

FIELD GUIDE

The Operating-System Gap

Why data and AI services firms stall between \$10M and \$100M, and the five systems that get you to the next altitude.

A 12-minute read, with a self-score you can run on your own firm.

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What you built, and the two clocks

You built a data and AI services firm past \$10M. Most founders never cross that line. You've got paying clients, a delivery team that ships, and a name that means something in your corner of the market. Hold onto that, because what follows is about the next climb.

Growth just got harder, and you can feel it. The pipeline looks full, yet deals keep slipping into next quarter while you sit in every meeting that matters. Margin came in thinner than last year and you can't say where it went. The work didn't change, the size did.

Here's what I see when a firm hits this point. The setup that carried you here is the thing capping you now. Sales that ran on your relationships, delivery that leaned on a few key people, a finance view built for a simpler company: each one earned its place at the last altitude. Together, at this one, they strain, and the growth that used to feel automatic starts to grind.

That's the operating-system gap. A \$30M firm still running a \$10M operating system, and it reads as stalled growth, leaking margin, and a founder stuck in every decision.

87%

When a company stalls, the cause is internal about 87% of the time. You built the wall, and you can move it. (CEB / Olson-van Bever)

Founders meet this moment one of two ways: white-knuckle another year and hope the market turns, or hire a big firm for a deck that reads well and changes nothing on the floor. This report is for the third way, seeing the gap clearly and closing it before it costs you the next round of growth.

If you're backed, a second pressure sits on top of the first. You sold your board a number and put your name on it, and the system that got you to today won't produce it. The gap between the plan and the reality usually surfaces in year two, right when the room starts asking sharper questions. If you're not backed, the pressure is quieter and just as real, because you're the ceiling and you already know it.

Two clocks are running

CLOCK ONE · ALTITUDE

The wall founders have always faced

The playbook that got you to one camp works against you at the next. Services profitability sits at a five-year low even before AI, with average EBITDA near 9.8% against a healthy bar above 20%, and utilization stuck at 68.9% when 75% is the mark (SPI Research, 2025).

CLOCK TWO · AI

The one that's new

AI is automating the knowledge work you sell. A \$100M outsourcing deal is worth about \$80M today, only ~6% of provider revenue is directly tied to AI while managed-services revenue sits flat, and the client who bought 40 hours now buys 15 (HCLTech, ISG, 2026).

The services industry's vital signs, 2025

Billable utilization



68.9%
healthy 70–80%

EBITDA margin



9.8%
healthy 20%+

Revenue per consultant



\$199K
healthy \$200K+

A five-year low on profitability, before AI enters the picture. Source: SPI Research Professional Services Maturity Benchmark, 2025.

Clock two compounds. You're often the one teaching clients to run AI themselves, on your dime and inside their own environment, so the next engagement comes in smaller and the one after that may not come at all. That's revenue erosion sitting on top of margin leak. For a firm like yours, one more thing bites: you sell production AI to your clients while your own margin leaks, because you never ran it inside your own shop. The cobbler's children.

The squeeze, in numbers

\$100M



What a \$100M outsourcing deal is worth today, a 20% cut.

\$80M



What a client who used to buy 40 hours of your team buys now.

40 hrs



15 hrs



Plus 2 to 3% annual price deflation, and only about 6% of provider revenue is tied to AI while traditional managed-services revenue sits flat (HCLTech, ISG, 2026).

That clock has a second edge. The platforms you build on won't sit still. Databricks shipped more than fifteen major launches in a single keynote week last year, Microsoft pushes new Fabric and Copilot features every month, and a model your team built on can reach end-of-life inside a year. Technical skills lose half their value in about two and a half years (IBM), so the bench you certified last cycle is already part stale. Every accelerator you build to stand out is a bet against the platform shipping the same thing native and free a quarter later. I call it **the moving floor**, and riding it is its own discipline: build where you own the data or the workflow, wait for the platform everywhere else, and turn the hours AI frees up into a standing enablement budget.

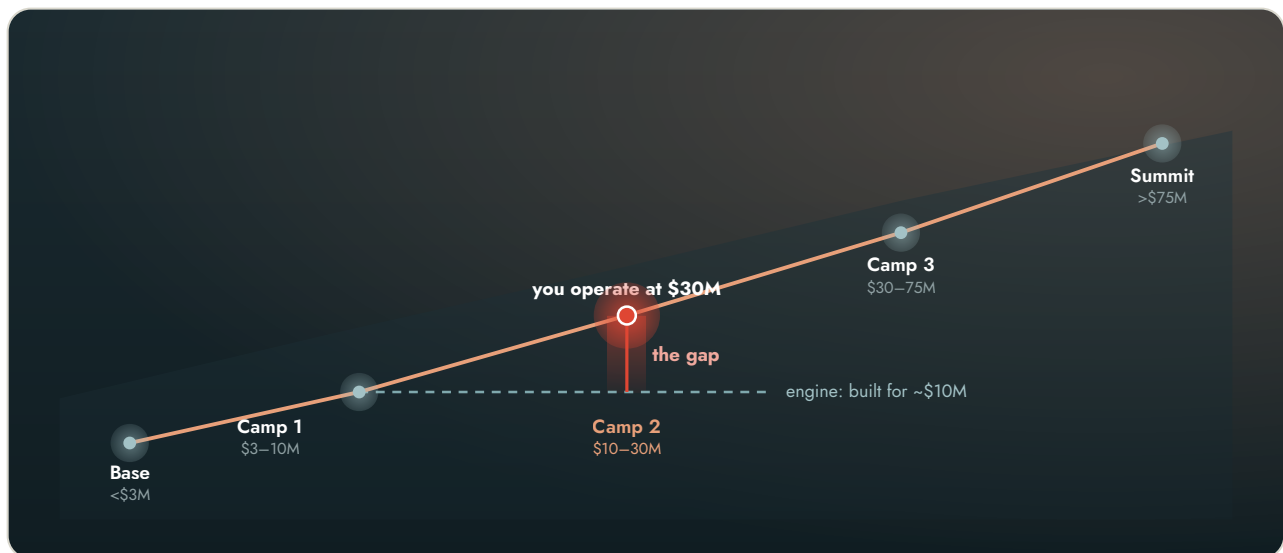
I learned the founder half of this the hard way. At the firm I built, every big proposal came to me. The largest deals, the ones that decided the year, I had to run myself, because we didn't have the depth in solution architecture or sales leadership for anyone else to carry them. It felt like control, and it worked right up until it became the ceiling. I'd made myself the bottleneck on the exact deals that mattered most, and I built it that way without meaning to.

That's the gap, and both clocks are running. What happens next comes down to which of three doors you walk through, and I'll lay those out once you've seen where your own firm stands.

THE ALTITUDE MODEL

Growth stalls at predictable revenue stages

A services firm climbs the same mountain, and the rules change at each altitude. The gap is the distance between the altitude you operate at and the operating system underneath you.

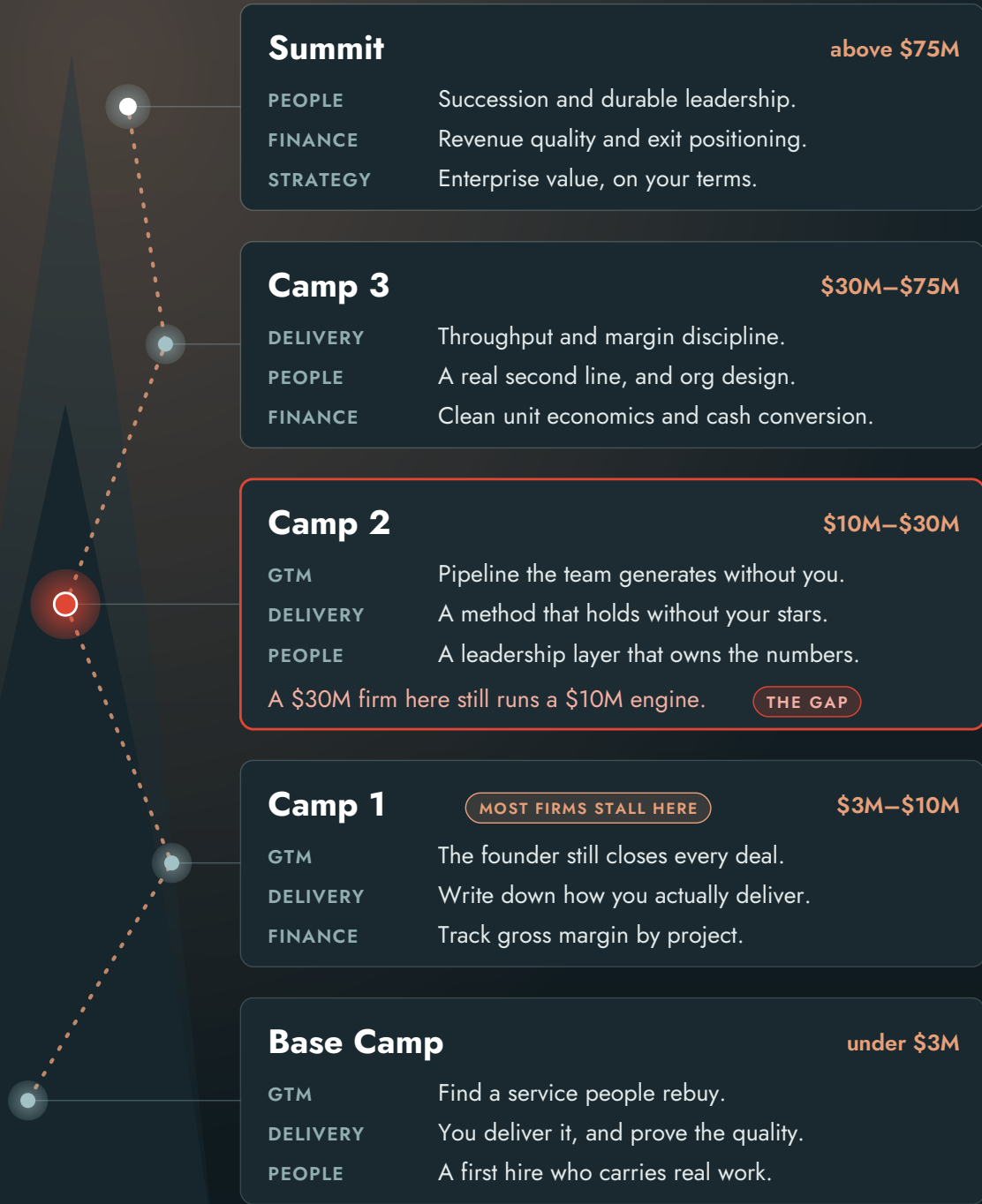


The wider the gap between your altitude and your engine, the harder everything gets. Camp 2 is where the gap runs widest and the misdiagnosis costs the most.

The operating system that got you to one camp becomes the thing that holds you at the next. The founder-led selling that won Camp 1 caps you at Camp 2. The hands-on delivery that protected quality at Camp 2 throttles you at Camp 3. Greiner mapped this more than fifty years ago: every stage of growth ends in a crisis, and the crisis is always the old way of running things.

THE ASCENT

Base Camp to Summit, the focus at each one.



Where the gap shows up

Five systems carry a firm up the mountain, and when growth stalls, some are still running a smaller firm's playbook. Each one below: the move the next altitude asks for, where it breaks, what AI changes, and a signal you can check in your own numbers this week. Three more round out the full picture in the complete diagnostic.

GTM & Revenue

Where most scaling firms bleed cash.

At the next altitude, sales is a system the team runs without you: a sharp ideal-client definition, an outbound and partner motion that creates demand on purpose, stages that mean something, and a hard test for whether a deal has a champion with power, someone who sells when you're not in the room. The Camp 1 version was you plus referrals, with a forecast that ran on feel.

It breaks quietly. Referral flow flattens before the team learns to generate its own, and the coverage that looks like 3x is half that once you pull the deals that haven't moved in 30 days. AI helps if you aim it, lifting how much a rep can carry, as long as a human still decides who's worth the touch and the goal stays qualified coverage.

The signal. Count your active deals, then count the ones you're personally carrying. If it's more than half, and your coverage after you delete the stale deals is under 2.5x, the founder is still the pipeline. In diligence, that reads as key-person risk and caps the multiple.

Delivery & Operations

Revenue means nothing if you can't deliver it.

Past Camp 1, delivery has to hold when your two best people aren't on the project: defined roles, a staffing model that spreads work below your seniors, and utilization and recovery you manage on purpose. The old version runs on heroes, where quality means the founder or a star architect in the room.

Volume is where it cracks. Senior people do junior work, scope creeps, and rework eats the quarter. Industry utilization has fallen to 68.9% against a 75% mark, and a firm gives back 6 to 9 points of delivery margin on the climb before anyone watches the right report (SPI Research, 2025). AI can lift delivery capacity, but only if you rebaseline staffing and stop selling the hour while the hour is shrinking. This is also where you run AI inside your own shop, the fix for a firm that ships AI to clients but never to itself.

The signal. Can you state gross margin project by project, past the blended number, and is utilization sitting in the 70 to 80 band? If margin is a year-end surprise, delivery is running you, and delivery margin is the first EBITDA lever a buyer underwrites.

People & Culture

The team that got you here won't get you there.

By Camp 2, you need a leadership layer that owns its own numbers, and people built for the altitude ahead: decentralized command, where the team can act without you in the room, on a bench you grew or hired on purpose. The old version leans on your earliest loyalists, with titles that ran ahead of scope.

Your best Camp 1 hire can become the Camp 2 constraint, holding a seat the firm has outgrown. Founder dependency spreads across five functions, sales, delivery, decisions, relationships, and vision, and the more the firm leans on you, the less it's worth without you. AI adds a twist: it strips out the junior tier that used to grow into seniors, so judgment now has to be built on purpose, through harder problems and time in the seat.

The signal. Take your biggest deal, your hardest delivery call, and your most important client relationship, and ask whether each could run without you for a month. A thin second line and a founder in every decision get priced as risk.

Finance & Unit Economics

The numbers that predict survival.

Above \$10M, four numbers run the business, watched monthly: gross margin by line of business, what it costs to acquire a client and how fast that pays back, net revenue expansion, and cash conversion. The old version watches revenue and treats margin as a year-end surprise.

That slack is gone now. Blended margin hides a line of business that loses money, industry EBITDA sits at a five-year low near 9.8% against a healthy bar above 20% (SPI Research, 2025), and a single client over 20% of revenue becomes a discount or a dealbreaker in diligence. AI-native economics reward outcome pricing and punish a firm still billing the hour while AI compresses it.

The signal. Can you state gross margin by line of business and your CAC payback right now, without commissioning a report? Clean unit economics by segment are what survive diligence, and growth carries about 2.3 times the weight of margin on the multiple (Bessemer, 2024).

AI & Technology

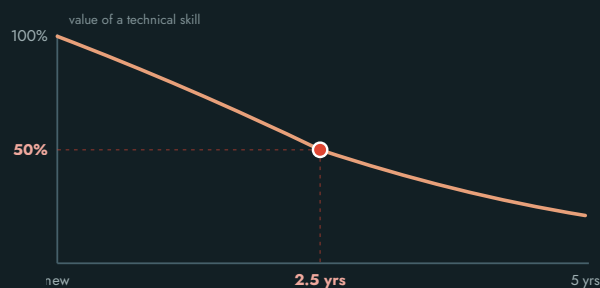
The difference between a demo and a number.

This is the system you sell, so the bar is higher: ship production AI that moves one real number, like delivery margin or sales cycle, and run a portfolio of small wins while you avoid the one-moonshot trap, with a human in the loop where AI is confident and wrong. The old version is a demo, a pilot parked in a steering committee, AI you sell to clients and never run yourself.

The failure rate is brutal. Around 95% of GenAI pilots show no measurable P&L impact, and only about 20% of enterprises have moved AI past experimentation (MIT and S&P, 2025).

Underneath that sits the moving floor: platforms ship faster than you can certify your people, and every accelerator you build risks the platform shipping it free a quarter later. Riding it means building where you own the data or the workflow, waiting for the platform everywhere else, and funding a standing enablement budget.

The moving floor: skills decay faster than you can certify



Databricks shipped 15+ major launches in a single keynote week.

Microsoft Fabric ships new features every month.

A model you build on can reach end-of-life inside a year.

Skills half-life: IBM. Platform cadence: Databricks, Microsoft, OpenAI, 2025–2026.

The signal. Name the number AI moved in production this quarter. If you can't, it's still a demo, and a demo is a cost. Production AI with a measured result is the value story a buyer pays for.

Where do you stand?

Rate each statement 1 to 5: 1 means it's not there and it's costing you, 3 means it's partly there, 5 means it's a genuine strength. The value is in the gaps you'd rather not mark.

SCORE EACH STATEMENT

1 2 3 4 5

GTM & Revenue

Pipeline coverage is at least 3x, recounted in the last 30 days with stale deals removed.

The team generates qualified pipeline without the founder in the first meeting.

The founder sits in fewer than half of active deals.

Delivery & Operations

You know gross margin project by project, past the blended number.

Billable utilization sits in the 70 to 80 band.

Delivery quality holds when your top two people aren't on the project.

People & Culture

A leadership layer owns its own numbers without you in the loop.

The biggest deal, decision, and client relationship can each run without you for a month.

You've named the last-stage strengths that became this-stage limits.

Finance & Unit Economics

You can state gross margin by line of business right now.

CAC payback and net revenue expansion are tracked monthly.

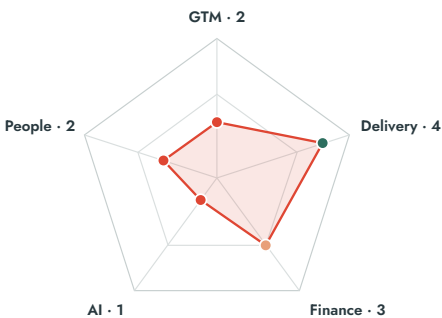
No single client is more than 20% of revenue.

AI & Technology

At least one AI use case moves a real number in production, past the demo. ○ ○ ○ ○ ○

You have a build-versus-wait policy and a standing enablement budget. ○ ○ ○ ○ ○

You run AI inside your own shop, beyond client work. ○ ○ ○ ○ ○



| Domain | Score |
|----------|-------|
| GTM | 2 |
| Delivery | 4 |
| Finance | 3 |
| AI | 1 |
| People | 2 |

WHAT A PROFILE LOOKS LIKE

One domain strong, the rest lagging

An illustrative five-domain profile. Yours will trace a different shape, and the lowest point, here it's AI, is the binding constraint where one move returns the most.

Read your score

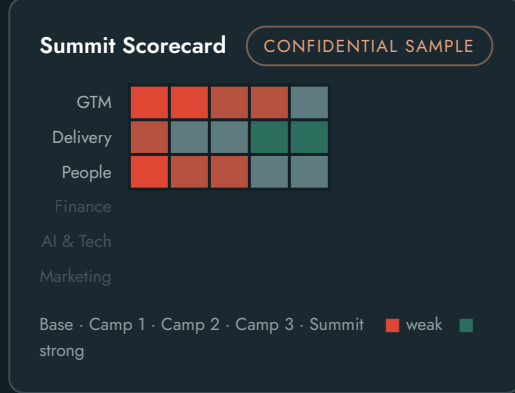
Add the fifteen. 60 and up: your operating system mostly keeps pace with your altitude, so protect it and push the few gaps. 40 to 59: you have an operating-system gap, and the climb is harder than it should be. Below 40: the firm is running well behind its size, and that's the stall you can feel.

Then set the total aside and find your lowest single domain. That's the binding constraint, and it's where one move returns the most.

THE SHORT VERSION, AND THE FULL ONE

This scores five of eight systems at your altitude

The full diagnostic, the Summit Scorecard, scores all eight systems across all five camps, forty cells, with a maturity heat map, a ranked gap list, and a readout. The three not scored here, Marketing & Positioning, Product & Engineering, and Strategy & Governance, are where the next layer of constraints hides. It's the same diagnostic a private-equity firm would pay a top consultancy six figures to run. If your score surprised you, that's the conversation.



The Founder Extraction Sequence

One play, the one I reach for most at Camp 2. Run it when pipeline coverage is under 2.5x and you're in more than half of active deals, or when the same kind of deal closes in 60 days for you and 140 for anyone else. Put your most senior seller on it, or your CRO if you have one, then run it over about a quarter.

Weeks 1–2 Audit and baseline. Measure founder dependency, real pipeline coverage, win rate founder-led versus team-led, and speed to lead. You can't move what you haven't baselined.

Weeks 3–4 Build the process. Define the ideal client, the stages, the champion test, and the qualification bar, and write down the parts of the sale that live only in your head.

Weeks 5–8 Execute the handoff. Move deals to the team in stages, with you in the room less each week, coaching after each call while the team runs it.

Weeks 9–12 Stabilize and measure. Hold the line on the process, watch the metrics, and keep the deals that slip from pulling you back in.

70% → 35%

Founder dependency

<2x → >3x

Pipeline coverage

120+ → <75

Sales cycle, days

→ within 20%

Team-led win rate vs
founder

That's one of twelve plays in the GTM system alone, and that's what a system looks like: a sequence your team runs on Monday.

What the next year decides

You scored your firm, and the score decides more than it used to, because the same altitude now leads to three very different endings.

DOOR ONE

You rebuild

You close the gap, the firm runs without you in every seat, margins improve, and you become the AI-native services firm that compounds. Scale pays at exit.

5.9x → 10x

EBITDA multiple, <\$25M vs \$100–250M enterprise value; a 2.8x size premium (GF Data, 2026)

DOOR TWO

You get rolled up

Someone else does the rebuild and keeps the upside. AI-enabled roll-ups are buying services firms now to automate the work and re-rate the margin.

They keep it

They buy you at today's pre-AI economics; the margin they realize with AI accrues to them (General Catalyst, New Mountain, Renovus)

DOOR THREE

Un-acquirable

The value walks out the door on two legs. A founder-dependent firm under ~\$2M EBITDA is an add-on or a pass, never a platform a sponsor competes for.

–20–35%

An owner-dependent firm trades ~2 turns lower; one client over 20–30% of revenue cuts the multiple a fifth to a third

There's a non-financial version of door three that traps founders too: a firm that can't run without you means you can never step away. The business is the job, and the job is you.

Another year on the \$10M operating system carries a cost, and it compounds. The door quietly closes while the firm one camp ahead of you keeps the talent, the clients, and the buyers you wanted.

PROOF

The climb



I built a data and AI services firm to \$200M and sold it, after sourcing, negotiating, and integrating eight acquisitions along the way, with the exit closing at the start of 2026. I've stood at every camp on this map, including the ones where I was the bottleneck on my own deals.

Adam Jorgensen · Growth advisor and operator, Everest Partners



The most recent proof is a client. Tecknoworks was a strong delivery shop, great engineers and almost no outbound pipeline, with every deal riding on referrals or the founder in the room. We rebuilt the go-to-market in about 90 days.

Razvan Furca · Founder and CEO, Tecknoworks

To finalize with Razvan before publish: the cleared metrics (pipeline multiple, win-rate move, GTM maturity move, sales-cycle change) and his approved quote drop in here.

That's the difference between a deck that names your problem and an operator who rebuilds the system with your team and stays on the number.

Sources

Every figure in this guide traces to a dated source. Check the work, or take it to your team.

SPI Research · Professional Services Maturity Benchmark, 2025

Billable utilization, EBITDA margin, and revenue per consultant across the services industry.

CEB / Olson and van Bever · Stall Points, and "When Growth Stalls," Harvard Business Review, 2008

About 87% of growth stalls trace to causes inside the company.

HCLTech and ISG · FY2026 commentary and the ISG AI Index, 2026

Deal-value compression, the pace of AI price deflation, and the share of provider revenue tied to AI.

IBM Institute for Business Value · The Enterprise Guide to Closing the Skills Gap

The roughly two-and-a-half-year half-life of a technical skill.

Databricks, Microsoft, and OpenAI · Product announcements, 2025–2026

Platform release cadence and model end-of-life timelines.

GF Data · Lower-middle-market M&A report, 2026

Buyout multiples by company size and the size premium for scale.

Bessemer Venture Partners · The Rule of X, 2024

Growth carries about 2.3 times the weight of margin on the valuation multiple.

General Catalyst · The Future of Services, 2025

The scale of the services market and the AI-enabled roll-up thesis.

MIT (NANDA) and S&P Global · 2025

The share of GenAI pilots with no measurable impact, and the rate of enterprise AI adoption.

A few figures, the rate of AI price deflation and the share of provider revenue tied to AI, are directional across surveys and are written that way in the text. Everything else is stated as reported.

THE NEXT STEP

Read it, then run it.

Start with a call: thirty minutes, free. We talk about where you're trying to go, and you get a straight read on the gap I'd find and whether closing it is worth it now.

- 1 The call.** Where are you trying to go, and what's the one gap closing it fastest.
- 2 The Summit Scorecard.** If we're a fit, the full diagnostic across all eight systems and five camps, with the plan that comes out of it.
- 3 The work.** An operator who rebuilds the system with your team and stays on the number.

Talk to **Adam** →

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