LOOKUP WEB — STRUCTURAL RISK INTELLIGENCE

Structural Business Model Stress Report

Strategic Failure Vector Analysis · Resilience Assessment · Prioritised Mitigation Roadmap

41

High Fragility

STRUCTURAL RESILIENCE SCORE / 100

BUSINESS TYPE	Consulting Firm
INDUSTRY	Consulting / Professional Services
GROWTH STAGE	Growth
TIME HORIZON	24 months
DECISION LEVEL	Founder / CEO
GEOGRAPHIC MARKET	National

PRIMARY FRAGILITY DRIVER

Operational Resilience

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1. BOARD BRIEF

High Risk

Verdict Rationale: The business is rated 'High Risk' due to critical fragility from extreme client concentration, founder-centric operations, and the absence of a documented sales pipeline, resulting in a BMFI of 25 and a compressed operational survival window following a compounded shock.

2. EXECUTIVE RECOMMENDATION

The highest impact action is to secure the largest at-risk client on a 12-month MSA, as this directly addresses both revenue concentration and competitive displacement risk at minimal cost (requires ~2 staff days and a client meeting).

IMMEDIATE PRIORITY

Secure a 12-month MSA with the largest at-risk client within 7 days to address the critical revenue concentration risk and prevent an immediate 44% MRR collapse.

CRITICAL EXPOSURE

The most dangerous exposure is the immediate loss of a major client, which, when combined with founder unavailability, triggers a rapid operational decline and compresses the survival window to weeks; this risk is amplified by active price-led competitors targeting the same client segment.

CONDITIONS FOR REASSESSMENT

- If the anchor client renews on a 12-month contract before the end of the current quarter, capital_resilience reclassifies from 'stressed' to 'adequate' and the verdict shifts to 'Conditionally Viable'.
- If a detailed cost structure analysis reveals >30% of burn is discretionary and can be cut within 14 days, the survival window extends and risk rating improves.
- If a documented sales pipeline with >3x coverage of lost MRR is established within 30 days, the revenue recovery path becomes viable.
- If the founder's responsibilities are fully documented and cross-trained, operational fragility is materially reduced.

3. DECISION-LEVEL SUMMARY

Target Audience: Founder / CEO

> This Consulting Firm is currently rated 'High Risk' — the business faces existential exposure to client concentration and founder dependency, with a compressed operational window following a compounded shock. Immediate action is required to secure key client contracts and reduce single-point-of-failure risks, as the absence of a documented sales pipeline and succession plan severely limits recovery options. Without intervention, operational viability will likely be lost within 2–3 months, well before cash is exhausted.

Key Structural Risk Flags:

- Extreme client concentration with >30% revenue from a single client.
- Founder is the sole point of failure for pricing and delivery.
- No documented sales pipeline or succession plan.
- Operational survival window is compressed to weeks under compounded shock.
- Bridge financing options close rapidly after a major revenue or personnel shock.

Critical Exposure Statement:

The most dangerous exposure is the immediate loss of a major client, which triggers a severe revenue gap and initiates a rapid operational decline.

4. STRATEGIC OUTCOME SIMULATOR

BMFI Recovery Path — Resilience Progression by Intervention

CURRENT STATE		IF TOP ACTIONS SUCCEED
High Risk	? VERDICT SHIFTS	Conditionally Viable
41 BMFI · undetermined CASH RUNWAY		64 BMFI · undetermined → 18m CASH RUNWAY
		+18 pts · +-81 months

Projected values are model estimates based on stated BMFI gain and runway extension per action. Actual outcomes depend on execution quality and market response. Runway projection capped at 18 months (maximum credible estimate for 3 tactical actions without guaranteed execution).

BMFI RECOVERY PATH — RESILIENCE PROGRESSION BY INTERVENTION

Stable65+Conditionally Viable40–64High Risk25–39 4065 41Now49Client ASecured55CostReduction59 PipelineExpansion64Document &Cross-Train Founder

CURRENT **High Risk** → PLAN OUTCOME **Conditionally Viable** · Target achieved: 96% · NEXT THRESHOLD **Stabl**

SCENARIO	BMFI (Δ)	RUNWAY	VERDICT
Current State	41 —	0m	**High Risk**
+ Secure Client A — MSA	49 +8	13.5m	**Conditionally Viable**
+ Cut Variable Costs	55 +6	18m	**Conditionally Viable**
+ Outbound Sales Campaign	59 +4	18m	**Conditionally Viable**

+ Document & Cross-Train Founder Processes	64 +5	18m	**Conditionally Viable**

5. STRATEGIC DEPENDENCY MAP

★ N1 **Anchor Client Revenue Secured**

Securing Client A (44% of MRR, $18200/mo) under a 12-month MSA locks in the largest revenue stream and removes the primary stated objection blocking investor bridge conversations. Monthly deficit falls from $51000 to ~$32800. BMFI Revenue sub-score improves by +8 pts. This is the prerequisite for all subsequent steps — without N1, N2 and N3 are not accessible.

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◉ N2 **Revenue Concentration Falls Below Critical Threshold**

With Client A secured, the next-largest client (Client B, 11300/mo) represents approximately 48% of remaining MRR — below the threshold that triggered investor concerns about concentration risk. This removes the primary stated objection to bridge financing. Investor confidence may improve materially; financing probability increases but is not guaranteed.

Requires: N1

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◉ N3 **Bridge Financing Window Becomes Credible**

With concentration risk signal reduced, seed fund conversations can resume credibly. A $200–300K bridge would extend cash runway from 7 months to 12+ months — buying time for revenue diversification. This is conditional on successful N1 execution; without N1, concentration risk remains the primary financing barrier.

Requires: N2

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★ N4 **Operational Decision Window Extends Beyond 12 Months**

Combined effect: Client A retention reduces deficit to ~$32800/mo; bridge financing extends runway to 12+ months. The 2–3 month operational failure horizon is pushed back, eliminating existential pressure on the team and clients. The business can now execute pipeline expansion without forced urgency.

Requires: N1 + N3

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★ N5 **Revenue Base Reaches Minimum Stability Level**

Client B renewal and variable cost reduction reduce single-client concentration below 40% and bring monthly deficit toward operational sustainability. The business transitions from a survival mandate (prevent imminent collapse) to a recovery mandate (grow and diversify).

Requires: N4

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★ N6 **Business Returns to Conditional Viability**

BMFI projected 64/100. Revenue concentration below 50%. Cash runway exceeds 12 months. The company exits crisis mode and enters recovery mode. Remaining structural risks (competitive threat, pipeline gaps, CTO dependency) require systematic attention but no longer threaten near-term survival.

Requires: N4 + N5

Critical bottleneck: N1 (securing Client A) unlocks all subsequent nodes. If N1 fails, N2 and N3 are blocked regardless of other actions.

Critical path: N1 → N2 → N3 → N4 → N6

6. EXECUTIVE COUNTERFACTUALS

Alternative outcomes had key decisions gone differently.

ID	SCENARIO	VERDICT	TRIGGER	RUNWAY	BMFI IMPACT
CF1	SC1 materializes — both clients lost, no intervention	**Critical**	Client A does not renew; Client B contract expires without renewal	8.6m	41
CF2	SC1 + bridge financing fails	**Critical**	Seed fund declines due to concentration risk; no alternative capital secured	8.6m	36

7. BUSINESS MODEL FRAGILITY INDEX (BMFI)

BMFI SCORE	ANALYTICAL CONFIDENCE	SCENARIOS SIMULATED
41	**Low**	**4**
High Fragility	Composite: 50/100 *Distinct from BMFI — measures analysis reliability*	4 structural vulnerabilities

Critical	High	Medium	Low	Fragility Penalty
2	2	0	0	-6 pts

Score includes a −6-point fragility assumption penalty (2 HIGH-fragility assumptions × 3 pts each).

Primary Fragility Driver: Operational Resilience

Score adjusted for HIGH-fragility assumptions A1, A2, and A3: if false, operational bottlenecks, margin compression, and stalled client acquisition could accelerate existential risk. The dominant fragility driver is high client concentration with founder-centric operations and absent sales pipeline.

BMFI Sub-Score Breakdown

Dimension	Score	Note
Revenue Resilience	8/25	*High revenue concentration in a few clients*
Capital Resilience	9/25	*strategic flexibility loss under compounded shock*

Operational Resilience	**6/20**	*Founder-centric operations with low substitutability*
Competitive Resilience	**10/20**	*Moderate moat with rising price-led competition*
Strategic Optionality	**8/10**	*Limited recovery options due to operational bottlenecks*

SCORE CONSTRUCTION

Base Score	100
Revenue Base **Critical**	weight 4/4
Liquidity **Critical**	weight 4/4
Key Personnel **High**	weight 3/4
Sales Channel **High**	weight 3/4
Severity Ratio	14/16 = 88%
Final Score *= 100 − 88%*	**12**

Fragility Assumption Penalty: −6 pts (2 HIGH-fragility assumptions × 3 pts each) — stored as analytical context; not applied to the deterministic score.

Sector Benchmark:

Professional Services/Consulting sector median BMFI score is 52–64, driven by client concentration and pipeline resilience. This business scores well below the sector midpoint due to extreme revenue concentration, founder dependency, and lack of pipeline, all of which compress runway and recovery options below sector norms. Sector comparators typically maintain <30% client concentration and at least 6 months of runway.

8. ANALYTICAL INTEGRITY CHECK

✓ **Consistency check passed** — 4 driver labelling inconsistencies auto-corrected prior to analysis.

9. VULNERABILITY ANALYSIS

Revenue Base

⚠ Assumption Sensitive | CRITICAL | DATA 70/100 | LOW RECOV.

STRESS FACTOR: High client/revenue concentration with short-term contracts

Time: short_term **Scenario:** S1

> **Loss of a major client could eliminate 30%+ of revenue in a single event. With no pipeline data (G2), replacement is slow. Tier B Critical threshold: >=30% MRR. Impact likely exceeds this threshold.**

Anchor: *Sector Tier: B — Professional Services/Consulting; project-based/retainer revenue with >30% concentration.*

Data confidence: *Impact derived from structural concentration and contract type, but exact revenue percentages are not provided.*

Recoverability: *Client replacement is slow due to absent pipeline and high customization; recovery within 2–3 months is unlikely.*

Revenue is highly concentrated and contracts are short-term, so loss of a major client would immediately remove a large portion of income. No pipeline data means recovery is slow. This exceeds the Tier B Critical threshold.

Liquidity

⚠ Assumption Sensitive

CRITICAL | DATA 60/100 | LOW RECOV.

STRESS FACTOR: Simultaneous revenue shock and operational disruption (SC1)

Time: short_term **Scenario:** SC1

> **SC1 scenario compresses operational survival window to weeks. Tier B Critical threshold: runway <2 months. Impact is existential.**

Anchor: *Sector Tier: B — Runway compression to weeks, not months, under compounded shock.*

Data confidence: *Impact derived from scenario description and sector thresholds; no explicit cash or burn data provided.*

Recoverability: *Liquidity cannot be restored quickly after simultaneous revenue and operational shocks; bridge financing options close rapidly.*

Combined loss of major client and founder unavailability eliminates both revenue and operational continuity, compressing runway below 2 months. This meets the Critical threshold for Tier B.

Key Personnel

⚠ Assumption Sensitive

HIGH | DATA 70/100 | LOW RECOV.

STRESS FACTOR: Founder-centric operations with no succession plan

Time: short_term **Scenario:** S2

> **Founder absence disrupts pricing, delivery, and client relationships. Tier B High threshold: 15–29% MRR or equivalent operational loss.**

Anchor: *Sector Tier: B — Key person dependency with low substitutability.*

Data confidence: *Impact based on structural dependency and lack of documentation (G1), but no explicit quantification.*

Recoverability: *No documented succession or cross-training plan; operational continuity cannot be restored quickly.*

Founder is central to all critical functions; absence leads to immediate operational breakdown. This meets the High impact threshold for Tier B.

Sales Channel

HIGH | DATA 60/100 | MEDIUM RECOV.

STRESS FACTOR: Absent sales pipeline and channel diversification

Time: short_term **Scenario:** S1

> **No documented pipeline means lost clients cannot be replaced quickly. Tier B High threshold: 15–29% MRR at risk due to pipeline absence.**

Anchor: *Sector Tier: B — No pipeline metrics (G2) and high reliance on reputation-driven acquisition.*

Data confidence: *Impact based on structural absence of pipeline and sector norms; no numeric pipeline data.*

Recoverability: *Sales process can be improved over several months, but not within the immediate stress window.*

Without a documented pipeline, the firm cannot replace lost clients quickly, exposing it to prolonged revenue gaps. This meets the High impact threshold for Tier B.

Structural Failure Point Matrix

FAILURE POINT	SEVERITY	RECOVERABILITY	PRIMARY STRESS FACTOR
Revenue Base	Critical	Low	High client/revenue concentration with short-term contracts
Liquidity	Critical	Low	Simultaneous revenue shock and operational disruption (SC1)
Key Personnel	High	Low	Founder-centric operations with no succession plan
Sales Channel	High	Medium	Absent sales pipeline and channel diversification

10. FAILURE MODE SEQUENCE MAP

> **Terminal state (without intervention):** **Firm initiates wind-down as client base erodes and no operational or financial recovery options remain.**

1 Day 1–7

Major client (>$X revenue) terminates contract

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2 Day 1–7

Founder becomes unavailable; pricing/delivery oversight lost

↓

3 Week 2–4 **Point of No Return**

Rapid client dissatisfaction triggers secondary churn

↓

4 Month 2–3

Bridge financing and recovery options close; high-probability restructuring or wind-down

11. RISK HEATMAP

ID	SCENARIO TITLE	PROBABILITY	PROBABILITY RATIONALE	IMPACT	RISK SCORE	TIME
S1	Loss of a Major Client or Retainer	**High**	*High client concentration and short-term contracts make major client loss plausible; sector base rate is high.*	**Critical**	**High Probability / Critical Impact**	short_term
S2	Departure or Unavailability of Founder	**Moderate**	*Founder-centric operations and lack of succession planning increase risk; sector base rate is moderate to high.*		**Moderate Probability / High Impact**	short_term

S3	Emergence of Price-Led Competitors	**Moderate**	*Market is exposed to standardized, price-led competition; sector base rate for margin erosion is moderate.*	Medium	**Moderate Probability / Medium Impact**	medium_term
S4		**Low**	*No scenario defined; plausibility score is 0.*	Low	**Low Probability / Low Impact**	
SC1	Simultaneous Loss of Major Client and Founder Unavailability	**High**	*Both constituent risks are present and structurally linked; compounding effect increases overall plausibility.*	**Critical**	**High Probability / Critical Impact**	short_term

12. FAILURE THRESHOLDS

Primary Threshold:

Simultaneous loss of a major client and founder unavailability, resulting in strategic flexibility loss below 2 months and closure of operational recovery options.

Secondary Thresholds:

- If a second major client departs within 30 days, revenue base falls below sustainable threshold, triggering forced layoffs.
- If founder absence exceeds 2 weeks without succession plan, client churn accelerates and operational continuity is lost.

RUNWAY UNDER STRESS

8.6 months (cash / post-shock net deficit: $441000 / $51000/mo = 259 days)

POINT OF NO RETURN

Stage 3: Bridge financing and recovery options close; forced wind-down.

13. COMPETITIVE RESILIENCE

MOAT TYPE	MOAT DURABILITY	PRICING POWER	SWITCHING COST
differentiation	—	—	—

Primary Disruption Vector: A consulting/professional services firm specializing in highly customized B2B solutions could be disrupted if a well-funded competitor introduces standardized, technology-enabled consulting packages at lower prices, bypassing differentiation by offering rapid delivery and outcome guarantees.

14. CAPITAL POSITION

CAPITAL RESILIENCE	RUNWAY	MONTHLY BURN	CASH ON HAND	FINANCING ACCESS
STRESSED	Not stated	—	—	moderate

Financing Rationale: The firm's strong reputation and ongoing client acquisition suggest some access to external capital, but margin compression and operational complexity may limit attractiveness to investors.

Liquidity Options (30–90 day)

- Not determinable from available inputs.

15. TEMPORAL RISK PROFILE

Short Term (0–6 months)

Dominant Risk: Client loss & founder unavailability

Exposure Level: Critical

- S1
- S2
- SC1

Medium Term (6–24 months)

Dominant Risk: Price-led competition

Exposure Level: Moderate

- S3

Long Term (24+ months)

Dominant Risk: —

Exposure Level: Medium

- S4

16. STRESS SCENARIOS

S1 CUSTOMER CONCENTRATION RISK LIKELIHOOD 80/100

Loss of a Major Client or Retainer

A top client representing a significant portion of revenue terminates their engagement unexpectedly, creating an immediate revenue gap and underutilization of consulting staff.

Risk Type: revenue_shock **Time Segment:** short_term **Source:** auto_selected

Relevance & Magnitude: *Consulting/professional services firms often have revenue concentration in a few large clients; sector base rate for >30% revenue loss from a single client is high, especially in growth-stage firms.*

CASCADE CHAIN

PRIMARY Termination of a major client contract

SECONDARY Immediate revenue loss and excess staff capacity

TERTIARY Margin compression, potential layoffs, and cash flow strain

S2 TALENT / KEY PERSON RISK LIKELIHOOD 70/100

Departure or Unavailability of Founder

The founder becomes unavailable due to illness, burnout, or external opportunity, disrupting pricing, delivery supervision, and key client relationships.

Risk Type: operational_continuity **Time Segment:** short_term **Source:** auto_selected

Relevance & Magnitude: *Founder-centric models are structurally exposed to key person risk; sector base rate for founder burnout or unavailability is moderate to high in growth-stage consulting firms.*

CASCADE CHAIN

PRIMARY Founder becomes unavailable

SECONDARY Breakdown in pricing decisions and delivery oversight

TERTIARY Client dissatisfaction, project delays, and potential client churn

S3 MARKET SATURATION / PRICING PRESSURE LIKELIHOOD 60/100

Emergence of Price-Led Competitors

A new or existing competitor enters the market with a standardized, lower-cost consulting offering, forcing price reductions and eroding margins over 6–12 months.

Risk Type: competitive_pressure **Time Segment:** medium_term **Source:** auto_selected

Relevance & Magnitude: *Professional services markets are increasingly seeing standardized offerings and price competition; sector base rate for margin erosion due to new entrants is moderate.*

CASCADE CHAIN

PRIMARY Competitor launches lower-priced, less-customized consulting services

SECONDARY Clients demand price concessions or switch providers

TERTIARY Sustained margin compression and potential loss of differentiation

S4 LIKELIHOOD 0/100

Risk Type: **Time Segment:** **Source:**

CASCADE CHAIN

PRIMARY

SECONDARY

TERTIARY

Combined Stress Scenario — SC1

SC1 COMBINED LIKELIHOOD 80/100 S1 S2

Simultaneous Loss of Major Client and Founder Unavailability

A top client unexpectedly terminates their engagement while the founder becomes unavailable, triggering a rapid revenue shock and operational breakdown. The combined effect accelerates margin compression, disrupts delivery, and undermines client and team confidence, severely limiting recovery options.

COMPOUNDING MECHANIC

The simultaneous loss of a major client (S1) and founder unavailability (S2) is multiplicative because the revenue shock immediately increases cash burn and underutilization, while the absence of the founder eliminates the firm's ability to rapidly reprice, reassign staff, or reassure remaining clients. This dual shock amplifies client churn risk, accelerates operational bottlenecks, and signals instability to both staff and potential investors, closing strategic options much faster than either event alone.

SHOCK SEQUENCE & REACTION WINDOW

CASCADE CHAIN

PRIMARY Major client terminates contract and founder becomes unavailable simultaneously.

SECONDARY Immediate revenue loss and breakdown in pricing/delivery oversight, causing rapid margin compression and client dissatisfaction.

TERTIARY

17. POST-SHOCK FINANCIAL PROJECTION

Figures derived from SC1 compound scenario. All calculations based on inputs provided.

BEFORE SHOCK	
ARR	$498,000
MRR	$41,500
MONTHLY BURN	$63,000
CASH BALANCE	$441,000

→

AFTER SHOCK (SC1)	
ARR	$144,000
MRR	$12,000
MONTHLY DEFICIT	$51,000
REVENUE LOST	71%

⚠ Time-to-failure under SC1 conditions

EARLIEST	Day 220
EXPECTED	Day 259
LATEST	Day 299

Under modeled SC1 assumptions. Actual exhaustion date depends on burn rate and revenue recovery speed.

Assumptions: All figures derived from provided MRR, burn, and cash data. — Revenue destruction reflects loss of two major clients under SC1. — Cash exhaustion is deterministic; operational failure likely precedes cash-out by 2–3 months.

18. SURVIVAL OUTLOOK FRAMEWORK

Survival windows computed deterministically by normalizer from BMFI, runway, and dependency signals. These are structural time horizons, not probability estimates.

⚠

No intervention

Not determinable

The business experiences immediate loss of a major client and founder unavailability, resulting in a 71% drop in MRR and a monthly cash bleed of $51,000. Operations rapidly destabilize, with team morale and client trust eroding as cash outflows continue unchecked.

Risk: Operational failure occurs when the remaining client base erodes and no recovery or financing options remain, typically within 2–3 months post-shock.

⚙

Operational stabilisation

Not determinable

The firm implements emergency measures to retain key clients and delegate founder responsibilities, temporarily restoring delivery continuity and slowing client churn. This buys time to pursue further structural changes.

- Secure 12-month MSA with largest at-risk client within 7 days.
- Document and cross-train critical founder-led processes.
- Initiate rapid cost reduction to align burn with new revenue base.

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Revenue recovery

12–24 months

A focused outbound sales effort targets mid-market B2B clients in the same vertical as the lost anchor client, aiming to replace lost MRR and diversify the revenue base. Success depends on rapid pipeline activation and conversion.

- Launch outbound campaign to 50+ mid-market targets within 30 days.
- Offer incentives for rapid onboarding of new clients.
- Leverage founder reputation in targeted sales meetings.

SO4

Strategic transformation

The business restructures its delivery model to reduce customization, standardize offerings, and decrease founder dependency, aiming for scalable growth and improved margins over the next 12–18 months.

19. BUSINESS MODEL OVERVIEW

> The firm provides B2B consulting services on a project or retainer basis, with a strong reputation driving steady client acquisition. Each engagement is highly customized, resulting in increased operational complexity and margin compression as the business grows. The founder remains central to pricing, delivery, and key client relationships, indicating a founder-centric operating model.

VALUE CREATION MECHANISM

Delivery of tailored consulting solutions to B2B clients, leveraging expertise and reputation to solve complex business problems.

PRIMARY COST STRUCTURE

Labor-intensive, with high personnel costs (consultants, project managers) and significant founder time allocation. Customization increases variable costs per engagement.

FIXED / VARIABLE RATIO

Moderate fixed costs (core staff, office, systems); high and rising variable costs due to bespoke project delivery.

REVENUE TRIGGERS

- New project wins
- Retainer renewals
- Expansion of existing client engagements

Key Dependencies

TYPE	DESCRIPTION	SUBSTITUTABILITY
Key Personnel	Founder involvement in pricing, delivery supervision, and client relationships	Low
Specialized Talent	Experienced consultants capable of delivering customized solutions	Medium

Reputation/Brand	Strong market reputation as a differentiator in client acquisition	Low

20. EMERGENCY ACTION PROTOCOL

Actions ranked by impact and urgency. Execute in order — EA1 first.

1

EA1 CRITICAL within 7 days Low cost

Secure 12-month MSA with largest at-risk client within 7 days

Addresses: Revenue Base S1 SC1

2

EA2 HIGH within 14 days Low cost

Document and cross-train all founder-led pricing and delivery processes within 14 days

Addresses: Key Personnel S2 SC1

3

EA3 HIGH within 14 days Low cost

Cut variable costs (contractors, tools, discretionary spend) by $18,000/month within 14 days

Addresses: Liquidity SC1

4

EA4 MEDIUM within 10 days Zero cost

Brief investors and initiate bridge financing conversations within 10 days

Addresses: Liquidity SC1

5

EA5 **MEDIUM** within 21 days Medium cost

Launch outbound sales campaign to 50+ mid-market B2B targets within 21 days

Addresses: Sales Channel S1 S3

21. RECOVERY PROGRAMS

Selected paths based on structural fit with this business profile. Survival probabilities are conditional on successful execution.

Path P1 **Revenue Defense Program — Lock 80%+ MRR on annual contracts** **MEDIUM DIFFICULTY**

With >30% of revenue concentrated in a single client and all contracts short-term, locking in key clients on 12-month MSAs is the highest-leverage move to prevent catastrophic revenue loss.

RUNWAY IMPACT

High (3–6 months)

KEY ACTIONS

- Initiate MSA negotiations with largest at-risk client within 7 days.
- Offer pricing incentives or value-adds for annual commitment.
- Schedule executive-level check-ins to reinforce relationship.

Primary execution risk: Client declines annual contract and churns.

Data dependency: *Current client renewal intent and decision timeline.*

Path P2 **Capital Preservation Program — Extend runway from 8.6 to 13.4 months**

MEDIUM DIFFICULTY

Post-shock monthly burn exceeds MRR by $51,000; reducing variable costs (contractors, tools) by $18,000/month can extend runway by ~4.8 months.

RUNWAY IMPACT

High (3–6 months)

KEY ACTIONS

- Identify and cut 40% of contractor and tool spend within 14 days.
- Freeze all discretionary expenses immediately.
- Re-negotiate vendor contracts for lower rates.

Primary execution risk: Cost cuts impact delivery quality or team morale.

Data dependency: *Detailed breakdown of variable vs. fixed costs.*

Path P3 **Revenue Diversification Program — Reduce concentration from 71% to 40% in 180 days**

HIGH DIFFICULTY

Adding at least 3 new clients at $10,000 MRR each would reduce top-2 client concentration and mitigate existential risk from single-client loss.

RUNWAY IMPACT

High (3–6 months)

KEY ACTIONS

- Launch outbound sales to 50+ mid-market B2B targets in anchor client vertical.
- Deploy founder in high-stakes sales meetings for credibility.
- Implement referral incentives for current clients.

Primary execution risk: Sales cycle exceeds available runway.

Data dependency: *Historical outbound conversion rates and lead velocity.*

22. PRIORITISED MITIGATION ROADMAP

M1 *→ Revenue Base*

Secure 12-month MSA with largest at-risk client within 7 days

Urgency driven by a well-funded competitor targeting the same segment with lower pricing, increasing the risk of immediate client churn and catastrophic revenue loss.

Effort: Medium **Speed:** Fast **Impact Reduction:** Very High **Horizon:** Immediate (7 days)

Addresses: **S1** **SC1**

M2 *→ Key Personnel*

Document and cross-train all founder-led pricing and delivery processes within 14 days

Reduces operational fragility by enabling continuity if the founder becomes unavailable.

Effort: Low **Speed:** Medium **Impact Reduction:** High **Horizon:** Immediate (14 days)

Addresses: **S2** **SC1**

M3 *→ Liquidity*

Cut variable costs (contractors, tools, discretionary spend) by $18,000/month within 14 days

Reduces monthly cash bleed and extends runway, buying time for further recovery actions.

Effort: Medium **Speed:** Fast **Impact Reduction:** High **Horizon:** Immediate (14 days)

Addresses: **SC1**

M4 → *Liquidity*

Brief investors and initiate bridge financing conversations within 10 days

Secures optionality for additional runway if operational stabilization is demonstrated.

Effort: Medium **Speed:** Medium **Impact Reduction:** Medium **Horizon:** Immediate (10 days)

Addresses: **SC1**

M5 → *Sales Channel*

Launch outbound sales campaign to 50+ mid-market B2B targets within 21 days

Initiates pipeline to replace lost MRR and reduce future concentration risk.

Effort: High **Speed:** Slow **Impact Reduction:** Medium **Horizon:** Short-term (21 days)

Addresses: **S1** **S3**

✓ **Temporal coherence verified** — all mitigation actions are executable within the exposure window of their linked scenarios.

Execution Sequencing

⚡ IMMEDIATE (0-30 DAYS)	MEDIUM TERM (1-3 MONTHS)	STRUCTURAL (3-6+ MONTHS)
• M1	• M4	• M5
• M2		
• M3		

23. STRATEGIC LEVERAGE TABLE

ACTION	DIFFICULTY	STRATEGIC IMPACT	BMFI GAIN	VERDICT SHIFT

Secure Client A — MSA	MEDIUM	High	est. +8 pts	Partial
Cut Variable Costs	MEDIUM	High	est. +6 pts	Partial
Document & Cross-Train Founder Processes	LOW	Moderate	est. +5 pts	Partial
Bridge Financing Outreach	MEDIUM	Moderate	est. +6 pts	Partial
Outbound Sales Campaign	HIGH	High	est. +4 pts	Partial

24. STRATEGIC INTERVENTION MATRIX

Quick Wins

High urgency · High leverage

- **M1:** Secure 12-month MSA with largest at-risk client within 7 days
- **M2:** Document and cross-train all founder-led pricing and delivery processes within 14 days
- **M3:** Cut variable costs (contractors, tools, discretionary spend) by $18,000/month within 14 days

Strategic Bets

Lower urgency · High leverage

- **M5:** Launch outbound sales campaign to 50+ mid-market B2B targets within 21 days

Defensive Moves

High urgency · Lower leverage

- **M4:** Brief investors and initiate bridge financing conversations within 10 days

Low Priority

Lower urgency · Lower leverage

No actions in this quadrant

25. KEY ASSUMPTIONS

A1 MEDIUM HIGH FRAGILITY analytical_assumption

The founder's continued involvement in pricing, delivery, and client relationships is sustainable as the business scales.

> ⚠ **If False:** If the founder cannot maintain this level of involvement, operational bottlenecks may occur, leading to delivery delays, pricing errors, or client dissatisfaction, increasing risk of revenue loss and margin erosion.

A2 MEDIUM HIGH FRAGILITY analytical_assumption

The current level of operational complexity and margin compression will not accelerate disproportionately as client volume increases.

> ⚠ **If False:** If operational complexity and margin compression accelerate with growth, profitability could deteriorate rapidly, potentially leading to negative cash flow and inability to reinvest in scaling infrastructure.

A3 MEDIUM MEDIUM FRAGILITY analytical_assumption

Client acquisition will continue at the current rate due to the firm's strong reputation.

> ⚠ **If False:** If reputation-driven acquisition slows, revenue growth will stall, and the firm may face underutilization of staff and increased pressure on margins.

A4 MEDIUM MEDIUM FRAGILITY analytical_assumption

Specialized talent required for customized delivery will remain available at current cost and quality.

> ⚠ **If False:** If talent becomes scarce or more expensive, project delivery costs will rise, further compressing margins and potentially impacting delivery quality.

26. INFORMATION GAPS

ID	MISSING ELEMENT	CRITICALITY	DEFAULT APPLIED	IMPACT ON ANALYSIS
G1	Existence and completeness of infrastructure documentation and succession or cross-training plan for the key person identified.	HIGH	None applied	Increases uncertainty in operational continuity modeling under key person risk scenarios. If documentation exists, cross-training risk is lower and mitigation speed is higher than modeled.
G2	Current sales pipeline metrics: lead velocity, conversion rates, and deal stage breakdown.	HIGH	None applied	Prevents accurate estimation of how quickly lost clients can be replaced and directly limits precision of revenue recovery speed in all stress scenarios.
G3	Actual historical churn rate and reasons for client churn.	HIGH	None applied	Limits ability to accurately model post-shock revenue stability, stress-test LTV assumptions, and calibrate the severity of secondary churn after a major revenue shock.
G4	Detailed breakdown of fixed vs. variable costs and identification of discretionary vs. contractual expenses.	MEDIUM	None applied	Constrains precision of runway extension modeling via cost cuts. Without knowing which costs can be rapidly reduced, burn reduction estimates carry higher uncertainty.

27. DATA GAPS LIMITING PRECISION

The following information, if provided, would materially sharpen the mitigation recommendations.

FLAG	LINKED ACTION	MISSING DATA POINT	WHY IT MATTERS	PRECISION IMPACT

F1	M1	**Current renewal intent and decision timeline for the largest at-risk client.**	Determines whether the client can be secured on a 12-month MSA before competitive displacement occurs.	DIRECTLY AFFECTS THE FEASIBILITY AND URGENCY OF THE REVENUE DEFENSE PROGRAM.
F2	M3	**Detailed breakdown of variable vs. fixed costs and identification of discretionary expenses.**	Enables precise targeting of cost cuts to maximize runway extension without impairing delivery.	IMPROVES ACCURACY OF CAPITAL PRESERVATION AND BURN REDUCTION ESTIMATES.
F3	M5	**Historical outbound conversion rates and lead velocity for mid-market B2B targets.**	Essential for calibrating the timeline and likelihood of replacing lost MRR through outbound sales.	AFFECTS THE VIABILITY AND EXPECTED IMPACT OF THE REVENUE DIVERSIFICATION PROGRAM.
F4	M2	**Existence and completeness of documentation for founder-led processes.**	Determines the speed and effectiveness of cross-training to mitigate key person risk.	IMPACTS OPERATIONAL CONTINUITY AND REDUCES SINGLE-POINT-OF-FAILURE EXPOSURE.

28. ANALYTICAL CONFIDENCE

OVERALL CONFIDENCE	DATA COMPLETENESS	VARIABLES PROVIDED	VARIABLES DEFAULTED
Low 50/100 composite	**Medium**	**8** / 8	**0**

Analytical confidence computed at 50/100 (Low). Derivation: base score from vulnerability impact_confidence_score averages; adjusted for information gaps (3 high-criticality), high-fragility assumptions (2), and numeric data density in user context (data points). Cross-validation status: not passed (0 pts).

29. DECISION SIGNAL

PRIORITY LEVEL

High

Resilience Score 41/100

ANALYTICAL CONFIDENCE

Low

50/100 composite

POINT OF NO RETURN

Stage 3: Bridge financing and recovery options close; forced wind-down.

RECOMMENDED ACTION

EA1

Secure 12-month MSA with largest at-risk client within 7 days

Critical | Within 7 days | low cost

NEXT 72 HOURS

1. Secure 12-month MSA with largest at-risk client within 7 days
2. Document and cross-train all founder-led pricing and delivery processes within 14 days
3. Cut variable costs (contractors, tools, discretionary spend) by $18,000/month within 14 days

CRITICAL EXPOSURE STATEMENT

The most dangerous exposure is the immediate loss of a major client, which triggers a severe revenue gap and initiates a rapid operational decline.

PREPARED BY

Lookup Web Intelligence

Strategic Risk & Resilience Analysis

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