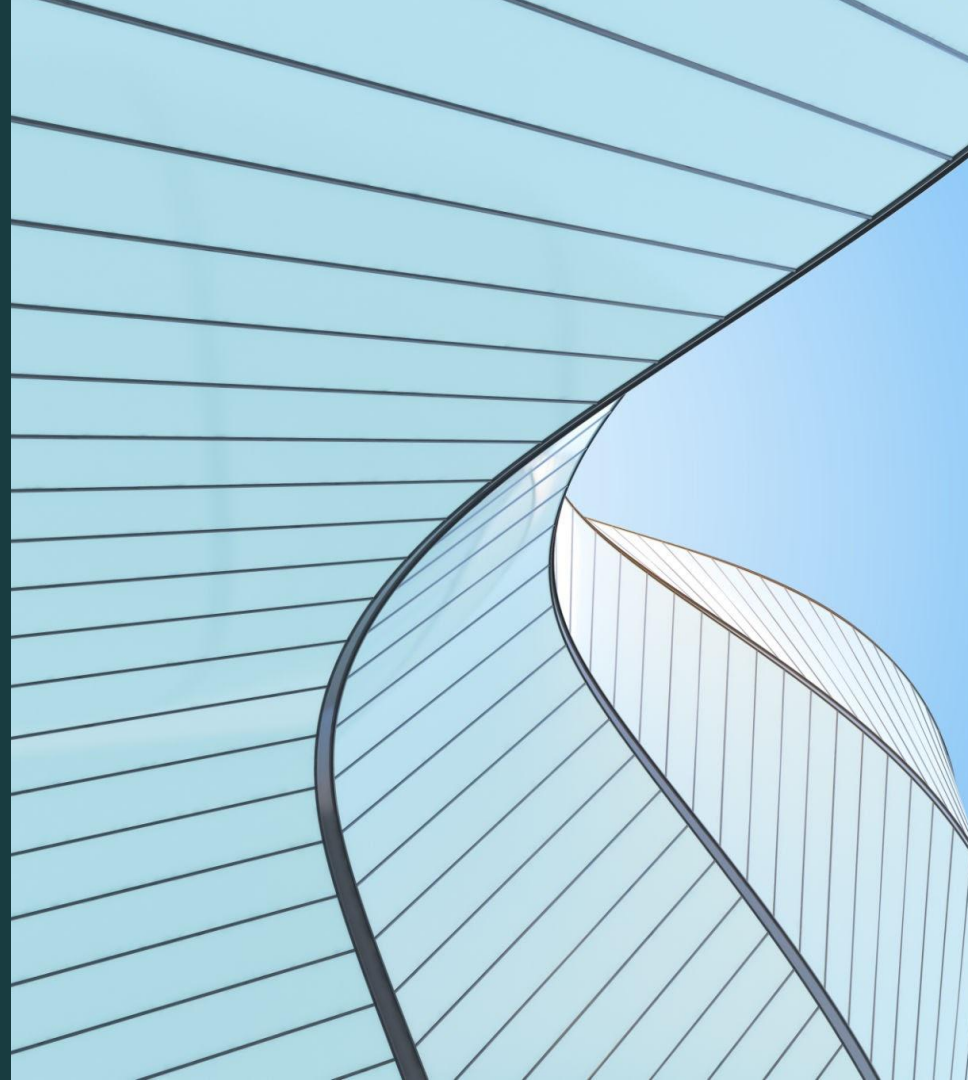


Executive Summary Best Practices

The recommended solution is simple: **We fixed the model's prediction strategy to make it actionable.**

This transformation resulted in a **6× increase in effectiveness**, allowing teams to confidently target a list where **2-3 out of every 10 customers are verified churn risks.**



SITUATION

PowerCo faces a critical and solvable revenue threat: Approximately **10%** of Small and Medium Enterprise (SME) customers are churning annually. The goal of this phase was to develop an actionable predictive model to target these at-risk customers for an intervention campaign.



COMPLICATIONS

Our initial model, despite high overall accuracy, was **useless for intervention** due to a fundamental flaw: it missed over **94%** of actual churners (**Recall** $\approx 5.5\%$). Deploying this model would have led to negligible ROI by failing to identify the clients most likely to leave.



RECOMMENDED SOLUTION

We have **successfully corrected the model's prediction strategy**, transforming it into a valuable intervention tool.

- **Impact:** The Tuned Model now successfully identifies 38% of all customers who will churn in the next three months (a **6x increase** in effectiveness).
- **Targeting:** This allows the Sales and Marketing teams to focus efforts effectively, confidently targeting a list where **2-3 out of every 10 flagged customers** are verified churn risks.



QUESTION

Given the model is now validated and ready for deployment, **what is the earliest date we can integrate the prioritized churn list into the Marketing and Sales workflows to begin capturing this lost revenue?**

