



**HARBORSTONE
SYSTEMS**

HANDOFF DIAGNOSTIC
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CREATED BY COTINGENCY FOR HARBORSTONE SYSTEMS

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The Handoff Diagnostic is a diagnostic report focused exclusively on transition and succession risks. Its purpose is to identify vulnerabilities, dependencies, and gaps that could disrupt business continuity in either a planned handoff or an emergency event. Unlike the SWOT Analysis, which balances strengths, weaknesses, opportunities, and threats, the Handoff Diagnostic does not evaluate positives; it isolates continuity risks that must be addressed, acknowledged, or mitigated to protect leadership transfer and organizational stability.

Continuity vs. Succession Context

Continuity and succession are closely related but serve different purposes within this assessment:

- Continuity focuses on operational resilience, protecting the business from disruption if the Owner or key leaders become suddenly unavailable.
- Succession focuses on planned leadership transfer, preparing the next generation of leaders, formalizing ownership changes, and ensuring long-term strategic continuity.

Executive Summary

Overall Continuity Readiness Rating: Medium

Harborstone Systems demonstrates operational stability but faces moderate continuity risk due to Owner dependency and informal process control.

At a Glance:

- Key processes (quoting, client management, vendor coordination) rely heavily on the Owner's tacit knowledge.
- Documentation and delegation gaps limit scalability and resilience.
- Leadership bench strength is improving but lacks formalized authority

Priority Actions

<i>Timeframe</i>	<i>Action</i>	<i>Impact</i>	<i>Owner</i>
0-3 mo.	Document quoting logic and transfer to successor*	Revenue continuity	Dale
0-6 mo.	Secure centralized credential access	Operational resilience	IT Lead
6-12 mo.	Formalize legal succession & ownership plan	Governance continuity	Legal
12-18 mo.	Successor leadership training & delegation	Strategic depth	Dale / Mike

* Indicates the most critical dependency.

Ratings & Category Explainer

	Confidence	Priority
High	Confirmed or documented	Immediate
Medium	Partial or inferred	Next 12-18 months
Low	Unverified	Monitor

Categories:

- **Strategic** – Long-term positioning
- **Operational** – Systems & processes
- **Cultural** – People & leadership norms
- **Financial** – Profitability & controls
- **Relational** – Key clients & partners
- **Technical** – Tools & expertise

Continuity Snapshot

<i>Category</i>	<i>Readiness</i>	<i>Key Vulnerability</i>
Financial	High	Stable client base
Strategic	Medium	No formal succession documentation
Cultural	Medium	Informal incentives
Relational	Medium	Client dependency
Technical	Medium	Access control & documentation gaps
Operational	Low	Owner-dependent quoting & access

Successor Readiness

<i>Successor</i>	<i>Strengths</i>	<i>Gaps</i>	<i>Readiness Level</i>
Mike Halperin	Operational depth, team respect	Strategic & financial leadership	Medium
Sara Vaughn	Technical excellence	Business leadership & client relations	Medium
Tammy Reed (support)	Institutional admin knowledge	No cross-training or retention plan	Low

Planned Succession Gaps

<i>Gap</i>	<i>Why It Matters</i>	<i>Next Step</i>	<i>Priority</i>
No legal succession documentation	Causes ownership ambiguity	Draft & execute buy-sell agreement	High
Undocumented quoting process	Risks pricing errors & revenue delay	Document quoting logic; train successor	High
Successor development gaps	Limits strategic leadership capacity	Mentorship + finance training	Medium
Lack of SOPs	Slows onboarding & consistency	Create/update SOPs	Medium
No key-staff retention plan	Risks turnover during transition	Design retention incentives	Medium

Emergency Succession Gaps

<i>Emergency Risk</i>	<i>Immediate Impact</i>	<i>Mitigate Action</i>
Owner unavailable (quoting & clients)	Revenue interruption	Pre-delegate quoting authority
Access credentials unavailable	Operational paralysis	Implement password manager
Client disengagement	Revenue loss	Schedule preemptive successor introductions
Lack of documented workflows	Project delays	Document core procedures
Key staff loss	Operational instability	Cross-train and document roles

Continuity Deficiencies

<i>Insight</i>	<i>Category</i>	<i>Priority</i>	<i>Confidence</i>	<i>Status</i>	<i>Next Step</i>
Owner dependent quoting process lacks documentation and delegation.	Operational	High	High	Fixable	Document pricing logic & delegate
Critical client relationships rely on owner's personal engagement without formal handoff.	Relational	High	High	Fixable	Transition relationship ownership
Centralized system access and passwords controlled solely by owner.	Technical	High	High	Fixable	Implement shared access system
Informal knowledge transfer and undocumented workflows increase risk of operational disruption.	Operational	High	High	Fixable	Develop SOPs, establish ownership and update cadence
Lack of formal legal succession agreements creates ownership ambiguity.	Operational	High	High	Fixable	Draft & sign succession documents
Vendor relationships and preferential terms are informal and owner dependent.	Relational	Medium	High	Mitigate	Formalize supplier agreements
Successors lack full leadership authority and strategic decision-making experience.	Operational	Medium	High	Fixable	Define delegation structure
Informal employee incentives and retention mechanisms lack documentation.	Cultural	Medium	High	Fixable	Create formal incentives
Client concentration risk due to reliance on a few major clients.	Financial	Medium	High	Mitigate	Diversify revenue base

This document was designed & presented by COtingency
specifically for Harborstone Systems in 2025

If you have any questions, please contact us



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