Operational ROI Diagnostic

SECTION 1: Executive Overview

Company Name: Quasar Data Center
Industry: Data Center / Managed IT Services
Headquarters Location: Houston, TX
Total Employees: 25
Annual Revenue: $8,000,000
Primary Decision Maker: CEO / Founder
Other Stakeholders: COO, Director of Infrastructure, Finance Manager

1.1 Strategic Objectives (Next 12–24 Months)

☑ Increase operating margins
☑ Improve service scalability
☑ Standardize operations
☑ Expand enterprise client base
☑ Improve automation & monitoring

Top 3 Executive Pain Points:

1. Margin compression due to rising labor costs
2. Manual internal workflows slowing scaling
3. Reactive service model vs predictive monitoring

SECTION 2: Financial Baseline

Annual Revenue: $8M
Gross Margin: 48%
Operating Margin: 14% (~$1.12M operating income)
Annual Labor Cost: ~$3.1M
IT/Infrastructure Investment: ~$1.5M annually
CapEx Budget: $500K

Operational Financial Indicators

- Overtime spend: ~$180K/year
- Turnover rate: 18%
- Avg cost per hire: $9,500
- Revenue concentration risk: Top 5 clients = 52% revenue

Executive Belief:
“There’s waste in ticket routing, provisioning, and monitoring that we haven’t systemized.”

SECTION 3: Systems & Integration Landscape

Core Systems:

☑ PSA (ConnectWise)
☑ RMM platform
☑ QuickBooks
☑ CRM (HubSpot)
☑ Separate monitoring dashboards
☑ Excel-based internal reporting

Integration Status:

☑ Partially integrated
☑ Significant manual data reconciliation

Manual Processes Identified:

- Ticket escalation approvals via email
- Manual SLA performance reporting
- Client onboarding checklists in spreadsheets
- Manual invoice validation
- Capacity planning done monthly in Excel

Estimated time lost:
~65–80 hours per week company-wide

(≈ 1.5 FTE equivalent)

SECTION 4: Process Optimization & Throughput

Core Revenue Workflow:

Client ticket → Tier 1 triage → Tier 2 escalation → Infrastructure resolution → QA → Billing

Bottlenecks:

- Tier 2 backlog (avg 2.5 day delay)
- Manual prioritization of high-value clients
- Reactive vs predictive infrastructure alerts

Average resolution time:
14.2 hours

Target:
10 hours

Capacity utilization:
92% technician utilization (risk of burnout)

Work queues spike during:

- Patch cycles
- Security incidents
- New client onboarding

SECTION 5: Quality Management

No formal ISO compliance.
Informal SLA tracking.

Issues:

☑ SLA breaches (minor but increasing)
☑ Documentation inconsistencies
☑ Root cause analysis not standardized

Estimated cost of SLA credits:
~$65K/year

Quality tracking:
☑ Manual dashboard exports

No automated KPI dashboard for executives.

SECTION 6: Risk Management & Decision-Making

☑ Limited real-time financial dashboard
☑ No formal risk matrix
☑ No FMEA process

Major Risks Identified:

- Key engineer dependency
- Cyber incident exposure
- Revenue concentration
- Client churn due to response delays

Decision latency:
2–3 weeks for operational changes

Risk not financially modeled.

SECTION 7: Organizational Structure

Structure:
Founder-led
COO oversees ops
Flat technical structure

Issues:

☑ Role overlap
☑ Limited KPI ownership
☑ Performance reviews not tied to measurable operational KPIs

Turnover: 18%
Engagement survey: Not conducted

Technician burnout risk identified.

SECTION 8: Automation & AI Readiness

Automation Level:
Moderate (client-facing monitoring automated; internal ops not)

AI tools:
Basic RMM automation
No predictive analytics

Manual reporting:
Weekly & Monthly

Reporting burden:
~30 hours/month leadership time

Data:
Fragmented across 4 systems

SECTION 9: Engineering & Capacity Analysis

Data center capacity utilization:
78% rack capacity

Service team capacity:
92% utilized

Downtime:
<1% infrastructure
But internal process delays common

Constraint:
Human capacity, not infrastructure

SECTION 10: Contract & Proposal Capability

Proposal volume:
~35 per year

Win rate:
38%

Average contract value:
$120K/year

Challenges:

☑ No structured ROI narrative
☑ Technical scope inconsistent
☑ No automation ROI positioning

No formal pricing optimization model.

SECTION 11: Financial Opportunity Estimation (Analyst Mode)

Manual Labor Waste

1.5 FTE equivalent
Avg loaded salary $95K

→ $142,500 recoverable

SLA Credit Reduction

Reduce by 50%
→ $32,500 recovered

Throughput Improvement (14.2 hrs → 11 hrs)

20% improvement
Potential capacity expansion = +15% revenue capacity

15% of $8M = $1.2M growth potential
Conservatively capture 30%

→ $360,000 annual impact

Technician Turnover Reduction

Reduce turnover from 18% to 10%
Savings:

(8 fewer hires over 3 years × $9,500)
≈ $25,000 annually

Overtime Reduction

Reduce by 40%
→ $72,000 savings

Total Identified Recoverable Value

Low Case: $250K
Mid Case: $420K
High Case (with growth capacity unlocked): $750K+

On $8M revenue company.

That's 3–9% margin expansion opportunity.

SECTION 12: Opportunity Scoring

Area	Score (1–5)	Notes
ROI Opportunity	5	High leverage vs company size
Process Gaps	4	Scaling friction
Integration Needs	4	PSA + CRM + billing disconnect
Quality Risk	3	Growing SLA exposure
Automation Potential	5	Strong
Leadership Buy-in	4	Founder growth-minded

SECTION 13: Implementation Readiness

Budget:
Moderate flexibility

IT sophistication:
High

Change maturity:
Medium

Executive urgency:
4/5

Executive Summary

Quasar Data Center is a strong growth-stage MSP generating $8M annually but constrained by manual internal workflows, siloed systems, and reactive service modeling.

Identified opportunity:
$420K–$750K annual performance improvement.

Primary leverage areas:

1. PSA + CRM + billing integration
2. Automated SLA tracking dashboard
3. Predictive monitoring analytics
4. Tier escalation workflow redesign
5. KPI-linked performance model

Recommended Engagement Path

Phase 1 – Operational Optimization & Integration Blueprint
Estimated Investment: $65K
Expected Payback: <6 months

Phase 2 – Automation & Analytics Implementation
Estimated Investment: $120K–$180K
Expected Payback: 9–12 months