SMARTer Entrepreneurs

FREE QUICK CARD

RESILIENCE I QUICK CARD RR-01

The dependency check

Fifteen minutes, three dependencies, and the questions a good coach would ask you.



The practice

Every business that sells expertise has a client it would rather not think about losing: the one that arrived early, grew steadily and pays reliably. All true, right up until their new finance director arrives with a procurement review.

Dependency is rarely a decision; it builds up quietly while things go well. An agency found its largest client was 28% of fees and that losing it would turn a £180,000 profit into a £72,000 loss; replacing it would take 14 months. The number that made the owner go quiet was a different one: 45% of fees rested on her own relationships.

Your three dependencies

Your largest client's share of last year's fees (%)
Your largest three clients' share (%)
Share resting on one person's relationships, including yours (%)
Share depending on one supplier, partner or source of introductions (%)
If the largest left: fees lost, less the cost of serving them, against your profit (£)
Months to replace it at your normal rate of winning new clients

Try this this week

Divide last year's fees from your largest client by your total fees. Then ask how long it would take to replace that work at your normal rate of winning new clients. Write both numbers down side by side.

THE OTHER SIDE OF THE CARD

Coach yourself

Fill in the front first. Then take fifteen minutes with these, in writing.

1. Which of your percentages surprised you, and which had you chosen not to look at?
2. When you last lost a large client, what had changed at their end?
3. Which of your largest clients has only one relationship with the business, and whose is it?
4. If you were away for three months, which clients would notice?
5. Which dependency will you reduce first, and what first step grows around it rather than shrinking it?
6. Who will update the largest client's share each quarter, and where will it appear?

If you catch yourself saying...

You hear yourself say	Try asking instead
"They'd never leave us"	What would have to change at their end for that to stop being true?
"I am the business, really"	If the business were separate from you, what would it need?
"We'll diversify once things calm down"	When did things last calm down?

ONE HARDER QUESTION

If a buyer looked at your numbers tomorrow, which percentage would they ask about first?

Keep it going

Put the largest client's share with your monthly numbers; review all four once a year. Decide who updates them. Diary: 3, 6 and 12 months.

When to get help

Notice periods and contract terms: your solicitor. Key-person cover: your broker. What the business is worth: a corporate finance adviser.

What a coach adds

This card gives you the questions. What it cannot do is notice which one you avoided. It is one of the SMARTer practice cards, covering the ten key areas of a business that sells expertise.

> Talk yours through with your SMARTer coach and mentor: book a Discovery Call at smarterentrepreneurs.co.uk

Quick card RR-01 v2, October 2026. Sources: IFRS 8 paragraph 34; Dhaliwal, Judd, Serfling and Shaikh (2016); Patatoukas (2012). © 2026 SMARTer Entrepreneurs. Free to share with other business owners, unchanged and with this notice.