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2025 Guide to Forecasting Churn

A Seven Step Guide

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Forecasting for every kind of revenue team

BoostUp's AI-powered Revenue Command Center equips sales organizations with forecasting, sales coaching and deal inspection tools designed to deliver predictable and consistent growth. Companies such as MongoDB, Cloudflare, Teradata, and Udemy rely on BoostUp to increase sales productivity and accurately project revenue.

Forecast renewal and expansion revenue with BoostUp. ↗

Paul Staelin
Chief Customer Officer
Vercel

BoostUp took our CS forecasting from a 5% margin of error to less than 1% as we near the end of the quarter.

How Vercel Surpassed 105% Net Dollar Retention with BoostUp ↗

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The 25x Penalty: Why Churn Forecasting Costs You

For subscription-based businesses, retaining customers is imperative: it can be anywhere between five to 25 times more expensive[1] to acquire a new customer, and retaining old customers can boost profits between 25% and 95%.[2] Understanding churn isn't optional. It's the key to sustaining revenue growth.

Effective churn forecasting helps companies identify at-risk accounts early, prioritize interventions, and track retention – yet many organizations struggle to realize these benefits due to three systemic issues: **inconsistent customer data** that generates misleading insights, **siloed operations** between Customer Success, Sales, and RevOps result in misaligned interventions, and an over-reliance on **lagging indicators** like historical churn rates leaves companies vulnerable to unexpected losses.

The ability to forecast churn effectively is the difference between reacting to problems and staying ahead of them. With the right insights, processes, and tools, you can reduce churn, create alignment across teams, and improve overall customer health and renewal rates.

This guide walks you through a clear, step-by-step approach to forecasting churn. Whether you're a Customer Success leader, a RevOps expert, or the CRO, this guide is built to support your efforts in proactively retaining customers and sustaining long-term revenue.

Let's get started.

References:
[1] Harvard Business Review: The Value of Keeping the Right Customers
[2] Harvard Business School Press: Loyalty Rules!

5-25x
more expensive to acquire a new customer

Step 1: Map Your Five Churn Types

Churn is more complicated than a simple calculation of customer retention. The type of churn your organization faces depends on your business model, revenue streams, and customer base. Defining churn clearly is the first step to managing it effectively.

5 Types of Churn

- **Voluntary Churn:** When customers actively choose to leave, often due to unmet expectations or budget constraints.
- **Involuntary Churn:** When logistical issues like failed payments disrupt the relationship.
- **Logo Churn:** The loss of customers, often expressed as a percentage of your total customer count.
- **Revenue Churn:** The financial impact of lost customers, which accounts for downgrades, cancellations, or non-renewals.
- **Partial Churn:** Scenarios where customers reduce spending without leaving entirely, such as downgrading to a lower-tier plan.

Understanding these categories enables teams to pinpoint the root causes of churn and craft targeted responses. For example, voluntary churn might highlight gaps in product value or customer engagement, while partial churn, such as downgrading, might signify a customer's intent to stay engaged and potentially expand their relationship in the future.

3 Phases of Churn

- **Early-stage churn:** Customers fail to see the initial value, often due to poor onboarding or mismatched expectations.
- **Mid-stage churn:** Customers don't experience ongoing measurable outcomes, leading to disengagement.
- **Late-stage churn:** The relationship stagnates, and customers outgrow your solution or shift priorities.

For many B2B SaaS companies, **early-stage churn is the most critical to address**, because saving a customer after disengagement is far harder than preventing churn in the first place. By the time churn happens it's usually too late to save a customer, and even if they're rescued, their likelihood of future churn often increases. It's critical to catch early signals that a customer is failing before even they know they're failing.

Paul Staelin
Chief Customer Officer
Vercel

"Downselling is rebuying at a lower price. They could have opted to leave, but they stayed. It's a good signal."

Step 2: Keep Eyes on KPIs

Understanding and addressing churn starts with analyzing the right data. Accurate data doesn't just show where churn is happening – it reveals why it's happening and how to address it.

Key Indicators of Churn

Customer satisfaction, including widely used metrics such as health scores, has no proven correlation with churn or retention. To understand where customers are succeeding and struggling, start by analyzing these metrics instead:

- **Customer Lifecycle Events:** Milestones like onboarding, product adoption, or anniversaries signal engagement trends and potential churn risks.

- **Usage Patterns:** Declines in activity or erratic engagement often indicate waning interest or difficulty with your product.

- **Contract Terms:** Data on contract length, renewal dates, and flexibility can help you predict churn likelihood.

- **Support Ticket Trends:** Frequent support tickets might seem negative, but they often indicate active usage and a chance to reinforce value.

- **NPS scores:** While not a direct churn indicator, NPS can uncover dissatisfaction or loyalty trends that require action.

These metrics should serve to illuminate the customer's journey rather than gauging overall satisfaction or retention.

Jeff Saenger
VP of Customer Success
BoostUp

"Accurate renewal forecasts not only influence top-line growth projections but also provide insights into the stickiness of products/services, customer success efficacy, and the overall health of a recurring revenue business model."

BoostUp

Greg Daines

Chief Executive Officer
ChurnRx

"Customers who achieve early positive results have **lifespans 8x longer** than those who do not."

Understand Early Indicators

Early-stage churn often arises when customers fail to achieve quick wins. To combat this, **focus on identifying small, measurable outcomes** that matter most to them. For example:

- What do they hope to achieve in their first 30, 60, or 90 days?

- Are they reaching critical adoption milestones?

Even if customers initially achieve suboptimal results, sharing and measuring those results with them can double their lifetime tenure.[3] Ultimately, customers value **tangible evidence of progress** over perfection. Ensure the reliability and completeness of your data sources to deliver accurate insights that foster trust and long-term relationships, no matter the stage of your customer's success.

Context Over Raw Data

Not all metrics carry the same weight. For instance:

- A declining health score might indicate disengagement, but it could also reflect seasonal changes in usage.

- Trouble tickets might signal dissatisfaction – or active problem-solving and success with the product.

To accurately forecast churn, focus on what the data reveals about customer goals, behaviors, and progress. Identifying the right data in context gives your teams the tools to stay ahead of churn risks and act decisively.

References:
[3] Boostup.ai: 3 Blockers Killing Your CS Forecasts and How to Fix Them

Step 3: Enrich your KPIs with Past Patterns

Historical data holds the key to predicting churn. By analyzing past use cases, you can uncover recurring trends that signal a higher likelihood of churn. The challenge lies in connecting the dots – identifying which metrics consistently predict churn and using them to inform proactive strategies.

Correlate Specific Metrics with Churn Outcomes

- **Time-to-value:** How quickly customers achieve their first meaningful results? Delays here often predict early-stage churn.

- **Usage consistency:** Fluctuations in engagement – such as irregular logins or declining product adoption – may indicate wavering interest or insufficient usage.

Turn Indicator Insights into Action

- **Time-to-Value Delays:** If historical data shows delayed onboarding correlates with churn, create a playbook for accelerating time-to-value through targeted interventions.

- **Usage Declines:** Use past trends to build workflows that trigger alerts when engagement drops below a specific threshold.

- **Health Score Drops:** Supplement automated scores with Account Manager (AM) feedback to ensure qualitative insights are included.

Identify metrics that align with the unique dynamics of your customer base. Understanding these leading indicators is essential to building a proactive, data-driven approach to managing churn.

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Jeff Saenger
VP of Customer Success
BoostUp

"Unlike new customer business, renewal forecasting requires a deeper understanding of customer health, engagement levels, product usage, and historical purchasing behavior."

Step 4: Utilize Real-Time Data to Monitor Accounts Dynamically

Once you've analyzed use cases, effective churn forecasting requires an additional layer of real-time data. Earlier, Steps 2 and 3 focused on foundational datapoints and historical trends. While historical trends help identify patterns, real-time data reveals the current state of your customer base, enabling quicker, more precise interventions.

Real-time data minimizes forecasting errors and enables faster responses to risks. Many enterprise leaders use live data feeds depicting NPS scores, license utilizations, monthly active users, and support tickets, to reduce forecasting margins of error. This drastically improves outcomes for Net Dollar Retention (NDR) and revenue planning.

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Real-Time Metrics to Monitor

To create dynamic churn projections, integrate data from multiple sources, including:
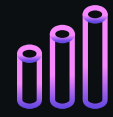
Product Usage Data

A decline in any of the following can act as a precursor to churn.

- Session length
- Number of daily/monthly active users
- Login frequency
- Feature utilization

Support Interactions

Patterns in support interactions can reveal dissatisfaction or growing pains.

- Support ticket volume
- Average resolution time
- First response time
- Repeat contact rate

Renewal Discussions

Monitor the status of renewal negotiations to identify risks tied to delays or objections.

- Time to Renewal
- Renewal Stage Progression
- Customer Renewal Readiness

Customer Health Scores

This metric combines multiple metrics to offer a consolidated view of churn risk. Factors influencing Customer Health Scores include:

- Usage
- Net promoter scores
- Support tickets
- Customer satisfaction scores
- Account growth or contraction

For example, if live data shows that a key account's engagement is dropping, CS teams can act immediately by scheduling a check-in, while RevOps ensures this risk is factored into renewal forecasts. This data also contributes to a structured approach to **securing renewals between teams**, bridging the gap between traditional CS metrics and revenue outcomes.

Accurate, up-to-date data is critical for a solid forecast – which our research found can result in a 67% higher chance of hitting your revenue goals.[4] With it, you can identify risks earlier, optimize forecasting accuracy, and respond dynamically to changes. Being able to see data from multiple processes and teams allows companies such as Vercel to cut the margin of error in their forecasts from 5% to 1%, which drastically impacts critical metrics such as Net Dollar Retention (NDR).

References:
[4] Boostup.ai: 2025 RevOps Compensation & Impact Report

Step 5: Refine Churn Projections with Targeted Account Manager Insights

While data-driven analysis forms the foundation of churn forecasting, it cannot capture the entirety of your customers' experiences. This is where **qualitative feedback** from Account Managers (AMs) becomes invaluable. Here's how to make AM feedback actionable:

1. Detect Emerging Risks Early

By incorporating AM input, you can uncover **blind spots** that data alone might miss. These include:

- Changes in customer priorities or internal challenges.

- Shifts in decision-making dynamics, such as a new stakeholder or altered business goals.

- Early signs of dissatisfaction or disengagement that haven't yet appeared in qualitative metrics.

- Budgetary or operational constraints that customers may not disclose in surveys

- Expansion or upsell readiness

These early warning signs – often undetectable in data – help refine risk assessments.

2. Add Context to Metrics

Account Manager insights are especially valuable for identifying blind spots in your data. For example:

- A customer's health score may look strong, but an AM might flag a potential risk, such as leadership changes or budget cuts.

- Conversely, a low NPS score might trigger concern, but AMs could explain it as a one-off frustration rather than a sign of broader dissatisfaction.

This dual approach—combining data with real-world context—allows teams to craft more targeted interventions and improve forecast accuracy.

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3. Strengthen Retention Strategies with Structured Feedback

Establish regular touchpoints with AMs to gather their observations. Use structured feedback mechanisms, such as customer health score updates or account review meetings, to ensure their input is actionable and aligned with your existing data. This collaborative approach not only strengthens churn projections but also builds cross-functional alignment between your Customer Success and Sales teams.

The biggest mistake is confusing sentiment for health – these two measures can be wildly uncorrelated. Often, customers who have the most questions and problems end up staying the longest.

Paul Staelin
Chief Customer Officer
Vercel

For effective and predictive health scoring, CS leaders use the **DEAR framework**, which allows for more robust diagnoses and recommendations than a simple health score:

Deployment:

How many solutions have they deployed?

Engagement:

Are they engaging with your team and showing up on calls? Are they filing cases? Are they active?

Adoption:

Are they using one or many features? It's more difficult to replace a vendor that's doing many things for you than one who does only one.

Return:

Are they educated on and measuring ROI?

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Step 6: Establish a Churn Review Cadence

A robust churn forecasting process requires consistent collaboration and alignment across teams. Setting up a regular cadence for reviewing and acting on churn projections ensures risks are addressed promptly and strategically.

Calendars or It Doesn't Happen

Schedule recurring meetings involving key stakeholders, such as **RevOps, CS Ops, Account Managers, and leadership**. Use these sessions to:

- Spot emerging risks and address them properly.

- Review forecasts.

- Align risk mitigation strategies across CS, RevOps, and Sales teams to ensure consistency.

- Surface opportunities for expansion alongside churn mitigation.

Frequent account reviews drive alignment and can increase revenue attainment – but only when they include the right team members. More than half of revenue teams are not currently included in weekly deal reviews.[5]

Key Considerations when Establishing a Churn Cadence

1. **Define Meeting Frequency:**

   - Weekly: focus on immediate risks and at-risk accounts.

   - Monthly or Quarterly: Broader reviews of churn trends, intervention effectiveness, and process improvements.

2. **Involve the Right Stakeholders**
   Bring together CS leaders, RevOps, Account Managers, and Sales teams to share insights and align on priorities. Ensure discussions include actionable next steps for at-risk accounts.

3. **Set Clear Roles and Responsibilities**
   Define who is accountable for each stage of the customer lifecycle. For example:

   - CS teams handle customer health and engagement.

   - RevOps manages data, forecasts, and process alignment.

   - Sales teams support renewal strategy and account growth.

References:
[4] Boostup.ai: 2025 RevOps Compensation & Impact Report

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Jeff Saenger
VP of Customer Success
BoostUp

"The CSM clearly owns the customers, but many companies miss this: There needs to be a clear delineation between the work that the CSM does and the daily elements that lead to success, and the actual execution and strategy that sits behind the renewal itself."

Collaboration between Sales and Customer Success teams should focus on **customer outcomes** rather than product features, ensuring alignment with the customer's goals from the outset. Every contributor should establish clear expectations and measurable outcomes with customers from the get-go, and commit to maintaining a continuous dialogue moving forward.

What to Cover in Forecast Reviews

Focus your discussions on areas that drive action:

- **At-Risk Accounts:** Identify accounts showing early warning signs, such as declining engagement or unmet milestones.

- **Intervention Plans:** Agree on specific strategies to address risks, such as re-engagement campaigns or executive check-ins.

- **Opportunities for Expansion:** Explore accounts with potential for upsells or cross-sells to offset churn.

A well-defined cadence creates consistency and reduces ambiguity across your organization. It ensures that churn forecasting is not just a CS function but a shared responsibility supported by RevOps and Sales. This alignment increases the likelihood of retaining customers and achieving revenue targets.

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A Maturity Model for Churn Forecasting

Adapting the sales forecasting model to Churn forecasting helps organizations move from reactive churn management to predictive and proactive retention strategies. Here's how CS teams can progress through five stages of maturity:

Stage 1: CRM-Only (Manual & Isolated)	Stage 2: Accountable (Qualitative Input & Team Effort)	Stage 3: Actionable (Evidence-Based & Repeatable)	Stage 4: Projectable (Trend-Based Projections)	Stage 5: Predictive (AI-Driven Forecasting)
Organization Maturity: Reliant on manual efforts managed by Operations on an ad-hoc, as-needed basis.	**Organization Maturity:** Involves a broader team effort, including Account Managers and Customer Success Managers contributing qualitative judgments.	**Organization Maturity:** Focused on collaboration across CS, Sales, and RevOps, with an emphasis on sharing insights and feedback.	**Organization Maturity:** Enables CS teams to develop forecasts based on historical trends, incorporating a broader organizational responsibility for accuracy.	**Organization Maturity:** Fully accountable to forecasting outcomes, with predictive models democratized across the organization.
Process Maturity: Basic and unstructured; churn forecasting is based solely on CRM data (e.g., account status or renewal timelines).	**Process Maturity:** Establishes a weekly process, like recurring retention or churn prediction calls, incorporating human judgment and team insights.	**Process Maturity:** Moves to repeatable workflows, including weekly forecasting assemblies and systematic reviews of evidence like customer health scores or engagement trends.	**Process Maturity:** Establishes a cadence of reviews focused on forecasting accuracy and pacing, allowing for periodic refinements.	**Process Maturity:** Forecasting becomes democratized and integrated, with all stakeholders contributing to building forecast confidence.
Metrics: Limited to CRM data, such as renewal stages or customer categories.	**Metrics:** Adds accountability through rollups of weekly forecasting calls, highlighting customer risks and renewal likelihoods.	**Metrics:** Tracks adherence to forecast submissions and historical trends, ensuring predictions are actionable.	**Metrics:** Tracks forecast accuracy and pacing to ensure consistency and improved projections over time.	**Metrics:** Focuses on advanced indicators such as "forecast at risk" metrics and AI-driven projections for retention outcomes.
Tools: CRM platforms and spreadsheets are the primary tools, offering minimal predictive power.	**Tools:** Introduction of collaborative tools to aggregate feedback and facilitate consistent forecasting discussions.	**Tools:** Incorporates deal forecasting and structured forecasting tools to provide stronger alignment across teams.	**Tools:** Introduces historical data analysis tools for trend-based projections and accuracy reviews.	**Tools:** Integrates AI and machine learning tools to identify risks, predict outcomes, and make precise recommendations.

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Step 7: Automate workflow with triggers and alerts

By implementing triggers and alerts for early warning signs, you can identify and address risks before they escalate. Automation bridges the gap between insights and action. By setting up triggers tied to leading indicators of churn, you can ensure your team is notified of risks in real-time. These triggers not only increase efficiency but also create consistency in how churn risks are managed.

Key Triggers to Set Up

Configure triggers around these indicators:

- **Declining Usage Patterns:** Alerts when engagement metrics such as logins or feature adoption drop below a set threshold.

- **Unresolved Support Issues:** Notifications for repeated or unresolved support tickets, which may signal dissatisfaction or frustration.

- **Missed Milestones:** Triggers for key adoption or lifecycle events that haven't been met, such as onboarding delays or unfulfilled product goals.

- **NPS Dips:** Alerts when NPS or other feedback scores fall below a critical level.

These triggers should be tied directly to playbooks—predefined action plans that guide teams on how to respond effectively to each scenario.

Building Collaborative Playbooks

Playbooks provide step-by-step guidance for addressing specific scenarios. For instance:

- **For Declining Usage:** Initiate a re-engagement plan, including personalized outreach and a review of adoption blockers.

- **For NPS Dips:** Conduct a customer satisfaction survey or schedule a check-in with an Account Manager to address concerns.

- **For Missed Milestones:** Trigger an internal escalation to assess roadblocks and align with the customer on new action steps to meet their goals.

- **For Payment Delays:** Reach out with a friendly reminder, coupled with a tailored offer or flexibility plan to retain their engagement.
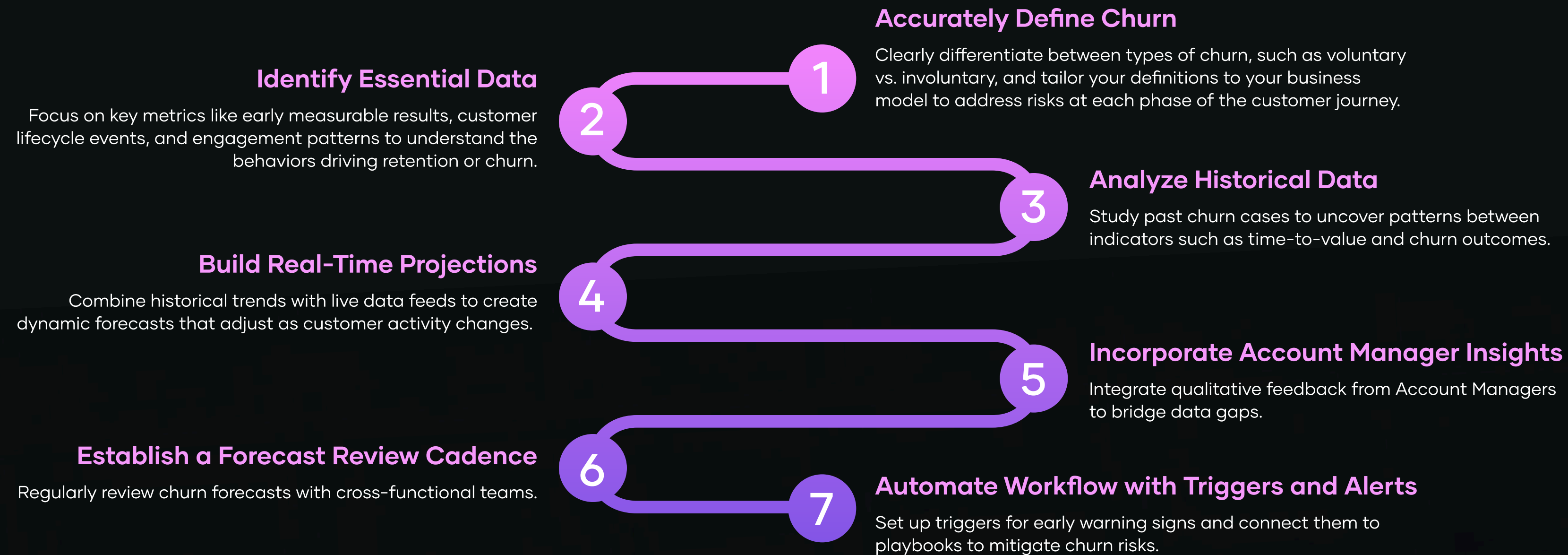
Incorporate AI

Often, renewals happen across three different teams, which means dealing with three owners, work streams, sales processes, and forecasting processes. Managing all of this in a spreadsheet quickly becomes unwieldy. To streamline workflows, integrate your automated triggers and alerts into a single system accessible to Customer Success, RevOps, and Sales. Tools like BoostUp that interface directly with CRM and other customer data sources to create a unified view enable real-time visibility and cross-team collaboration.

Automation transforms churn forecasting from a manual, reactive process into a proactive strategy. With triggers and playbooks in place, your organization can:

- Respond to risks faster, reducing the likelihood of churn.

- Free up team capacity to focus on long-term relationship-building.

- Create consistency and accountability across teams managing renewals and customer success.

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Conclusion: Your Forecast, Your Edge

Churn forecasting isn't just about preventing losses – it's about understanding your customers, aligning your teams, and driving revenue through better retention, deals, and expansions. By building a well-defined process, leveraging quality data, and fostering collaboration across teams, your organization can turn churn forecasting into a competitive advantage.

Accurately Define Churn

1 Clearly differentiate between types of churn, such as voluntary vs. involuntary, and tailor your definitions to your business model to address risks at each phase of the customer journey.

Identify Essential Data

2 Focus on key metrics like early measurable results, customer lifecycle events, and engagement patterns to understand the behaviors driving retention or churn.

Analyze Historical Data

3 Study past churn cases to uncover patterns between indicators such as time-to-value and churn outcomes.

Build Real-Time Projections

4 Combine historical trends with live data feeds to create dynamic forecasts that adjust as customer activity changes.

Incorporate Account Manager Insights

5 Integrate qualitative feedback from Account Managers to bridge data gaps.

Establish a Forecast Review Cadence

6 Regularly review churn forecasts with cross-functional teams.

Automate Workflow with Triggers and Alerts

7 Set up triggers for early warning signs and connect them to playbooks to mitigate churn risks.

Take a moment to evaluate your current churn forecasting capabilities. Are your processes structured, your data reliable, and your teams aligned? If the answer isn't a confident yes, it's time to take the steps outlined in this guide to build a foundation for success.

The sooner you begin refining your approach, the closer you'll be to mastering churn forecasting – and transforming customer retention into a strategic advantage for your business.

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