2.47% of Churn | 2 Customers

## Common Issues:

- Customers perceive greater value or a better fit with a competitor's service offerings.
- Competitors may offer lower prices, specific features, or customized solutions that better match the customer's needs.
- Lack of perceived differentiation in Zeni's offerings compared to competitors can make customers consider alternatives.

## Mitigation Strategies:

- Continuously benchmark Zeni's services against competitors to ensure that key differentiators are emphasized in marketing and customer communications.
- Regularly collect competitor intelligence through customer feedback and market research to identify areas for service improvement.
- Proactively address pricing concerns by offering flexible or customized packages and emphasizing Zeni's unique value proposition.

## Example Tickets:

- SonderCo: Churned due to dissatisfaction with Zeni's inability to meet customization needs, leading them to seek a competitor's specialized solution.
  - Aigen.io: Transitioned to a customized software solution that better fit their accounting needs.
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# Insights for Mitigating Churn:

1. **Proactive Customer Engagement:** Regular check-ins with clients can identify potential dissatisfaction before it leads to churn. Implementing a health check system could flag at-risk accounts based on communication patterns, service usage, and financial health.
2. **Service Transparency and Support:** Clearly communicating what services Zeni can and cannot provide, while ensuring swift resolutions to any service-related concerns, can reduce dissatisfaction.

- 3. Tiered Pricing & Service Models:** Creating a variety of packages tailored to different levels of need and financial capability allows businesses to scale with Zeni, rather than outgrow it or find it cost-prohibitive.
- 4. Tailored Onboarding & Reporting:** For larger or more complex clients, offering customized onboarding experiences and tailored financial reporting that aligns with their needs can prevent service-related frustrations.