

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.

Infrastructure vs Growth

- 1 ☐ Can support staff handle current volume without backlog growing weekly?
- 2 ☐ Have you added customers faster than support headcount this quarter?
- 3 ☐ Is there a written headcount trigger before backlog reaches critical?
- 4 ☐ Has a regulatory or industry shift added delivery complexity unaddressed?
- 5 ☐ Have you confirmed you're in a scaling phase, not still validating the model?

Client Concentration Risk

- 6 ☐ Would losing your single largest client end your positive cash flow?
- 7 ☐ Can you state your top three clients' combined share of revenue right now?
- 8 ☐ Does a written contingency plan exist if your best client left tomorrow?
- 9 ☐ Is service quality identical for your newest client and your oldest?
- 10 ☐ Have you declined new work because top clients absorb too much capacity?

Cash Reserve Discipline

- 11 ☐ Do you know your exact monthly fixed cost burn without checking records?
- 12 ☐ Would three revenue-free months force you to cut staff or services?
- 13 ☐ Has revenue growth this year outpaced growth in your cash reserves?
- 14 ☐ Do you track cash runway weekly rather than only at month end?
- 15 ☐ Have fixed costs grown faster than reserves have grown this year?

Overhead Margin Control

- 16 ☐ Do you know your overhead as a percentage of revenue this month?
- 17 ☐ Have you benchmarked your overhead ratio against your specific industry?
- 18 ☐ Is your rent justified by repeat business volume, not just traffic?
- 19 ☐ Did margin erosion begin before overhead creep was actually noticed?
- 20 ☐ Can you name which fixed cost gets cut first in a downturn?

Outsourcing Brand Integrity

- 21 ☐ Do documented procedures exist before any task moves to a vendor?
- 22 ☐ Have you audited vendor output against your own quality standard?
- 23 ☐ Does outside financing pressure exist that you originally set out to avoid?
- 24 ☐ Has faster growth diluted the personal service that built your customer base?
- 25 ☐ Would a longtime customer notice a quality drop since scaling began?

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