Revenue Visibility and Cash Control Diagnostic

Leadership brief based on operational interviews and conservative evidence rules (Oct-Dec 2025; November baseline).

Executive view

The company is operationally competent and generates real revenue through high-end field service work. The recurring stress is cash timing uncertainty: payroll is a fixed, immediate cash outflow while the primary client pays on approval and sometimes in batches. Because invoices lack job-level identifiers and approvals are mostly free-text emails, leadership cannot prove, predict, or prosecute what is owed on a weekly cadence without manual reconstruction.

What is true today (observed reality)

- Work is won and executed through relationships, rapid coordination, and email-based negotiation.
- Labor is deployed quickly and paid consistently, regardless of payment certainty.
- Invoices are created per job, but often do not carry a stable job or project reference.
- Approval signals primarily arrive via free-text email conversations with project managers.
- A subset of open invoices cannot be tied back to a quote, approval, or completion evidence internally (open orphan receivables).

Why payments feel inconsistent

Payment is released by the client's internal approval process and may be batched. That creates a normal timing gap. The problem is that the company cannot see where each job sits in the chain (completed, approved, queued for batch, paid) because evidence is scattered across email and invoices are not indexable.

What this means financially

- The business unintentionally finances receivables with payroll (labor-funded receivables).
- Cash stress concentrates in visibility gaps and exceptions, not broad client delinquency.
- Accrual reports can overstate certainty if open invoices lack job-level evidence.

Expansion readiness (brutally honest)

The company has operational potential, but it is not structurally ready to expand volume without increasing stress. Scaling a system that cannot reliably connect labor, invoice, approval, and payment will multiply uncertainty.

Subcontracting installations: risk profile in the current state

- Adds subcontractor payables on top of existing payroll timing pressure.
- Increases documentation requirements to defend billing and scope, especially with enterprise clients.
- Raises dispute surface area (quality, rework, scope drift) while the evidence chain is already weak.

> **Interpretation:** Subcontracting can increase throughput, but without a minimal internal case file per invoice, it is likely to convert into cash and reputational risk rather than stable growth.

Where to start (the correct first move)

Start with cash certainty, not dashboards, not strategy, and not financing. The first objective is to make next-week cash more predictable without slowing field operations. That requires one controllable artifact: a weekly view of what is owed, what is approved, and what is unproven.

First deliverable: ES Cash Clock (weekly control artifact)

Build a single list that classifies invoices into: (1) Approved / expected in next batch, (2) Completed but not approved, (3) Unproven / orphan. Each row must tie to evidence (invoice record, approval email, deposit reference where available).

Field	Purpose (defensible)
Invoice number / date / amount	Defines the receivable population and timing anchor
Client / site reference	Minimum linkage when no job ID exists
Approval evidence link (email thread)	Proves approval signal exists and is findable
Payment evidence (deposit reference)	Proves cash receipt when available
Status: Approved / Not Approved / Unproven	Separates normal timing from true exposure
Days-to-pay (when paid)	Creates a payment clock for planning and escalation

Decision gate (to avoid wasted effort)

This work only sticks if leadership agrees to a minimum documentation rule that does not change field execution: each new invoice must carry a simple job label that matches the email thread and payroll label.

Single question to confirm readiness

> Are we willing to require one mandatory field on every new invoice starting immediately: **Job/Project label (free text)** that matches the email thread and payroll label?