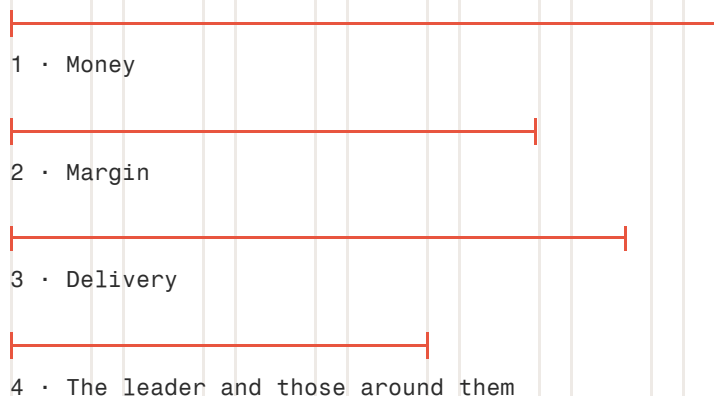


12 warning signs every business leader should watch

A checklist scored out of 24, to see a crisis coming while you still have options

- 
- 1 · Money
 - 2 · Margin
 - 3 · Delivery
 - 4 · The leader and those around them

Why this checklist

A business rarely tips into crisis overnight. Beforehand there are almost always signs: a customer paying later, a margin slipping, a decision that comes back at the next meeting, a supplier whose tone changes. Taken one by one, they look manageable. Together, they show a trend.

The problem isn't that these signs are invisible. It's that they are rarely looked at in the same place, at the same time. Cash sits with the accountant, margin in one spreadsheet, projects in another, and the team's morale in the leader's head.

This checklist puts twelve signs on one page. It doesn't predict anything. It makes you ask twelve simple questions, answer them honestly, and see at a glance where to look first. The earlier you spot a sign, the more options you keep: chase, renegotiate, defer, finance, stop what costs too much.

How to use it

- 1 **Take ten minutes, on your own, without trying to reassure yourself.** The checklist only works if the answers are true.
- 2 **Score each sign from 0 to 2.** 0: the sign is absent. 1: it appears at times, or you can't answer. 2: it is clearly present.
- 3 **"I don't know" scores 1.** Not knowing is already information.
- 4 **Add up.** The total is out of 24. Page 9 tells you how to read it.
- 5 **Repeat it every quarter** and compare. A trend tells you more than a snapshot.
- 6 **Share it with your accountant.** They know your figures; the checklist gives them your priorities.

1 Money: what buys you time

Sign 1

You discover your cash position instead of forecasting it.

Why it matters	Without a week-by-week forecast, you see the problem when there are no options left. A positive balance at month end can hide an impossible week in the middle, the one where payroll and VAT fall before customers pay.
How to spot it	Do you have a week-by-week cash forecast covering at least thirteen weeks, updated weekly and compared with actuals?
First step	Open a spreadsheet. Thirteen columns, one per week. At the top, the real bank balance. Below, expected receipts, customer by customer, on the date they actually pay. Then payments, from the most unavoidable to the most negotiable. At the bottom, each week's closing balance. Highlight the lowest.

☐ 0 Yes, updated weekly☐ 1 Monthly or irregular☐ 2 No forecast

Sign 2

Your customers are paying later and later.

Why it matters	An overdue invoice is cash you are lending your customer. It is also often the fastest cash to recover, if you chase early.
How to spot it	Are overdue invoices growing faster than your revenue? Has a major customer changed how they pay?
First step	List the ten largest overdue amounts. Put a name against each call to make, and make them this week.

☐ 0 No☐ 1 A little, or I don't know☐ 2 Yes, clearly

Sign 3

Payment deadlines have become a weekly topic.

Why it matters	Payroll, social charges, VAT and taxes, loan repayments, rent. Missing one of these changes the nature of the situation.
How to spot it	In the last three months, have you deferred, or considered deferring, a social, tax or bank payment or a rent?
First step	List the payments that cannot wait over the next thirty days and work out their cover: (available cash plus certain receipts within thirty days) divided by those payments. Below 1, talk to your accountant before deferring anything.

☐ 0 Never☐ 1 Considered☐ 2 Already deferred

2

Margin: what makes activity pay

Sign 4

Revenue is rising, margin isn't keeping up.

Why it matters Selling more at a falling margin uses up work and cash without making the business richer. Growth at a falling margin can lead a profitable business into crisis.

How to spot it Has your contribution margin rate, that is (revenue minus variable costs) divided by revenue, been falling for two quarters? Are you signing deals below the minimum margin you set yourself?

First step Calculate that rate for your three main offers, or your ten largest customers.

☐ 0 Stable or rising

☐ 1 Slightly down, or I don't know

☐ 2 Clearly down

Sign 5

Your fixed costs are rising faster than your activity.

Why it matters A fixed cost is signed once and paid every month, whatever your revenue. Rent, subscriptions, multi-year contracts, headcount: each one raises your break-even point, the revenue you need before you earn your first euro.

How to spot it Has your break-even point (fixed costs divided by your margin rate) risen faster than your revenue over a year? Have you signed a lease, a long contract or new hires without recalculating it?

First step Recalculate your break-even point today. Then, before any new long commitment, recalculate it under your prudent scenario.

☐ 0 No

☐ 1 A little, or I don't know

☐ 2 Yes

Sign 6

You can no longer say where you make money.

Why it matters Without a margin by offer, customer or site, pricing, sales effort and investment decisions are taken blind.

How to spot it Can you name, with figures, your least profitable offer, customer and site?

First step A simple table. One line per offer, customer or site: revenue, direct variable costs, margin. A few lines often explain most of it.

☐ 0 Yes, precisely

☐ 1 Roughly

☐ 2 No

3

Delivery: whether the plan is holding

Sign 7

Decisions come back at the next meeting.

Why it matters A decision reopened costs twice: the committee's time, and the delay to the action that was waiting on it.

How to spot it At your last leadership meeting, how many decisions were written down with an owner and a date? How many topics were already on the previous agenda?

First step A decision log. Date, decision, owner, deadline. Read aloud at the start of every meeting.

0 Decisions written and followed up

1 Sometimes

2 Rarely, or no regular meeting

Sign 8

Too many projects in parallel, too few that finish.

Why it matters When capacity is spread thin, everything moves and nothing arrives. The projects that matter wait behind those that no longer do.

How to spot it How many projects are under way? How many have a named owner, a date and a budget? How many finished on time this year?

First step One list of every project, ranked by importance. Pause those with neither an owner nor an expected benefit.

0 Prioritised portfolio

1 A list, but no trade-offs

2 No overall view

Sign 9

A major programme is slipping, and nobody says how far.

Why it matters A large programme (system, site, reorganisation) rarely derails in one go. It slips decision by decision, and the announced date becomes untouchable until the day it falls.

How to spot it For your most important programme, do you know the critical path, how much has been committed and how much remains, and the written criteria on which you will decide to go live?

First step Ask those three questions at the next meeting. If an answer takes more than a minute, you have found where to take back control.

0 Three clear answers

1 One or two

2 None

4

The leader and those around them: what the figures don't show yet

Sign 10

Everything comes back to you.

Why it matters	A leader who decides everything becomes the bottleneck of their own business. Decisions wait, the team waits, and fatigue sets in.
How to spot it	Could you be away for ten days without activity slowing down?
First step	For one week, write down every decision that reaches you. Then delegate three, with a written frame: how far the person decides alone.
Score	In a typical week, how many of the decisions that reach you could have been taken without you?

0 Few or none

1 Some

2 Almost all

Sign 11

Key people are tiring or leaving.

Why it matters	Under pressure, the best people are sometimes the first to leave, and they are the ones carrying the plan, the key customers and knowledge nobody else has.
How to spot it	In the last six months, have you seen a departure, a long absence or visible loss of motivation in a role that carries a key customer, unique knowledge or an important action?
First step	Write down the five names you must not lose. Speak to each of them this week.

0 No

1 One sign

2 A departure or several signs

Sign 12

Your partners' tone is changing.

Why it matters	Your bank, suppliers, credit insurer and customers often see a difficulty before it shows in your accounts.
How to spot it	Has a supplier asked for cash on delivery or cut your credit limit? Is your bank asking new questions? Is a major customer reducing its orders?
First step	A short list, kept weekly: the event, its date, its possible effect, the response decided. Two signs of the same kind in a month deserve a point at the leadership meeting.

0 No

1 One sign

2 Several

Your checklist

No.	Sign	0	1	2
1	I discover my cash position instead of forecasting it	☐	☐	☐
2	My customers are paying later and later	☐	☐	☐
3	Payment deadlines have become a weekly topic	☐	☐	☐
4	Revenue is rising, margin isn't keeping up	☐	☐	☐
5	My fixed costs are rising faster than my activity	☐	☐	☐
6	I can no longer say where I make money	☐	☐	☐
7	Decisions come back at the next meeting	☐	☐	☐
8	Too many projects in parallel, too few that finish	☐	☐	☐
9	A major programme is slipping with no known limit	☐	☐	☐
10	Everything comes back to me	☐	☐	☐
11	Key people are tiring or leaving	☐	☐	☐
12	My partners' tone is changing	☐	☐	☐
Total out of 24				

Date: · Previous score: · Trend: up / stable / down

Reading your score

These thresholds are reading guides I propose, not a statistical standard. You and your accountant know your business better than any checklist.

One rule comes before the total. A score of 2 on sign 1, 2 or 3 (money) is dealt with this week, whatever your total.

0 to 6: normal vigilance. Keep your cash forecast up to date and repeat the checklist in three months.

7 to 12: signs to address this quarter. Pick the two highest-scoring signs, name an owner for each and set a review date.

13 to 24: time to act. Several families are affected at once. Talk to your accountant this week and, depending on the situation, to your bank and your lawyer. The earlier the conversation starts, the more options remain.

The routine

- ☐ **Every Monday, five minutes:** signs 1, 2 and 3, the ones that move fastest.
- ☐ **Every month, in committee:** signs 4 to 9.
- ☐ **Every quarter, alone or with your partner:** the whole checklist, compared with the last one.

When to ask for help

If your score is above 12, if any of signs 1 to 3 scores 2, or if your financial partners' tone changes, don't wait until you have every figure before talking about it. Your accountant, your bank and your lawyer are the first people to speak to.

If you'd like an outside view to build the forecast, set your thresholds and hold the plan every week, call me or write to me. The first conversation is complimentary, within 48 hours.

About the author

Tudor Hilcu founded THG Conseil in 2022 and runs it; he also runs THG Distributions. An entrepreneur, he spent eight years running programmes, portfolios and budgets for major groups (assignments delivered for TotalEnergies, The Walt Disney Company, GRDF and Monoprix). He is PMP®, PRINCE2 Agile® and ITIL® 4 certified.

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This document is a management tool. Legal and accounting questions are for your lawyer and your accountant.