



BYOBO\$\$ AUDIT REPORT – SERVICE COMPANY

Business Name: XYZ Consulting Services

Primary Contact: COO

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Number of Employees: 14 (6 consultants, 4 project managers, 4 admin/support)

Annual Revenue: \$2,700,000

Active Clients: 15

Average Engagement Value: \$180,000/year

Service Focus: Management consulting, process improvement, digital strategy

Project Management Software: Monday.com

Accounting Software: QuickBooks Online

1. Utilization & Realization Audit

Question	Answer	Notes / Gaps
Billable hours vs capacity	68%	Low utilization; some consultants underbooked
Realization rate	85%	Some unbilled work; write-offs occur
Project backlog	Moderate; 3 active projects per consultant	Uneven allocation; some consultants overloaded
Peak vs off-peak periods	High variation	Low predictability; reactive scheduling
Time tracking accuracy	Partial	Manual input; errors common



Question	Answer	Notes / Gaps
Utilization by service type	Consulting: 70%, Training: 60%	Training underutilized; low-margin activity
Internal meetings	Frequent	Reduces billable hours
Overtime usage	Rare	Could indicate under-pricing of high-demand periods
Scheduling flexibility	Limited	Project delays sometimes occur
KPI tracking	Only billable hours	Profitability per project not tracked
Time allocation to non-billable tasks	30%	High; limits realization
Resource planning	Manual	No automated allocation

Gap Summary: Utilization moderate; realization rate below ideal; project allocation uneven; non-billable time high; tracking incomplete.

2. Engagement Profitability Audit

Question	Answer	Notes / Gaps
Gross margin per engagement	20–40%	Low on 3 large clients; indirect costs not fully allocated
Cost tracking	Direct costs tracked; overhead not allocated	Understates project true cost
Engagement profitability by client	Partial	Some smaller clients not analyzed
Time vs budget	Often over-budget	Leads to write-offs



Question	Answer	Notes / Gaps
Revenue per consultant	\$180–\$200k	Not fully aligned with utilization
Upsell opportunities	Minimal	Missed growth opportunities
Retainer vs project work	60% retainer, 40% ad-hoc	Project profitability unknown
Expense tracking	Partial	Travel and software costs not systematically attributed
Project completion vs margin	Manual	Delays affect profitability
Billing accuracy	Occasional errors	Delays or underbilling reduce revenue
Profitability monitoring	None formal	Hard to identify underperforming projects
Forecasting margins	Not tracked	Reactive planning

Gap Summary: Engagement profitability inconsistent; indirect costs under-allocated; upsell opportunities limited; project budgets exceeded; tracking incomplete.

3. Client Concentration Risk Review

Question	Answer	Notes / Gaps
Top 5 clients revenue	\$1,450,000 (~54%)	High dependency; top 2 clients contribute 30% alone
Contract terms	Annual; some month-to-month	Risk if clients reduce scope
Client retention	Moderate; 1 lost client in past year	No formal retention strategy



Question	Answer	Notes / Gaps
Engagement diversification	Limited	Revenue concentrated on management consulting
Client profitability	Partial	Low on 2 large clients; not fully tracked
Strategic account management	Minimal	No dedicated client managers
Upsell / cross-sell	Rare	Missed opportunities
Risk scoring	Not performed	Cannot prioritize client focus
Churn rate	~7% annually	Moderate; mostly small clients
Revenue dependency	High	Risk if top clients reduce scope
Feedback & satisfaction	Sporadic	No systematic process
New client acquisition	Limited	Few new high-value clients

Gap Summary: High client concentration; top clients carry risk; minimal account management; retention and upsell strategies lacking.

4. Marketing Effectiveness

Question	Answer	Notes / Gaps
Marketing channels	LinkedIn, occasional webinars	Limited reach
Lead generation	3–4 new clients/year	Low for growth goals
Marketing ROI tracking	None formal	Cannot measure campaign efficiency



Question	Answer	Notes / Gaps
Content marketing	Occasional blogs	Not optimized for lead generation
Brand awareness	Moderate locally	Weak nationwide recognition
Social media engagement	Low	Few interactions on posts
Referral program	Minimal	Underutilized
Campaign analytics	None centralized	Cannot evaluate success
Budget	~1.5% revenue	Underfunded relative to potential
Event participation	Few conferences	Limited exposure
Email campaigns	Occasional newsletters	Low engagement
Improvement initiatives	None formal	Ad hoc adjustments

Gap Summary: Marketing underdeveloped; limited lead generation; ROI unknown; low brand visibility; referral opportunities missed.

5. Competitor Analysis

Question	Answer	Notes / Gaps
Top competitors	StratEdge, BlueConsult, Optima Advisors	Identified but little analysis
Competitor services	Similar offerings	Weak differentiation
Pricing comparison	Ad hoc	Reactive pricing
Market share	Unknown	No benchmarking data



Question	Answer	Notes / Gaps
Competitor marketing	Minimal observation	Limited insight into strategies
Digital presence	Competitors stronger	Agency behind in SEO, content, webinars
Reputation	Similar	No formal competitive intelligence
Differentiation	Unclear	Weak messaging
Competitor client satisfaction	Anecdotal	No structured insights
Technology use	Competitors leverage AI tools	Could improve efficiency
Innovation	Moderate	No systematic observation
Opportunities	Niche consulting, training	Not yet exploited

Gap Summary: Competitor intelligence weak; differentiation unclear; pricing reactive; limited strategic insights.

6. Pricing Strategy

Question	Answer	Notes / Gaps
Pricing per service	Hourly rates; some fixed-fee projects	Not consistently aligned with costs
Realization vs billable	85%	Some underbilling reduces revenue
Retainer pricing	Standardized	Could optimize for value delivered
Discounting	Occasional	No structured policy



Question	Answer	Notes / Gaps
Margin monitoring	Minimal	Low on several engagements
Bundling / package options	Rare	Missed upsell opportunity
Market-aligned pricing	Partial	Not fully benchmarked
Profitability tracking	Partial	Indirect costs missing
Dynamic pricing	None	Could adjust for peak demand or client size
Client negotiation flexibility	Informal	Not structured
Cost-plus vs value pricing	Mix	Not consistently applied
Price adjustments	Rare	Reactive

Gap Summary: Pricing not fully optimized; realization below 100%; upsell/bundling opportunities underutilized; indirect costs not included.

7. Management Systems

Question	Answer	Notes / Gaps
SOPs	Partial	Some project processes undocumented
Project tracking	Monday.com	Good for tasks; weak for profitability & resource allocation
KPI tracking	Billable hours	Missing engagement-level profitability and client satisfaction
Decision-making	Informal	Ad hoc, reactive



Question	Answer	Notes / Gaps
Budgeting	Annual	Reactive adjustments only
Reporting	Monthly	Not data-driven
Risk management	Minimal	High client concentration not addressed
Continuous improvement	Ad hoc	No formal initiatives
Staff accountability	Weak	KPIs unclear
Performance dashboards	None formal	Limited visibility for management
Resource allocation	Manual	Can lead to over/underutilization
Operational documentation	Partial	Reduces scalability

Gap Summary: Management systems partial; weak KPI tracking, risk management, and SOP documentation; reactive decision-making.

8. HR / Staff Management

Question	Answer	Notes / Gaps
Team size	14	Small but skilled
Turnover	10%	Moderate; mostly consultants
Training	Annual	Minimal focus on sales, upselling, or new tools
Incentives	None structured	Could motivate performance
Cross-training	Limited	Reduces flexibility
Staff engagement	Moderate	No formal surveys



Question	Answer	Notes / Gaps
Scheduling	Manual	Some under/over-booked periods
Performance reviews	Annual	Not tied to KPIs or realization
Recruitment	Ad hoc	Quality inconsistent
Succession planning	None	Risk if key consultants leave
Accountability	Weak	KPIs unclear
Skill gaps	Analytics, proposal writing	Not systematically addressed

Gap Summary: Limited training; incentives weak; scheduling and accountability not optimized; succession planning absent.

9. Operations / Systems

Question	Answer	Notes / Gaps
Project workflow	Manual with Monday.com	Some duplication; delays occur
Delivery tracking	Partial	No automated milestones
Resource allocation	Manual	Leads to uneven workload
Internal communications	Email and meetings	Some inefficiency
Process bottlenecks	Proposal creation; reporting	Causes delays and client dissatisfaction
Technology integration	Partial	Limited real-time reporting



Question	Answer	Notes / Gaps
SOP adherence	Partial	Some staff bypass steps
KPI dashboards	None	Operational visibility limited
Automation	Minimal	Could improve workflow and reporting
Quality control	Peer review	Subjective; not formalized
Documentation	Partial	Reduces process repeatability
Continuous improvement	Ad hoc	No structured initiatives

Gap Summary: Operations moderately functional; manual processes and bottlenecks reduce efficiency and profitability; limited automation.

10. Financial Management

Question	Answer	Notes / Gaps
Revenue tracking	Monthly	Engagement-level profitability incomplete
Gross margins	20–40%	Low on some large engagements; indirect costs missing
Billing & invoicing	Manual review	Occasional errors and delays
Cost tracking	Partial	Travel, software, and overhead not fully allocated
Forecasting	Not formal	Reactive planning
Budgeting	Annual	Not adjusted for new opportunities



Question	Answer	Notes / Gaps
KPI monitoring	Billable hours	No engagement-level financial visibility
Profit per client	Partial	Some small clients not tracked
Financial dashboards	None	Hard to see financial health in real-time
Cost control	Weak	No systematic overhead allocation
Payment terms	Standard 30 days	No early payment incentives
Profit improvement initiatives	None	Reactive adjustments only

Gap Summary: Financial visibility weak; engagement profitability unclear; costs under-allocated; forecasting and cost controls limited.



1. Executive Summary

xyz Consulting Services is a mid-sized service company with 14 employees, generating \$2.7M annually from 15 active clients. Services include management consulting, process improvement, and digital strategy.

The audit reveals **strong client engagement and experienced consultants**, but several gaps limit profitability, utilization, and growth. Key issues include **low utilization and realization, inconsistent engagement profitability, high client concentration risk, weak marketing, and incomplete operational systems**.

Overall Segment Scores:

Segment	Score (%)	Comments
Utilization & Realization Audit	62	Billable hours ~68%; realization 85%; non-billable time high; uneven project allocation.
Engagement Profitability Audit	59	Margins low for some clients; indirect costs under-allocated; project budgets exceeded; tracking incomplete.
Client Concentration Risk Review	56	Top 5 clients = 54% revenue; minimal account management; retention and upsell strategies lacking.
Marketing Effectiveness	55	Limited lead generation; minimal digital presence; ROI unknown; referral opportunities underused.
Competitor Analysis	57	Weak competitor intelligence; differentiation unclear; reactive pricing; limited strategic insights.
Pricing Strategy	58	Under-realization of billable work; pricing not fully optimized; bundling and upsell underutilized.



Segment	Score (%)	Comments
Management Systems	60	SOPs partial; KPIs focus on billable hours; decision-making reactive; reporting manual.
HR / Staff Management	60	Turnover moderate (10%); minimal training; weak incentives; scheduling uneven.
Operations / Systems	59	Manual workflows; bottlenecks in proposal and reporting; limited automation; SOP adherence inconsistent.
Financial Management	60	Engagement-level profitability incomplete; costs under-allocated; dashboards absent; forecasting reactive.

Overall Audit Score: 58.6%

Interpretation:

XYZConsulting Services has strong consulting expertise but needs structured utilization tracking, profitability analysis, client management, marketing, and operations systems to improve margins, reduce risk, and scale effectively.

2. Detailed Analysis by Section

Utilization & Realization Audit (62%)

- **Strengths:** Consultants skilled; Monday.com used for project tracking.
- **Weaknesses:** Billable utilization low (~68%); non-billable work high; uneven project allocation; time tracking partial; peak/off-peak variation creates inefficiency.

Engagement Profitability Audit (59%)

- **Strengths:** Direct costs tracked; high-margin projects identified.



- **Weaknesses:** Indirect costs not allocated; some large clients low margin; time vs budget often exceeded; upsell opportunities rare; forecasting not tracked.

Client Concentration Risk Review (56%)

- **Strengths:** Top clients identified.
- **Weaknesses:** Top 5 clients = 54% of revenue; minimal account management; retention strategies lacking; revenue dependency high; churn ~7%.

Marketing Effectiveness (55%)

- **Strengths:** LinkedIn presence; occasional webinars.
- **Weaknesses:** ROI untracked; low lead generation; referral program minimal; limited brand awareness; underfunded campaigns.

Competitor Analysis (57%)

- **Strengths:** Competitors known.
- **Weaknesses:** Weak intelligence; reactive pricing; differentiation unclear; digital presence behind competitors; no benchmarking.

Pricing Strategy (58%)

- **Strengths:** Standardized hourly & fixed-fee rates.
- **Weaknesses:** Realization 85%; indirect costs not included; bundling/upsell rare; dynamic pricing absent; pricing reactive.

Management Systems (60%)

- **Strengths:** Project tracking and partial SOPs.
- **Weaknesses:** KPIs limited to billable hours; reporting monthly only; decision-making informal; risk management minimal.

HR / Staff Management (60%)

- **Strengths:** Experienced team; moderate turnover.



- **Weaknesses:** Training minimal; weak incentives; cross-training limited; scheduling uneven; no succession planning; accountability unclear.

Operations / Systems (59%)

- **Strengths:** Basic workflow managed in Monday.com.
- **Weaknesses:** Manual processes; bottlenecks in proposal creation and reporting; limited automation; SOP adherence inconsistent; quality control informal.

Financial Management (60%)

- **Strengths:** Revenue tracked; gross margins known for some projects.
- **Weaknesses:** Engagement-level profitability incomplete; costs under-allocated; dashboards absent; forecasting reactive; billing errors occasionally occur.

3. High-Priority Opportunities & Recommendations

1. Utilization & Realization

Issue: Low utilization and realization; uneven allocation; non-billable time high.

Recommendations:

1. **Implement full time-tracking and resource allocation dashboards** to optimize billable hours per consultant.
2. **Reduce non-billable time** by streamlining internal meetings and administrative tasks.
3. **Forecast capacity** to allocate projects evenly and avoid bottlenecks.

2. Engagement Profitability

Issue: Margins inconsistent; indirect costs under-allocated; project budgets exceeded.



Recommendations:

1. **Allocate indirect costs per engagement** to calculate true profitability.
2. **Track project budgets vs actuals** and set alerts for overruns.
3. **Identify upsell opportunities** per engagement to increase revenue per client.

3. Client Concentration Risk

Issue: Top clients = 54% revenue; minimal account management; retention strategy lacking.

Recommendations:

1. **Assign account managers** to top clients with structured retention and growth plans.
2. **Diversify client base** to reduce dependency on a few large clients.
3. **Regularly track client profitability** to identify risk and prioritize account attention.

4. Marketing Effectiveness

Issue: Limited lead generation; ROI unknown; weak brand awareness.

Recommendations:

1. **Launch targeted digital campaigns** (LinkedIn, Google Ads) to generate new leads.
2. **Develop content strategy** (blogs, webinars, case studies) to enhance thought leadership.
3. **Track marketing ROI** with CRM integration and lead attribution.



5. Competitor Analysis

Issue: Weak competitive intelligence; unclear differentiation.

Recommendations:

1. **Perform structured competitor benchmarking** on services, pricing, and marketing strategies quarterly.
2. **Define value proposition** highlighting unique expertise or service offerings.
3. **Monitor competitors' digital presence and client feedback** to adjust strategy.

6. Pricing Strategy

Issue: Realization below 100%; bundling and upsell rare; pricing reactive.

Recommendations:

1. **Introduce value-based pricing** for premium services and high-demand periods.
2. **Implement bundling options** for consulting and training services.
3. **Adjust pricing based on engagement complexity and client size;** review quarterly.

7. Management Systems

Issue: SOPs partial; KPIs limited; reporting reactive.

Recommendations:

1. **Document SOPs** for project delivery, proposal creation, and reporting.
2. **Implement dashboards** tracking utilization, profitability, client satisfaction, and project milestones.
3. **Hold weekly KPI review meetings** to address bottlenecks and resource allocation.



8. HR / Staff Management

Issue: Limited training; weak incentives; uneven scheduling; succession planning absent.

Recommendations:

1. **Develop structured training programs** for consulting, sales, and client management skills.
2. **Introduce performance-based incentives** tied to billable hours, realization, and client satisfaction.
3. **Cross-train staff and create succession plans** to reduce dependency on key consultants.

9. Operations / Systems

Issue: Manual processes; bottlenecks in proposal and reporting; limited automation.

Recommendations:

1. **Automate workflows** for proposals, project milestones, and reporting using integrated project management tools.
2. **Formalize quality control processes** for client deliverables.
3. **Implement operational KPIs** to monitor bottlenecks and workflow efficiency.

10. Financial Management

Issue: Engagement-level profitability unclear; costs under-allocated; dashboards absent.

Recommendations:

1. **Allocate indirect costs per engagement** for accurate profitability calculation.



2. **Create financial dashboards** showing revenue, margin, and cost per engagement in real-time.
3. **Implement forecasting and budgeting system** tied to resource allocation and project pipeline.

4. Overall Summary

Strengths:

- Experienced consulting team
- Strong client relationships
- Established project management processes

Weaknesses / Risks:

- Low utilization and realization
- Inconsistent engagement profitability
- High client concentration
- Underdeveloped marketing and lead generation
- Weak SOPs, KPIs, and automation
- HR training and incentives lacking

Next Steps:

1. Optimize utilization and realization tracking with dashboards and forecasting.
2. Improve engagement profitability and cost allocation.
3. Address client concentration and retention.
4. Strengthen marketing, competitor intelligence, and pricing strategies.
5. Enhance management systems, HR training, operations, and financial dashboards.

Overall Audit Score: 58.6%



Once you've reviewed this diagnostic report, the most important next step is **turning insight into action**. The findings highlight where performance is strong, where profit is leaking, and where systems are underdeveloped but the real value comes from prioritizing and implementing the right fixes in the right order. We strongly recommend reviewing this report with your **BYOBOSS consultant**, who can help interpret the results in the context of your specific locations, validate assumptions, and translate recommendations into a practical execution plan.

If you do not currently have a consultant assigned, BYOBOSS can match you with a qualified specialist aligned with your needs and operating environment. Your consultant will work with you to establish priorities, define measurable targets, and guide implementation—whether that involves improving cost controls, refining operational performance, reducing inefficiencies, or implementing stronger management and reporting systems. This ensures the report does not sit on a shelf, but becomes a practical roadmap to improved performance, greater control, and sustainable growth.