

6 Warning signs growth is hurting your profitability



Rapid growth can be exciting, but it often hides underlying issues that threaten your long-term profitability. It's crucial to recognize the signals that suggest growth may be putting your firm's margins, cash flow, and reputation at risk.

Look out for these warning signs to ensure your success is built on solid foundations.

1

Margin erosion

Despite a healthy pipeline & rising revenue, profit margins are shrinking. This is often a sign that costs are increasing faster than fees, or projects are slipping out of scope - eroding profitability beneath the surface.



Project overruns

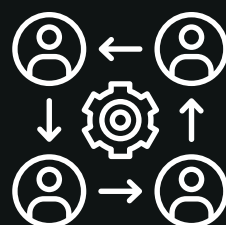
Your projects are consistently over budget or taking far longer than planned, leading to write-offs and unexpected losses. Frequent overruns signal a lack of control over delivery, forecasting, or expectations.

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3

Unpredictable utilization

Staff workloads swing wildly, some teams are stretched thin while others are underused. This imbalance wastes valuable resources and leads to burnout & inefficiency, undermining your profit potential.



Cash flow volatility

Even with strong sales, cash flow remains erratic. Delayed invoicing, inconsistent billing, or slow client payments can create financial strain, making it harder to confidently invest in growth or weather downturns.

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Poor financial visibility

Leaders are forced to rely on spreadsheets or gut instinct to gauge project health and firm-wide performance. Without up-to-date, actionable data, it's easy for costly issues to go unnoticed until it's too late.



Client satisfaction slips

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