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**BLACKTECHSTARTUP EDUCATION**

# Black Tech Startup 06: Turn the Startup Into an Operating Company

Install the financial, customer, security, hiring and decision cadence that makes the business dependable enough to operate beyond the founder's daily improvisation.

This is Part 6 of 6 in the Black Tech Startup series. Work the sequence in order: each guide assumes you completed the operating decisions in the previous one.

## Operating means the company can repeat

A startup becomes an operating company when the essential work can happen repeatedly: leads become qualified opportunities, contracts become implementations, customers receive value, invoices become cash, incidents get handled, financial results are reviewed and people know who owns each decision. This does not mean bureaucracy. It means the founder is no longer the hidden integration connecting every task. The goal of Guide 6 is to install the minimum management system that protects customers, cash and ownership while keeping the company fast.

## Run the company on a one-page operating scorecard

Choose a small set of metrics that describe the business engine. For most early technology companies that includes cash, runway, new qualified pipeline, sales-cycle movement, bookings or new annualized revenue, cash collected, gross margin, product usage tied to value, retention/renewal risk, support or reliability issues and one product-quality metric. Add customer concentration if one account can materially damage the company by leaving. Review the same numbers weekly. Do not collect metrics because software makes them easy. Every metric needs an owner, a target and a decision it can trigger. If a number can be red for three months without anyone changing behavior, it is decoration.

## **Separate bookings, revenue, cash and profit in your head**

A signed \$120,000 annual contract does not necessarily mean \$120,000 of cash is in the bank today, and cash in the bank is not the same as profit. Track contract value, invoicing schedule, cash collection, recognized revenue if your accounting requires it, direct delivery cost and operating expense separately. Build a 13-week cash forecast even if you also maintain a 12-month budget. Update expected collection dates from reality, not invoice terms. Early companies fail from cash timing long before a yearly income statement explains the problem. Cash visibility also tells you how fast you can hire without needing emergency capital.

## **Create owners and playbooks for recurring work**

List the ten workflows that keep the company alive: lead qualification, proposal/contract, onboarding, billing, support, security incident handling, product release, vendor approval, hiring and monthly financial close. For each, name one accountable owner, the trigger, required inputs, completion standard and escalation path. Keep the playbook short enough that people use it. Do not document every keystroke; document decisions and handoffs where mistakes cost money or trust. When the founder is the owner of every workflow, the company has not yet separated from the founder.

## **Build customer success around realized value**

Retention is not a courtesy email before renewal. At onboarding, document the customer's promised outcome, baseline, stakeholder and review date. Track usage only if it correlates with value. A customer can log in every day and still cancel if the business result is missing. Schedule value reviews that show what changed, what remains blocked and what the next expansion could deliver. Keep a renewal risk list with owner and action. If several customers need the same manual rescue, that is product evidence. If one customer demands a unique process, decide whether the revenue justifies complexity before institutionalizing it.

## **Hire only when the work is repeatable enough to hand off**

Your first hires should remove a known bottleneck, not express optimism. Before opening a role, write the recurring outcomes, weekly volume, skills required and how success will be measured. Decide whether the need is truly an employee relationship or a defined external service; worker classification is a legal issue, and Department of Labor rules continue to evolve. For employees, understand wage, overtime, recordkeeping and state requirements. Build onboarding around access, security, customer context and role outcomes. If you cannot explain what the new person will own by week four, the role is probably not ready.

## **Install a security and vendor review before a customer forces it**

Enterprise customers increasingly ask small vendors how they protect data. Use NIST CSF 2.0 as a practical organizing framework: identify critical assets and risks, protect them, detect problems, respond and recover. Maintain an inventory of key vendors and what data each receives. Require multi-factor authentication, controlled privileged access, backups, patching and an incident contact path. Review privacy promises against actual product behavior. CISA offers no-cost services and tools that can help smaller organizations. Security maturity does not require pretending to be a large bank; it requires knowing your risks and being able to show deliberate controls.

## **Build a monthly financial close and decision meeting**

By a set day each month, reconcile bank and payment accounts, categorize expenses, update accounts receivable, review vendor commitments, produce an income statement and balance sheet appropriate to the company, refresh runway and compare actuals with plan. Then hold a decision meeting, not a recital. What changed? Which customer or expense concentration is dangerous? Did gross margin move? Are sales collections slower? Which hires or contracts can the company afford? If research activity may qualify for credits, maintain documentation as work occurs. Accurate books are not just for taxes. They are the instrument panel for capital allocation.

## **Create a founder decision cadence**

Use three horizons. Weekly: sales, customers, product incidents, cash and immediate blockers. Monthly: financial performance, hiring, churn, product priorities and capital. Quarterly: market thesis, pricing, customer segment, strategic risks and whether the company is still solving the highest-value problem. Record major decisions and the evidence behind them. This creates organizational memory and prevents the team from reopening every question after a difficult week. It also helps a founder detect when intuition has become habit instead of judgment.

## **Know when the company is truly operating**

You have crossed the line when a customer can buy, onboard, receive value, get support, renew and pay without the founder personally improvising every handoff; when cash and margin are visible; when product and security incidents have owners; when company accounts and IP are controlled; when the team knows the current priorities; and when the founder can be absent for several days without revenue or customer trust collapsing. That is not the end of startup risk. It is the beginning of organizational leverage.

## Maintain a company risk register, not a founder anxiety list

Once revenue is recurring, write the risks down. Track customer concentration, key-person dependence, vendor lock-in, data/security exposure, legal or regulatory obligations, cash shortfall, single-source suppliers, insurance gaps and any contract promise that could become expensive. For each risk, record likelihood, impact, owner, early warning signal and mitigation. Review the top five monthly. Some risks deserve insurance; others need redundancy, contract changes, cash reserves or product redesign. The purpose is not to predict every disaster. It is to keep obvious threats from remaining invisible until they become emergencies. A company with documented risk ownership is easier to manage, finance and hand off than a company where all risk lives in the founder's memory.

## Your 90-day operating-company plan

Days 1–30: install the one-page scorecard, 13-week cash forecast, customer renewal-risk list and owners for the ten core workflows. Days 31–60: standardize onboarding, billing, support, access/security and monthly financial close; remove founder-only credentials and undocumented vendor dependencies. Days 61–90: run the cadence three times, identify where handoffs still fail, hire only for a proven bottleneck and set the next quarterly goals from evidence. At the end of this series, the objective is not that the company looks bigger. It is that the company can reliably create value, collect money and make decisions as a business.

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### BLACK TECH STARTUP SERIES

## Your six-part path to an operating company

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| PART 1 | Prove the Problem Before You Build the Product |
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| PART 6 | Turn the Startup Into an Operating Company |
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## SOURCE DESK

# Research behind this guide

Use the primary sources below to verify current rules, eligibility and program details before acting. Program terms can change.

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**SBA — manage your business and operating resources**



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**IRS — Publication 583, records and business setup**



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**IRS — paying yourself by business structure**



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**Department of Labor — compliance assistance for new and small businesses**



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**Department of Labor — Fair Labor Standards Act overview**



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**NIST — Cybersecurity Framework 2.0 Small Business Quick Start Guide**



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**CISA — secure your small or medium business**



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**CISA — no-cost cybersecurity services and tools**



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**FTC — protecting personal information for business**



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