

Things to Consider When Building a *Health Score* In-House

Many teams underestimate what's required to build and maintain a customer health scoring model that actually drives action. If you're thinking about building one internally, here are a few critical considerations to keep in mind.

It's Not Just About the Model

A predictive model is only one part of the puzzle. Teams often discover they also need:

- Robust feature engineering to ensure models handle nuance (e.g., a 100K customer vs. a 10K one).
- Custom models per product, especially in multi-product environments with different behaviours and risks.
- Simulations and constraints to convert predictions into meaningful, bounded CSM actions - rather than vague alerts that go ignored.

Think Long-Term: *180 Days Ahead*

A common pitfall is building models that work only for near-term churn detection. Ideally, your model should maintain performance at least 180 days before renewal so teams have time to act. That level of forecasting stability takes careful planning.

The Hidden Cost of 'Free' Internal Builds

Even a lean internal build requires:

- A cross-functional team (data scientist, ML engineer, MLOps) - often totalling \$400k+ per year.
- A product owner to maintain momentum and alignment.
- Ongoing resourcing for UI, ops, and stakeholder training

Over time, model performance can be affected by changes in features, customer behaviour, or market dynamics. Quarterly remodelling is essential to avoid an increasingly inaccurate model.

Actionability is Often an Afterthought

A model that flags risk but doesn't guide action can add noise rather than clarity. Making it useful requires:

- Simulated outcomes to recommend next steps
- Only surfacing viable actions, so teams aren't stuck with suggestions they can't execute (like "add 10M users")
- Alignment with how CSMs actually work (cadences, playbooks, overrides).

Balancing actionability with performance is crucial, as highly actionable models may sacrifice some accuracy. Optimising for both requires deliberate design and ongoing refinement.

You'll Also Need to Build the Interface

Most internal builds start in spreadsheets or raw dashboards, but to drive adoption you'll need:

- A polished UI that explains scores and suggests next actions.
- Integration with existing CSM workflows and tools.
- Support for human overrides where appropriate.

IN SUMMARY

Building in-house can be viable, but it's important to go in with eyes wide open. It's not just a technical project - it's a product, data, and enablement commitment. For many teams, this becomes a multi-quarter investment with substantial opportunity costs.

Whether you build or buy, success hinges on making the model actionable, stable, and embedded into your team's workflow.