

The Lynx Financial Operating System

A financial operating system built only for architecture and engineering firms. It shows you what's coming, and what to do about it, before it reaches the P&L.

A/E FIRMS ONLY

Architecture and engineering is all we do. The metrics are yours, not generic small-business KPIs.

A SYSTEM, NOT JUST ADVICE

Weekly, monthly, rolling and annual reporting that runs on a set rhythm, every month.

BUILT FROM YOUR DATA

Runs on exports from the accounting and project systems you already use. Nothing to replace.

Most A/E firms have a reporting habit, not an operating system.

A report tells you what happened last month. By the time it arrives, the hours are four weeks old, the write-downs are already booked and the backlog gap is already closer. An operating system works the other way. It watches the numbers that move first, on a schedule, and turns each finding into a decision for the partners.

LFOS is that system. It combines a fixed reporting cadence, a small set of A/E-specific metrics and a CFO who reads them with you and tells you what to do next.

WHAT LFOS ANSWERS

- ✓ Are we pricing work above what it costs to deliver?
- ✓ Are we collecting what we bill, or writing it down?
- ✓ Where does signed work run out, and when?
- ✓ Which week is cash tightest next quarter?
- ✓ Who has capacity, and who is overloaded?
- ✓ What are our top three financial priorities right now?

Four rhythms, each answering a different question.

Every LFOS client runs on the same schedule. The weekly layer catches problems while they're small. The monthly layer confirms the financial picture. The rolling layer looks ahead. The annual layer resets pricing from cost.

WEEKLY

Productivity flash

Billable hours, total hours, utilization and realization for every person, before the month closes. It's preliminary by design: it shows capacity and write-down patterns while there's still time to act.

MONTHLY

Close package

A KPI scorecard, the P&L with revenue tied to what was actually billed, and a written CFO narrative. It ends with the decisions the partners need to make this month, not a list of observations.

ROLLING

Forecasts

A 15-month revenue forecast that spreads signed work across each project's schedule and weights the pipeline by stage, so the month where work runs out is visible early. A 13-week cash view maps open invoices and future billings to the week you expect the money.

ANNUAL

Billing rate floor

For every billable person, the lowest rate that covers their pay, payroll taxes, share of overhead and your profit target, rebuilt from payroll each planning season. It's compared with what each hour actually collects after write-downs, not just the rate on the schedule.

WHEN SOMETHING NEEDS A CLOSER LOOK

Project post-mortems

What a closed project says about pricing and scope on the next one.

Profit variance bridges

Why profit moved, ranked in dollars: pricing, write-downs, utilization or overhead.

Recovery planning

A structured plan when cash, realization or debt costs move the wrong way.

A short list of numbers, defined the same way every month.

These are standard A/E measures. What LFOS adds is discipline: one definition for each, the same source every month, and reconciliation so the numbers on the page agree with each other.

METRIC	HOW IT'S CALCULATED	WHAT IT TELLS YOU
Net multiplier	$\text{net revenue} \div \text{direct labor}$	How much revenue each dollar of billable labor produces.
Overhead rate	$\text{indirect costs} \div \text{direct labor}$	What it costs to support each dollar of billable labor. Excludes interest and income taxes.
Break-even rate	$1 + \text{overhead rate}$	The multiplier needed just to cover cost.
Utilization	$\text{billable hours} \div \text{total hours}$	How much of your team's time is going to client work.
Realization	$\text{net revenue} \div \text{standard billable value}$	How much of the time billed at standard rates you actually collect.
Direct labor / net revenue	$\text{direct labor} \div \text{net revenue}$	What share of revenue your billable labor consumes.
Effective billing rate	$\text{net revenue} \div \text{billable hours}$	What an hour of work really brings in, after write-downs.

Direct labor is wages plus employer payroll taxes for billable time. Net revenue excludes consultant and reimbursable pass-throughs.

THE BILLING RATE FLOOR, IN FOUR LINES

- 1 hourly cost = $\text{wages} \div \text{hours paid}$
- 2 burdened = $\times (1 + \text{payroll taxes \& match \%})$
- 3 break-even = $\times (1 + \text{overhead rate})$
- 4 floor = $\text{break-even} \div (1 - \text{profit target})$

ILLUSTRATION, NOT A CLIENT

\$45.00 an hour, 12% burden: \$50.40

At a 1.60 overhead rate: \$131.04

At a 15% profit target: **\$154.16 floor**

The floor doesn't move when the rate does. Raising a rate changes the gap above the floor. Only a raise, a change in overhead or a change in the profit target moves the floor itself.

It starts with a 45-day diagnostic sprint.

In 45 days we set up the data, build your baseline and deliver the first full cycle of LFOS reporting. At the end, you decide whether to continue, with no long-term commitment.

WEEKS 1-2

Data foundation

Exports validated, cost and billing rates checked, balances tied out.

WEEK 2

Baseline

KPI baseline and your first monthly close package.

WEEKS 3-4

Look ahead

15-month revenue forecast and 13-week cash view.

DAY 45

Decide

Written CFO assessment and a readout call with the partners.

After the sprint

Firms that continue move to a monthly engagement, scaled to firm size and complexity. The full cadence runs every week and month, with a standing CFO meeting and the annual rate floor each planning season.

What we need from you

Standard exports from your accounting and project systems, one point of contact for questions, and two calls: a kickoff and the day-45 readout. The rest is our work.

Signs it's time

- ✓ The P&L is profitable, but cash always feels tight.
- ✓ Backlog looks healthy, but revenue is uneven.
- ✓ Write-downs happen without anyone reviewing them.
- ✓ Billing rates were set by habit, not from cost.

Start with a 30-minute conversation.

Lynx Financial Advisors · Fractional CFO for architecture and engineering firms

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