

Strategic Memo

Executive Intelligence – Telco Turnaround Simulator

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Dashboards Referenced: Executive Intelligence Dashboard, Revenue Risk & Retention Strategy Simulator

Executive Summary

This memo outlines a strategic analysis of telecom churn, built on IBM's enterprise-grade synthetic dataset. By integrating churn modeling, customer segmentation, and lifetime value analysis, the Executive Intelligence system equips decision-makers with actionable insights. The goal is not just to report churn but to recommend tactical responses grounded in data and scalable for execution. This tool is built for clarity, agility, and strategic impact — turning risk signals into roadmap opportunities.

Key Insights

1. Churn Rate Represents a Significant Revenue Drain

A churn rate of 26.6% across 7,032 customers and \$455,661 in monthly recurring revenue signals systemic leakage. Each lost customer represents an average CLTV of \$2,159, illustrating the material stakes of customer attrition.

2. Month-to-Month Contracts Are High-Risk Zones

Churn among month-to-month users exceeds 40%, compared to 12% for one-year and 5% for two-year contracts. These customers represent disproportionate churn volume and financial risk, making them the ideal focus for retention intervention.

3. Risk Spikes Early, Especially with Fiber Optic Customers

The highest churn risk occurs within the first 12 months, particularly among Fiber Optic users. This suggests operational gaps in early engagement, onboarding, or service satisfaction that can be addressed to reduce risk in the first year.

Strategic Recommendations

- Launch a retention pilot focused on month-to-month customers with targeted upgrade or incentive offers.
- Enhance onboarding workflows to build early loyalty, with personalized touchpoints in the first 90 days.
- Investigate Fiber Optic churn patterns through qualitative feedback and service performance audits.

Use of ROI Simulation Tool

The ROI simulator allows business leaders to model different retention spend levels and evaluate projected revenue impact. Although this memo does not prescribe a single 'optimal' threshold, the tool offers strategic flexibility: leadership can stress-test interventions across spend ranges and customer segments. This elevates the simulator from a reporting tool to a planning asset.

Next Steps

- Finalize a segmentation-driven retention offer targeting high-risk short-term customers.
- Use the dashboards to monitor post-intervention churn and CLTV.
- Expand simulator-based planning into broader lifecycle strategies by next quarter.