

How to use: go through each section and check every box that applies. Tally your score at the end. Any unchecked box is a documented operational gap.

Payment Reserve Exposure

- 1 ☐ Do you know what percent of balance a single dispute can freeze?
- 2 ☐ Have you diversified processors so one hold can't stop all payouts?
- 3 ☐ Can you name your processor's exact reserve release timeline in writing?
- 4 ☐ Do you keep 30+ days of operating cash outside your payment processor?
- 5 ☐ Have you calculated worst-case frozen capital as a percent of monthly revenue?

Inventory Stockout Risk

- 6 ☐ Do you know your reorder lead time in exact days, not an estimate?
- 7 ☐ Have you calculated revenue lost per day of stockout at current velocity?
- 8 ☐ Do you track when low-stock scarcity messaging turns into real stockout risk?
- 9 ☐ Is your reorder point set below, not at, minimum safety stock?
- 10 ☐ Have you modeled ranking recovery time after a week-long restock gap?

Cash Flow Overtrading

- 11 ☐ Are trade payables growing slower than sales revenue this quarter?
- 12 ☐ Can you fund the next inventory order without unpaid-invoice financing?
- 13 ☐ Have you compared your cash conversion cycle to supplier payment terms?
- 14 ☐ Do you review cash flow weekly, not just the monthly P&L?
- 15 ☐ Is your growth rate capped by working capital, not demand alone?

Operational Scaling Limits

- 16 ☐ Do you know the exact daily order count where your process breaks?
- 17 ☐ Have you tested fulfillment capacity above current peak daily volume?
- 18 ☐ Can one person still handle returns and calls at double current volume?
- 19 ☐ Do you have a written plan for the next operational threshold?
- 20 ☐ Have you priced the cost of a mid-growth operational rebuild?

Margin Forecast Accuracy

- 21 ☐ Do you know your actual cart abandonment rate this month?
- 22 ☐ Have you recalculated margins after returns and shipping costs?
- 23 ☐ Do you review core KPI data weekly against forecast?
- 24 ☐ Is every SKU priced against landed cost, not competitor guesswork?
- 25 ☐ Are your financial projections checked against real cash monthly?

SCORING GUIDE

Score	Level	What it means
0 to 11	CRITICAL	Structural failures are actively destroying margin
12 to 19	MODERATE	Gaps in two or three areas that need immediate attention
20 to 25	STRONG	Systems are solid, focus on optimization

Book a free data audit at modonix.com/service. We identify your top 3 margin leaks in one session. Written by Ahmed Abuswa, Modonix.com