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WHITE PAPER

The Financial Infrastructure Gap: Why Growth-Stage Small Businesses (\$1M–\$10M) Fail at Financial Management

And what a structured operating system does about it.

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Executive Summary

Most small businesses in the \$1M–\$10M revenue range are financially sophisticated enough to outgrow simple bookkeeping — and not large enough to build a finance team. They occupy a gap where standard accounting services produce compliance records, not management insight.

This white paper identifies the root cause of this gap, defines its economic consequences, and presents a structured solution: the Financial Operating System (FCore OS) — a six-phase methodology that transforms accounting from a tax function into a management infrastructure.

The methodology is grounded in original academic research, validated across 17 client companies using a proprietary diagnostic instrument (the Financial Clarity and Control Index), and built on four original design principles that address the specific failure modes of growth-stage small business financial management.

33.2M small businesses in the U.S. (SBA, 2023)	82% of failures tied to cash flow problems (U.S. Bank)	50% close within 5 years (BLS, 2023)
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1. The Market: Why This Matters at National Scale

Small business is not merely a market segment. It is the foundational structure of the American economy — 99.9% of all U.S. enterprises, responsible for 44% of GDP, 46.4% of all private employment, and two-thirds of all net new jobs created annually (SBA, 2023; SBA Office of Advocacy, 2023).

Within this sector, the \$1M–\$10M revenue range represents approximately 1.0 to 1.1 million businesses. These companies are past the startup stage. They have employees, systems, and operational complexity. They carry the heaviest growth demands and the fewest structural supports. And they are almost universally underserved by the financial management infrastructure available to them.

The segment problem in one sentence:

Too large for basic bookkeeping that provides no management picture — too small to afford the finance team that would provide one.

These businesses also form a critical node in the national tax system. Through pass-through taxation — LLC and S-Corp structures — their financial performance directly affects federal and state income tax revenue. Their failure is not an individual loss. It is a systemic economic event: jobs eliminated, local tax base eroded, commercial real estate vacated, suppliers affected up the chain.

The financial management problem of growth-stage small business is, at sufficient scale, a national economic problem.

2. The Problem: A Systemic Failure of Financial Infrastructure

The financial management gap this paper describes is, at its core, a data quality problem — and one that the broader business world has increasingly recognised as a strategic concern. Gartner, whose research on data quality and analytics infrastructure shapes enterprise technology strategy globally, has made data quality a central theme of its advisory work in recent years: the absence of reliable, structured, decision-ready information is now acknowledged as one of the most consequential and consistently underestimated business problems of the current era (Gartner, 2024). That recognition has driven the development of entire disciplines at the enterprise level — data governance frameworks, data quality management platforms, analytics infrastructure. What has not followed is an equivalent body of practice for the growth-stage small business, where the same underlying problem manifests with equal force and without institutional recognition, specialised methodology, or systematic solution. A business owner who cannot verify whether last month’s figures reflect reality, who cannot trace revenue from sale to bank deposit, who receives a tax return she did not understand and signed on trust — is experiencing a data quality failure. It simply has not been named that way.

2.1 The Failure Statistics

The data on small business closure is well-documented and consistent across sources:

Finding	Source	Implication
50% of small businesses close within 5 years	BLS, 2023	Not an anomaly — a pattern
82% of bankruptcies caused by cash flow problems — not lack of customers	U.S. Bank study	Financial management is the primary failure point
Most \$1M–\$10M owners have no internal financial specialist	Industry observation	Decisions made without adequate financial picture
Poor reporting = primary barrier to bank credit and investment	SBA lending data	Financial gap compounds growth limitations

What makes these numbers significant is not their size — it is their cause. Business failure at this scale is not primarily caused by bad products, poor sales, or unfavorable markets. It is caused by the absence of the financial management infrastructure needed to understand what the business is actually doing and to act on that understanding before problems become irreversible.

2.2 The Root Cause: Structural Mismatch

The standard response to small business financial management needs is bookkeeping. A bookkeeper records transactions, categorizes expenses, reconciles the bank, and produces reports for the tax preparer. This service solves the compliance problem. It does not solve the management problem.

A business generating \$3 million in annual revenue with fifteen employees and multiple sales channels is not served by the same financial infrastructure as a sole proprietor. It requires a management system: one that produces accurate, timely, actionable financial information organized around how the business actually operates.

The core distinction:

Bookkeeping records the past for the IRS.

A financial operating system manages the present for the owner.

For a \$5M business making daily operational decisions, only one of these is sufficient.

The structural mismatch is this: the tools and services that bridge this gap — fractional CFOs, enterprise accounting systems, management consulting — are priced and structured for businesses ten times larger. The \$1M–\$10M segment is caught between services designed for startups and those designed for mid-market companies. It occupies a financial infrastructure gap.

2.3 You Can't Automate Chaos

Business owners in the \$1M–\$10M segment are increasingly exposed to a parallel narrative: that AI tools — AI-powered bookkeeping assistants, automated reporting dashboards, conversational financial analysts — can close the financial management gap described in this white paper. This expectation is not unreasonable on its face. AI excels at processing large volumes of data, identifying patterns, and generating analysis at a speed no human team could match. For a business with adequate financial infrastructure, AI is a genuinely powerful additional layer.

But consider what happens when an AI tool is connected to the financial systems of a typical business in this segment — one operating with the structural mismatch described in Section 2.2. The Chart of Accounts has accumulated years of inconsistent categorization. Revenue from different sales channels is commingled into a single line. Owner draws, business expenses, and personal expenses are not cleanly separated. There is no consistent logic connecting the bank, the accounting system, and the sales platform.

An AI tool connected to this data does not refuse to produce an analysis. It produces one — confidently, fluently, and incorrectly. It may report a contribution margin that does not correspond to any real segment of the business, because no such segment exists in the data. It may flag “anomalies” that are simply miscategorized transactions, or fail to flag real anomalies because they are buried in catch-all categories. The output looks like insight. It is not.

This is the central risk of the current AI moment for small business: AI does not correct disorganized data — it amplifies it. Where a human bookkeeper might pause at an unclear transaction and ask a question, an AI system processes it according to whatever pattern it has been given, at scale, without hesitation. The result is not an absence of insight — it is confidently wrong insight, delivered faster and in greater

volume than before, and acted upon with a false sense of certainty that the technology itself appears to lend it.

The operating system is not an alternative to AI.

It is the prerequisite. You cannot automate what you have not yet organized — and attempting to do so does not produce a neutral result. It produces confident errors, at scale.

This is also why the Financial Clarity and Control Index (Section 3.1) functions, in practice, as a signal of AI readiness. A business scoring in the Full Control range (76–100) has, by definition, the structural prerequisites that make AI analysis trustworthy: a consistent Chart of Accounts, data reconciled across systems, and a verified connection between the books and the bank. A business scoring below that range may still benefit from AI tools for narrow, well-defined tasks — but broad AI-driven financial analysis applied to that business’s current data will reproduce and accelerate its existing blind spots, not resolve them.

The sequence, in other words, is not “adopt AI, then clean up what it surfaces.” It is the reverse. The structured foundation described in Section 3 is what determines whether AI, once adopted, becomes an asset or a liability.

3. The Solution: FCore OS

FCore OS — the Financial Operating System — is a structured six-phase methodology for building financial management infrastructure in growth-stage small businesses. It is not a software product. It is not a bookkeeping service. It is a management architecture.

The methodology integrates three elements in a specific sequence: logical IT integration (connecting the business's existing tools into a coherent data flow), financial architecture (building an accounting structure that reflects how the business operates), and organizational rhythm (institutionalizing the management cycle that transforms data into decisions).

3.1 The Financial Clarity and Control Index

Before any implementation begins, the current state of the business must be measured. FCore OS uses a proprietary diagnostic instrument — the Financial Clarity and Control Index (CCI) — to establish a quantitative baseline and track improvement.

The CCI consists of seven weighted questions rated 0–10, producing a score from 0 to 100. Each question corresponds to a specific dimension of financial management clarity:

Question	Weight	Addresses
Do you know exactly how much money your business made last month — after all expenses?	20%	Accounting foundation
Do you know where the money your business earned actually is right now?	20%	Cash traceability
Do the numbers from your different systems line up?	15%	Systems integration
Do your reports contain the information you actually need to make decisions?	15%	Report architecture
Do you regularly review the financial numbers of your business?	15%	Operational rhythm
After looking at your numbers, do you know exactly what to focus on first?	10%	Business model clarity
If the IRS, a bank, or a buyer asked for your financials today — would you be ready?	5%	Readiness by design

Level	CCI Range	Characterization
 Blind	0 – 30	Financial blindness. The business runs on gut feeling, not data. No structured financial information system exists.

 Partial	31 – 55	Tools exist, but no system. Clarity is fragmented across disconnected sources.
 Clear	56 – 75	Basic control is present, but the complete financial picture remains inaccessible.
 Full Control	76 – 100	The system works. Decisions are made from data, not instinct.

The CCI is available as a free self-assessment tool at tektonize.com.

Business owners can assess their current level in under two minutes and receive a personalized analysis of which FCore OS components would have the greatest impact on their specific situation.

3.2 The Six-Phase Implementation Methodology

Implementation follows a structured six-phase sequence. The sequence is not arbitrary — each phase creates the conditions required for the next. Integrations built on a disordered accounting foundation reproduce fragmentation at scale. Operational rhythm without functioning integrations is manual labor, not a system.

Phase	Description
1. Diagnostic Assessment	CCI baseline measurement and current-state architecture map. Identifies exactly where the business stands and what must change. Establishes the transition criteria for proceeding.
2. Mathematical Business Model	Unit economics, overhead structure, and target state definition. Profit is planned explicitly — not left as a residual after expenses. Target parameters are benchmarked against industry standards where available. This model defines what the accounting architecture must produce.
3. Architectural Design	Target technology stack, single sources of truth per data domain, responsibility matrix, and implementation roadmap. Architecture is designed around the mathematical model — not the reverse. Before any technical work begins.
4. Accounting Foundation	Chart of Accounts designed per the three original FCore OS principles (see Section 3.3), historical data cleanup, opening balances verification, and accrual basis conversion. This is the most critical phase — the foundation everything else rests on.
5. Integrations & Loop Closure	Four data flows connected: revenue, cash, payroll, and accounts receivable/payable. Two-level verification architecture established: the Bank as Verification Anchor for cash transactions, and Counterparty Reconciliation for accrual items. An Analytical Transformation Layer bridges CRM data to the accounting core.
6. Operational Rhythm	Monthly management cycle established as a cybernetic feedback loop (Wiener, 1948). Owner engages with structured reports, identifies gaps, makes decisions, and

	observes outcomes — iterating each month. This cycle produces the cognitive transformation (Argyris & Schön, 1996) through which data-driven management becomes the owner's natural mode of operating.
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3.3 Original Design Principles

FCore OS introduces four original principles for Chart of Accounts and integration design — each developed through original academic research conducted with university economists. These principles address specific failure modes in how small businesses structure their financial data.

Cash-Traceable Revenue

The revenue section of the Chart of Accounts is structured so that the net revenue line represents the amount ultimately traceable to bank receipts — not necessarily in the same period, but in full, net of all direct deductions (platform fees, merchant fees, discounts, returns).

This principle operates at three levels simultaneously. Technically, it creates a natural reconciliation point between the income statement and the bank statement — a persistent discrepancy is a diagnostic signal, not normal variation. Managerially, the waterfall structure (gross sales → deductions → net revenue) makes business performance drivers visible and measurable. Analytically, it forms the revenue layer of the unit economics structure. The gross-to-net waterfall presentation itself is a well-established technique in revenue management and pricing strategy — most notably the “pocket price waterfall” popularized by McKinsey & Company (Baker, Marn, & Zawada, 2010). FCore OS applies this presentation logic as a formal Chart of Accounts design principle for growth-stage small businesses, anchored to bank-level verification rather than used as a standalone analytical overlay.

Example: Amazon e-commerce business, two consecutive months.

Month 1: \$174,000 gross sales, \$134,000 in fees and advertising → \$40,000 net revenue.

Month 2: \$184,000 gross sales (+\$10,000), \$151,000 in fees and advertising → \$33,000 net revenue (-\$7,000).

Without Cash-Traceable Revenue structure: Month 2 looks like a better month. With it: advertising efficiency collapsed, visible immediately.

Mirror COGS Structure

The cost of goods sold section mirrors the revenue segmentation exactly. If revenue is organized by sales channel, COGS follows the same structure. If revenue distinguishes product types, COGS makes the same distinction. This ensures that contribution margin — net revenue minus direct costs — is calculable per segment directly from the income statement, without supplementary calculations. The revenue and COGS sections together form a single unit economics layer.

Controllability-Ordered Overhead

Overhead expenses are ordered from least to most controllable in the operational cycle: from structurally committed costs (multi-year leases, base utilities) through operationally adjustable costs (payroll, contracted services) to tactically discretionary costs (advertising, travel). A manager reviewing the income statement moves naturally from what cannot be changed this period to what can — communicating management leverage without requiring explanation.

Bank as Verification Anchor

The bank account is the universal verification mechanism for the entire system. Cash-side income statement lines — net revenue from Cash-Traceable Revenue, net payroll disbursements — are verified against bank receipts and disbursements respectively. This two-level verification architecture (bank verification for cash transactions + counterparty reconciliation for accrual items) ensures both accuracy and completeness of the financial record.

The bank does not lie. Every cash transaction it records is a fact that cannot be reinterpreted. The system is designed so that the income statement is always verifiable against that fact — giving the owner not just financial reports, but financial proof.

4. Evidence and Results

FCore OS has been implemented across 17 small businesses in the United States, spanning seven industry categories within the \$1M–\$10M revenue segment.

4.1 CCI Before-and-After Study

A paired study was conducted measuring CCI at the start of Phase 1 (baseline) and upon completion of Phase 6 (post-implementation) for all 17 clients. The paired design — each business serving as its own control — isolates the effect of the implementation from baseline variation across companies.

CCI Before-and-After Results (n = 17)

Mean CCI before: 32.5 → Mean CCI after: 90.9

Mean improvement: 58.5 points | $t(16) = 21.37, p < .001$ | Cohen's $d = 5.18$ (large effect)

All 17 companies showed positive change. No company showed decline or no change.

Level Before	n / %	Level After	n / %	Change
● Blind (0–30)	8 / 47%	● Blind (0–30)	0 / 0%	↓ 8
● Partial (31–55)	7 / 41%	● Partial (31–55)	0 / 0%	↓ 7
● Clear (56–75)	2 / 12%	● Clear (56–75)	0 / 0%	↓ 2
● Full Control (76–100)	0 / 0%	● Full Control (76–100)	17 / 100%	↑ 17

Clarity & Control Index: Before vs. After Implementation (n = 17)

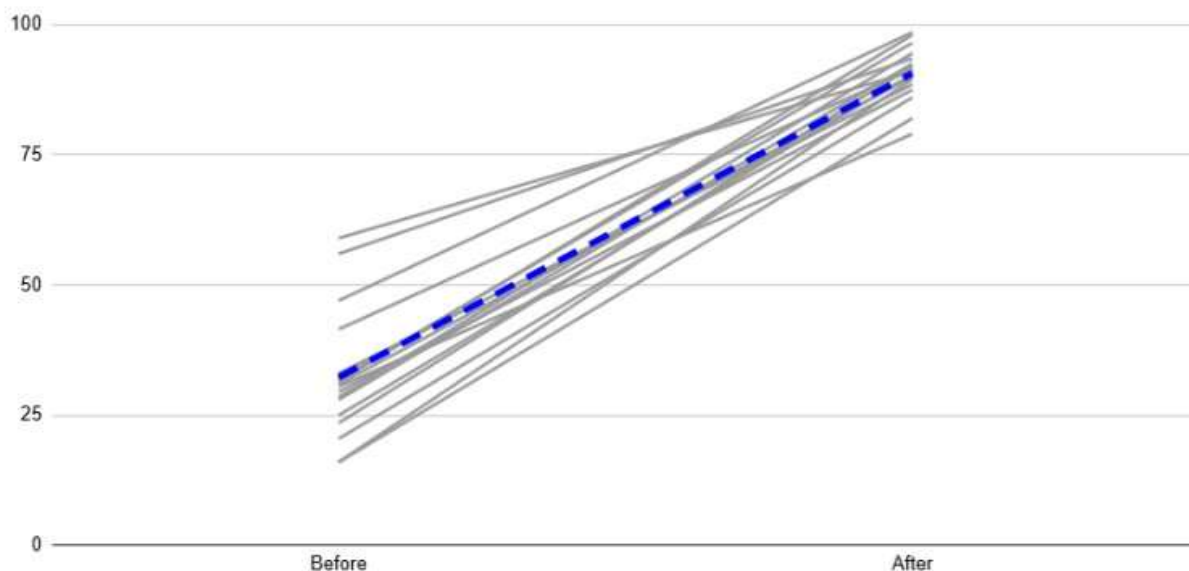


Figure 1. CCI Before-and-After Trajectories by Company (n = 17). Gray lines represent individual companies; the dashed line represents the sample mean (32.5 → 90.9).

Methodological note: This dataset represents the first systematic outcome measurement conducted across the FCore OS client base and, at present, the only one available. The sample (n = 17) consists of businesses that voluntarily engaged Tektonize and completed the full six-phase implementation — a self-selected group, with no control group for comparison. The CCI measures the owner's experienced clarity and control, a self-reported construct, rather than an independently audited accounting metric. The consistency of the direction of change across all 17 companies, together with the size of the effect, constitutes meaningful preliminary evidence — but these results should be read as an early, directional finding rather than a definitive causal study. Tektonize intends to expand this dataset, extend the post-implementation horizon, and incorporate objective financial performance indicators alongside the CCI as additional implementations are completed.

4.2 Qualitative Outcomes

Across the client base, implementation of FCore OS produced consistent patterns of outcome beyond the CCI score improvement:

- **Capital access:** Multiple clients obtained bank financing or SBA loans following implementation — in several cases after previous rejections. The quality of the financial reporting produced by FCore OS met lender requirements that prior bookkeeping had not.
- **Decision quality:** Owners consistently report moving from bank-balance-based financial awareness to income statement and contribution margin analysis as their primary management lens.
- **Tax readiness:** Accrual-based, structured reporting eliminates the year-end scramble. Clients are ready for IRS review, bank due diligence, or investor scrutiny at any point during the year.
- **Sale readiness:** Businesses with FCore OS in place have documented, structured, transferable financial systems — a material factor in business valuation and transaction readiness.

Full-Service Italian Restaurant, Florida — Annual Revenue ~\$1M–\$3M (CCI 32 → 97)

Confidentiality note: The financial data presented in this case study — including the Profit & Loss report on the following pages — has been modified for confidentiality purposes. All figures are for illustrative use only and do not represent the actual financial results of the client described.

I met the owner by chance — at a birthday party hosted by another client. She mentioned, almost in passing, that her restaurant's accounting was handled by a well-known CPA firm based in Chicago. The restaurant is in Florida; the engagement was conducted entirely remotely. She had concerns she was not ready to articulate. I described what I do. The conversation moved on.

She continued with the same arrangement for some time afterward. The firm's scope was limited to the annual tax filing — no monthly reporting, no management review, no visibility into what the business was actually doing between filings. When the deadline arrived each year, the figures were presented with institutional authority. She reviewed the bottom-line number, signed, and moved on. In her own words, she had been signing "with eyes closed, on trust." She had no basis for independent verification, and no way to understand how the numbers had been constructed.

This sat in fundamental tension with who she is as an operator. She is unusually hands-on and detail-oriented — someone who manages by understanding rather than by delegation, who wants to see and account for every dimension of the business. What she lacked was a financial architecture that matched that temperament: a system that could tell her, each month, exactly how the restaurant had performed, where the money had gone, and what it meant for the decisions ahead.

The restaurant is a full-service Italian establishment with a strong pizza program — an acquired operation with an established customer base, not a new launch. It runs in a pronounced seasonal pattern: peak performance in the winter months, a softer stretch through the summer. That pattern was felt before the engagement began but had never been measured. She knew summer was harder; she could not quantify how much harder — could not plan against it, could not use it to calibrate her cash reserves, could not distinguish cyclical softness from structural problems.

The engagement proceeded quickly. The owner's systematic thinking made the structural work unusually direct: within roughly three months, the monthly reporting architecture reached a stable, operational form. The CCI score moved from 32 to 97.

What followed was behavioral as much as technical. Once the performance pattern was visible in structured form, decisions began to be made differently. Discretionary spending — renovations, equipment upgrades — was deliberately deferred to the high-season months when cash generation could absorb it. Purchasing and staffing hours were tightened through the summer. The winter peak became something to be actively maximized rather than simply endured. The 2025 tax return was the first prepared entirely from the structured monthly figures — a direct departure from the years that preceded it.

The clarity extended beyond the business itself. Knowing each month how much the operation could safely distribute gave the owner a reliable basis for personal financial planning — property purchases, vehicle decisions, the maintenance of a meaningful liquidity reserve. That kind of structured certainty had not been available before.

The Profit & Loss report built for this engagement is reproduced on the following pages. It illustrates the application of all four FCore OS design principles in a single, real-world context: the Cash-Traceable Revenue waterfall across dine-in and delivery channels, the channel-segmented COGS architecture mirroring that revenue structure, the controllability-ordered overhead sequence, and the bank-anchored verification logic. The six-month format is intentional — monthly dynamics, not aggregate totals, are the primary analytical instrument. Performance patterns, cost behavior, and business rhythm become legible only in motion.

Sample Restaurant — Profit & Loss: Six-Month Report (Month 1 – Month 6)							
Account	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
INCOME							
400 — Dine-In Sales							
401 Food Sales	197,122.72	184,609.05	160,651.21	189,593.02	178,901.68	230,393.67	1,141,271.36
402 Tips Received	26,136.98	25,218.17	22,342.14	25,422.26	24,926.05	31,744.23	155,789.83
403 Gratuity	3,632.02	2,729.37	1,147.49	2,687.14	1,915.56	4,675.91	16,787.48
404 Client Refunds	(85.68)	—	(60.21)	(80.24)	—	(20.83)	(246.96)
405 Toast Merchant Fee	(6,505.50)	(5,812.62)	(5,396.39)	(5,975.06)	(5,839.17)	(7,823.01)	(37,351.76)
Total 400 — Dine-In Sales	220,300.54	206,743.96	178,684.25	211,647.11	199,904.12	258,969.96	1,276,249.95
410 — Gift Card Redemptions							
411 Food Sales — Gift Cards	1,732.93	1,856.44	1,052.61	1,270.71	2,290.43	9,108.58	17,311.69
412 Tips Received — Gift Cards	115.68	30.28	33.11	39.33	138.66	501.71	858.75
Total 410 — Gift Card Redemptions	1,848.60	1,886.71	1,085.71	1,310.03	2,429.09	9,610.29	18,170.44
420 — Delivery Sales							
421 — Uber Eats							
4211 Uber Eats Sales	15,531.46	14,067.65	16,811.11	16,002.59	17,761.98	20,544.97	100,719.76
4213 Uber Eats Fees	(2,928.85)	(2,638.91)	(3,193.32)	(2,967.67)	(3,393.93)	(3,823.32)	(18,946.00)
Total 421 — Uber Eats	12,602.61	11,428.73	13,617.80	13,034.92	14,368.05	16,721.65	81,773.76
422 — DoorDash							
4221 DoorDash Sales	10,065.64	13,215.61	8,295.91	10,871.31	11,115.69	7,331.42	60,895.57
4222 DoorDash Discounts	(711.80)	(945.42)	(599.98)	(760.81)	(809.11)	(491.33)	(4,318.46)
4223 DoorDash Fees	(1,864.18)	(2,425.28)	(1,480.75)	(2,073.48)	(2,027.55)	(1,413.47)	(11,284.70)
Total 422 — DoorDash	7,489.66	9,844.90	6,215.18	8,037.02	8,279.04	5,426.62	45,292.41
425 Toast Delivery Fee	(540.05)	(492.59)	(442.00)	(758.86)	(578.39)	(1,164.64)	(3,976.53)
Total 420 — Delivery Sales	19,552.22	20,781.05	19,390.98	20,313.08	22,068.70	20,983.62	123,089.64
Total Income	241,701.36	229,411.72	199,160.94	233,270.22	224,401.91	289,563.88	1,417,510.04
COST OF GOODS SOLD							
510 — Dine-In COGS							
511 Food Purchases	58,585.30	55,921.71	47,376.35	55,438.09	52,672.33	57,205.06	327,198.83
512 Alcohol	7,626.82	4,952.13	8,216.54	5,897.69	4,322.20	8,985.57	40,000.95
513 Non-Food Supplies	2,504.78	1,793.24	2,229.45	2,138.09	1,515.74	1,306.49	11,487.78
Total 510 — Dine-In COGS	68,716.89	62,667.08	57,822.34	63,473.87	58,510.27	67,497.11	378,687.56
520 — Delivery COGS							
521 Food Purchases	6,398.39	6,323.37	6,754.42	5,413.05	5,485.47	4,149.31	34,524.02
522 Alcohol	336.05	398.47	453.57	324.30	405.80	362.60	2,280.79
523 Non-Food Supplies	406.77	241.38	297.39	479.05	241.29	163.61	1,829.49
Total 520 — Delivery COGS	7,141.21	6,963.22	7,505.39	6,216.40	6,132.56	4,675.52	38,634.30
Total Cost of Goods Sold	75,858.10	69,630.30	65,327.73	69,690.27	64,642.83	72,172.64	417,321.86
Gross Profit	165,843.27	159,781.42	133,833.22	163,579.96	159,759.08	217,391.24	1,000,188.18
OPERATING EXPENSES							
610 — Rent and Utilities [Structurally Committed]							

Account	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
611 Main Facility — Rent	9,531.50	9,287.20	9,058.88	8,752.53	8,752.53	8,752.53	54,135.18
612 Electricity	3,481.86	3,534.37	3,425.92	3,234.13	2,677.03	2,390.49	18,743.81
613 Gas	1,358.50	1,451.36	1,446.39	1,449.09	1,222.21	1,282.27	8,209.82
614 Water and Sewer	1,380.72	1,991.38	1,423.39	1,631.61	1,466.55	1,543.67	9,437.33
615 Security Service	48.34	48.34	48.34	48.34	48.34	48.34	290.01
616 Pest Control	147.27	147.27	147.27	147.27	147.27	147.27	883.59
617 Internet and Phone	948.83	948.56	948.77	949.86	950.14	1,229.37	5,975.53
618 Liability Insurance	2,918.44	2,918.44	2,918.41	2,918.44	2,918.44	2,918.44	17,510.59
619 Licenses and Permits	—	2,077.70	—	—	—	—	2,077.70
Total 610 — Rent and Utilities	19,815.44	22,404.61	19,417.36	19,131.27	18,182.50	18,312.38	117,263.56
620 — Operations Support [Operationally Adjustable]							
621 Repairs and Maintenance	2,117.73	5,915.76	2,528.26	412.31	1,399.11	2,725.36	15,098.53
622 Smallwares and Household Goods	1,018.13	1,102.06	1,043.84	3,381.29	1,956.58	1,087.45	9,589.34
623 Toast Software Fee	868.75	868.75	868.75	868.75	868.75	868.75	5,212.51
625 Entertainment Contractors (Music)	2,968.14	2,416.68	2,682.74	1,769.47	2,864.78	3,082.30	15,784.12
626 Business Radio	36.59	36.59	36.59	38.69	38.69	38.69	225.83
Total 620 — Operations Support	7,009.34	10,339.84	7,160.18	6,470.51	7,127.91	7,802.55	45,910.33
640 — Payroll [Operationally Adjustable]							
641 — Salaries							
6411 Team	63,488.96	52,538.50	51,447.56	74,210.21	59,267.87	69,537.32	370,490.42
6412 Shareholder	7,420.35	5,936.28	5,936.28	7,762.83	6,392.92	7,991.15	41,439.81
6413 Shareholder’s Family	9,303.98	9,817.70	9,292.56	4,543.54	3,927.08	5,502.18	42,387.04
Total 641 — Salaries	80,213.30	68,292.48	66,676.41	86,516.58	69,587.87	83,030.64	454,317.27
642 Tips Paid	30,714.27	22,804.50	20,194.88	29,564.26	25,280.85	36,912.19	165,470.95
643 Employer Payroll Taxes	8,656.19	7,100.53	6,740.70	9,048.37	7,360.85	9,352.43	48,259.08
648 Workers’ Compensation	941.23	794.53	766.40	984.99	730.84	939.54	5,157.52
649 Regular Contractors	5,513.89	7,146.23	7,089.29	2,625.66	4,965.93	6,027.61	33,368.61
Total 640 — Payroll	126,038.89	106,138.27	101,467.67	128,739.85	107,926.34	136,262.41	706,573.43
650 — Banking, Insurance and Financial Services							
651 Bank Service Fees	183.23	34.13	31.76	135.62	560.31	732.79	1,677.83
657 Physical Gift Cards	—	—	—	—	339.11	—	339.11
658 Credit Card Rewards	(589.77)	(664.95)	(586.74)	(695.31)	(626.00)	(526.71)	(3,689.49)
Total 650 — Banking, Insurance and Financial	(406.54)	(630.82)	(554.99)	(559.69)	273.41	206.08	(1,672.55)
660 — Advertising and Promotion [Tactically Discretionary]							
661 Google Advertising	520.53	520.54	520.54	520.12	520.45	520.29	3,122.48
662 Facebook Advertising	—	—	452.18	679.61	174.37	20.59	1,326.76
663 Other Advertising	—	231.96	—	781.99	256.86	—	1,270.81
Total 660 — Advertising and Promotion	520.53	752.50	972.73	1,981.72	951.68	540.89	5,720.05
670 — Administrative and Office Expenses [Tactically Discretionary]							
672 Office Expenses	—	—	57.08	58.24	—	29.44	144.77
673 Software	79.92	1,335.54	191.72	198.65	1,061.69	265.95	3,133.47
675 Legal and Professional Services	1,460.10	1,719.52	3,961.90	1,686.43	1,498.91	2,400.77	12,727.63
Total 670 — Administrative and Office	1,540.02	3,055.06	4,210.70	1,943.32	2,560.60	2,696.16	16,005.86
Total Operating Expenses	154,517.69	142,059.46	132,673.65	157,706.99	137,022.44	165,820.46	889,800.69

Account	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
Net Operating Income	11,325.58	17,721.96	1,159.56	5,872.97	22,736.64	51,570.78	110,387.50

5. The Scalability Argument

The most significant structural feature of FCore OS is not its effectiveness for individual clients — it is its scalability. The methodology is designed so that the expertise required to operate the system is embedded in its architecture, not carried in the knowledge of the people who run it day-to-day.

A business owner does not need to understand cybernetic feedback theory to benefit from an operational rhythm that closes the management loop each month. An administrative contact does not need to understand the Mirror COGS principle to input payroll data correctly. The complexity is managed at the design level. The execution level requires attention and consistency — not expertise.

This design choice has two consequences. First, it means FCore OS is implementable in businesses whose owners and staff do not have financial backgrounds — which is most businesses in the target segment. Second, it means the methodology is reproducible: the same architecture applied to a similar business in the same industry produces a similar system with predictable properties. The knowledge required to replicate it is the knowledge of the methodology, not the knowledge of each individual business.

This is the distinction between a service and an infrastructure.

A service scales linearly with practitioner capacity. An infrastructure scales through adoption — by practitioners, institutions, and the methodology's own documentation.

One published academic article, a second in preparation, a public diagnostic tool, and a growing case study database represent the beginning of that infrastructure.

The scalability of FCore OS also addresses a systemic problem in the financial advisory ecosystem. The \$1M–\$10M segment is large enough — 1.0 to 1.1 million businesses — that individual practitioner capacity could never close the financial infrastructure gap alone. A standardized, documented, reproducible methodology can propagate through CPA partnerships, institutional channels, and professional training in ways that individual service delivery cannot.

6. Conclusion

The financial infrastructure gap in American small business is not a technology problem. It is not a talent problem. It is a methodology problem — the absence of a structured approach to building financial management systems for businesses at the growth stage.

FCore OS addresses this gap with a rigorously developed, empirically validated, six-phase methodology that transforms accounting from a compliance function into a management infrastructure. Its four original design principles — Cash-Traceable Revenue, Mirror COGS Structure, Controllability-Ordered Overhead, and Bank as Verification Anchor — address the specific failure modes of growth-stage financial management with precision.

The Financial Clarity and Control Index provides a quantitative basis for measuring where a business starts and how far it travels. The results across 17 implementations indicate that the methodology produces consistent, statistically significant improvement across diverse industries and business sizes.

The business case for FCore OS is ultimately simple: most businesses in the \$1M–\$10M range are making significant operational and strategic decisions with inadequate financial information. The cost of that inadequacy — in missed opportunities, poor capital allocation, tax inefficiency, and exit value — typically far exceeds the cost of building the system that eliminates it.

Find out where your business stands.

Take the free Financial Clarity and Control Index assessment at tektonize.com

Clarity. Control. Growth.

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