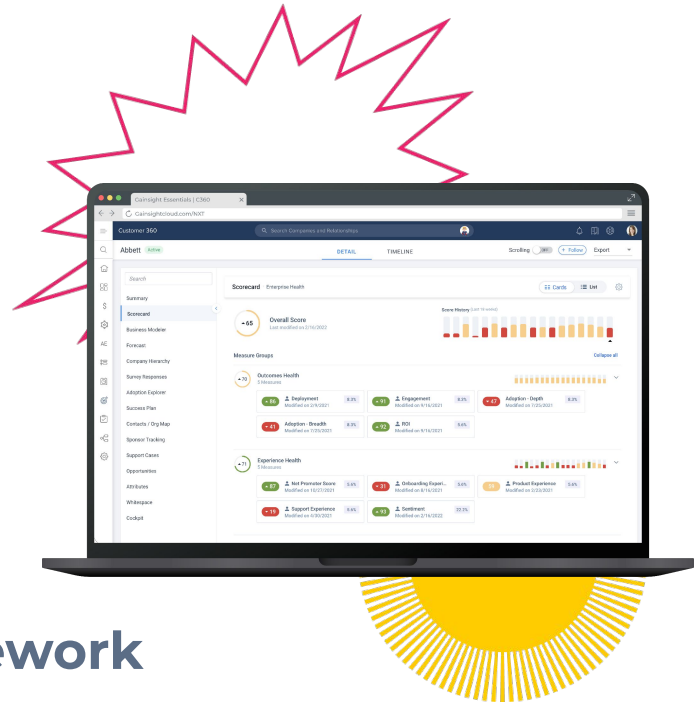


Limiting Surprises with Gainsight Health Scores

Companies need a consistent way to identify, visualize, and quantify their customer’s health, satisfaction, and likelihood of expansion/churn. However, like most data-driven measures, data sometimes fails to tell the entire story.

Whether it’s oversimplification and overreliance on a single metric, or an overwhelming number of different metrics (number soup), it can be hard for teams to decide which to trust and which to take action on.



Introducing: The DEAR Framework

How do we address the challenges above? Gainsight and many of our customers trust the DEAR Framework.

DEAR is Gainsight’s best practices framework for understanding and measuring health scores. Best of all, it can bucket different health measures into specific themes and guiding questions, and each theme has specific actions to take when the score is at a certain threshold.

We break down the DEAR Framework into four segments that define, capture, and visualize customer health.

		Varies Based on:		
Measure	Why is it relevant?	SaaS vs. On-Prem vs. Consumption	High-Touch vs. Low-Touch	Data Capture Method
Deployment <i>Is the customer activated?</i>	Customers are utilizing the product and creating value	✓		
Engagement <i>Is the customer engaged?</i>	Strong commitment towards achieving outcomes		✓	
Adoption <i>Is the customer using the product?</i>	Product is sticky and being used healthily	✓		
ROI <i>Is the customer seeing value?</i>	More likely to not churn, expand usage, or advocate for the product			✓

Why Customer Health Scores Matter

A customer health score measures how your customers interact with your products, how engaged they are with you as a company, and how much value they are experiencing. While customer health scores might not be as critical for every organization, they are essential for SaaS companies that depend on renewals.

In most cases, the primary purpose of the health score is to provide visibility into the health of the customers so one can accurately forecast churn and proactively assist them and mitigate attrition risk. A well-designed health score can provide a lot more value than simple visibility and forecast accuracy.

What are we measuring?	SaaS	On-Premise	Consumption
Deployment	<ul style="list-style-type: none"> Licenses activated Locations/business units activated Featured enabled Onboarding and training complete 	<ul style="list-style-type: none"> Licenses activated Number of downloads Featured enabled Services meeting Telemetry enabled Number of "call homes" 	<ul style="list-style-type: none"> Devices activated First use Features enabled/active
Engagement	<p>High-Touch Has there been a decision maker or admin check-in?</p> <p>Low-Touch Has the decision maker or admin recently opened an email and/or attended an event?</p>		
Adoption	<p>Depth</p> <ul style="list-style-type: none"> Number of users Active users Usage volume <p>Breadth</p> <ul style="list-style-type: none"> Number of features/products used Feature use by user Functions using product 	<ul style="list-style-type: none"> Latest version Usage monitoring Support tickets Trainings completed Community engagement Services usage 	<ul style="list-style-type: none"> Utilization Usage trends
ROI	<p>Inspirational How do we contribute to our customers' initiatives, values, and/or social responsibility</p> <p>Ease of doing business How do we add efficiency and expertise?</p> <p>Economic Have we improved the bottom line and/or reduced costs for our customers?</p>		



"There has to be a single platform where your customer health score and strategic account planning are all in one place. I'm really excited that [we] invested in Gainsight so early on."

Arvind Stokes
VP of CS & Support
Omada Health

Three Important Health Score Tips

- 1. Don't try to include everything.** If it's not meaningful, actionable, and applicable consistently to your customers, leave it out.
- 2. Just get started.** You don't need perfect data. You have signals, and you can get started on using them today. The important thing is taking action and iterating as your program/organization matures.
- 3. Keep it simple.** A simple score is easier to benchmark against over time, and it cuts down on the noise as you test which signals are meaningful and in what ways.