

Forecasting with Precision

How Hook Helps You *Move Fast* — Without the Burden

When forecasting falls short, so does your ability to plan strategically. For years Customer Success organizations have relied on rep-driven, bottom-up forecasts. The result? A forecast that is short-term, subjective, and often inconsistent.

Doubts about your forecast are common. Many leaders struggle with approaches that lack the precision needed for big-picture planning and outdated methods make it nearly impossible to plan with confidence.

With thousands of data points at your fingertips, as a CS leader you have the opportunity to transform your forecasting, creating accurate, full-year predictions that align with business goals. This shift to data-driven, top-down forecasting delivers confidence, predictability, and smarter decision-making. Here's how to forecast with precision.

STEP 1

Implement a data-driven health score

Create a health score based on product usage and subscription metrics, focusing on data that directly impacts retention and expansion. Then, analyze how these metrics historically behaved leading up to renewals to identify patterns of strong usage linked to retention.

Embed the health score into your entire tech stack, making it visible to CS/Sales teams. This provides leadership with a clear view of business health and risks, while giving CSMs actionable insights to address specific metrics, and rely less on sentiment.

STEP 2

Attach a retention rate % to every health score

By associating each health score tier with a specific retention probability, you create a quantifiable link between customer health and revenue forecasts.

This way, you'll know when a customer has a particular health score, rating their likelihood of renewal so your team can act fast and combat signs of churn before they fully materialize.

Eventually, you should be able to flag high-risk accounts quarters out.

STEP 3

Apply a retention rate to every customer

Assigning a retention rate to every customer allows for precise revenue forecasting, transforming individual health scores into a top-down view of overall retention potential. This approach will lead to a data-driven forecast across the entire portfolio.

Make sure to map each customer's health score to their retention rate and use these metrics to create a forecast model that accounts for all customers, segmented by risk levels.

Now that you've got a retention % with each health score tier, and a health score applied to each customer, you'll have a data-driven forecast for every account.