

FROM EXECUTION TO OVERSIGHT
CASE STUDY #03

TWO LARGE CUSTOMERS CAN BUILD A BUSINESS

But can they make it resilient?

A founder's perspective on customer strategy, recurring business and resilience.

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MORE CUSTOMERS DO NOT AUTOMATICALLY MEAN A STRONGER BUSINESS.

Growing a customer base takes more than winning contracts.

Each relationship requires attention to:

- Business development and relationship management.
- Technical capability and delivery commitments.
- Customer expectations and commercial terms.
- The cost of acquiring and serving the customer.

The question is not simply how many customers a business has. **It is the value and sustainability of those relationships.**

DEPTH CAN BE MORE VALUABLE THAN BREADTH.

Long-term customer relationships can help a technology services business develop:

DOMAIN KNOWLEDGE

- A deeper understanding of customer systems and requirements.

DELIVERY CONTINUITY

- Familiarity with established processes and expectations.

SPECIALISED CAPABILITY

- Technical expertise aligned with customer needs.

GROWTH OPPORTUNITIES

- Potential to expand existing engagements and services.

Strong relationships can create opportunities to grow within existing accounts—**not just through acquiring new customers.**

RECURRING BUSINESS CHANGES THE EQUATION.

More predictable engagements can support:

- Workforce and capacity planning.
- Investment in specialised technical skills.
- Better visibility into future delivery requirements.
- Longer-term business planning.

But recurring revenue should not be confused with guaranteed revenue.

The strategic objective is to build durable customer relationships while maintaining commercial discipline.

BUT CUSTOMER CONCENTRATION HAS A PRICE.

When a small number of customers account for a substantial share of business, their decisions can have a disproportionate effect.

BUDGET CHANGES

A customer reduces or delays spending.

PROJECT CHANGES

An engagement is reduced, postponed or completed.

RELATIONSHIP CHANGES

A key decision-maker or business priority changes.

REVENUE EXPOSURE

Replacing a major engagement may take time.

Customer concentration is not automatically a weakness. **Unmanaged dependency is the risk.**

THE QUESTION ISN'T JUST HOW MANY CUSTOMERS WE HAVE.

The immediate question

How do we win more customers?

How do we expand existing
engagements?

How do we maintain current
revenue?

The strategic question

Which customer relationships best
support our business strategy?

How dependent are we on individual
customers?

How resilient is the business if a
major engagement ends?

The objective is not maximum customer count. It is sustainable growth with a clear understanding of risk.

WHAT WOULD A BOARD ASK?

FIVE QUESTIONS BEYOND CUSTOMER COUNT

- 01 — What proportion of revenue depends on our largest customers?
- 02 — How predictable and durable are those customer relationships?
- 03 — Are we overly dependent on a particular contract, project or decision-maker?
- 04 — How quickly could we replace a major engagement if it ended?
- 05 — Do we have a deliberate strategy to balance deep customer relationships with diversification?

From managing customer relationships → to overseeing customer concentration risk.

BUILD DEPTH. MANAGE DEPENDENCY.

Engineer

How do we deliver value to the customer?

Business Leader

How do we develop strong, sustainable customer relationships?

Board

Is the business creating long-term value while managing customer concentration risk?

More case studies on business growth, technology leadership and corporate governance.

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