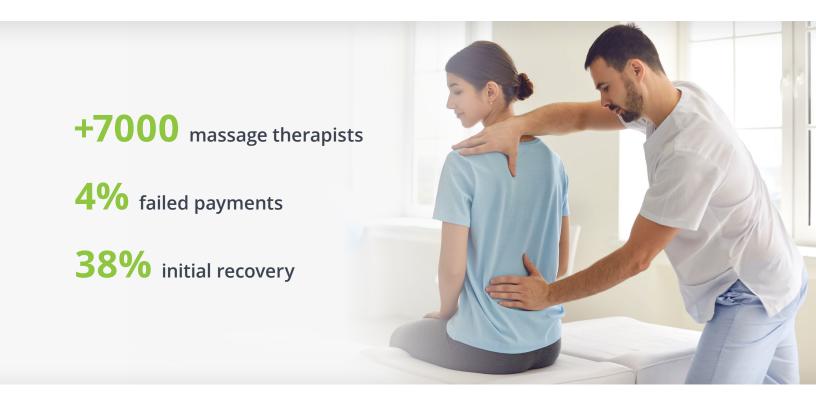# How **ClinicSense** reduced involuntary churn caused by failed payments

About ClinicSense

ClinicSense is a software as a service (SaaS) company, founded in 2013. Their platform supports over 7000 massage therapists who use it to run their business with services including electronic SOAP notes, intake forms, appointment management, payments, scheduling, and marketing activities.

+7000 massage therapists

4% failed payments

38% initial recovery

The Challenge

Failed payments on recurring billing was causing involuntary churn

ClinicSense has a low risk profile compared to average SaaS companies, both because they are a B2B company, and because their customers offer in-person services. ClinicSense uses Stripe Billing to manage subscriptions, along with payment authorization optimizations from Stripe. They were seeing low recurring payment failure rates - about 4% every month - compared to today's 15% industry average for subscriptions.

Despite the comparatively lower payment failure rate, CEO Daniel Ruscigno found that when payment issues did occur, they disrupted the customer journey. Some affected subscribers allow their subscription to be canceled and abandon their account. "If we weren't recovering the payment with FlexPay, it would be more likely they wouldn't make their payments. [...] Some of them might never come back". This type of customer loss is called involuntary churn. It's a generalized problem with market studies showing that 27% of subscribers are likely to end their subscription if they experience service interruptions due to failed payments. Payment processing failures are caused by an inflexible and outdated financial system that neither merchants nor subscribers are responsible for, but are both affected by.

The Solution

A purpose-built failed payment solution that discreetly fixes payments

In May 2022, ClinicSense was one of the first customers to try out FlexPay's direct integration with Stripe Billing, combining the power of Stripe's payments ecosystem with FlexPay's customized failed payment recovery solution: Invisible Recovery™.

- ML/DL trained on 5B+ transactions
- Quick payment restoration
- Gentle on merchant account

Invisible Recovery™

Invisible Recovery™ uses AI-powered payment recovery strategies that optimize for customer retention following recovery. This technology was developed with in-depth payments industry expertise and data from 5B+ transactions gathered from financial industry partnerships. FlexPay's Machine Learning and Deep Learning models review in near real-time why each individual transaction fails and adopts the recovery strategy accordingly. This allows for quick restoration of the payment, avoiding harm to the merchant account and inconveniencing subscribers.

The Result

With more than double the payments recovered in the background, ClinicSense unlocked more revenue

With a recovery strategy configured specifically for ClinicSense, FlexPay delivered an increase of 69% over their initial baseline- taking their failed payment recovery performance from 38% to 64%.

This level of improvement meant that ClinicSense could access increased profits to fuel their growth. By almost eliminating disruptions to their customer journey, each successfully recovered payment preserves the full LTV of the subscriber and provides additional revenue from each subsequent month of billing.

69%

improvement over baseline

FlexPay for Stripe

Optimizing transactions and revenue delivery

By integrating with Stripe Billing, FlexPay helps merchants with recurring billing models avoid the failed payment problem and the involuntary churn it creates. FlexPay for Stripe is currently available to all Stripe Billing customers and can be a vital value-added service to increase revenue, customer LTV, and successful card transactions.

"The advantage of FlexPay is that I don't have to think about customers whose payments are failing, I know that there's something in there that's taking care of it for me."
— *Daniel Ruscigno, CEO, Clinicsense*

For more information contact us.

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