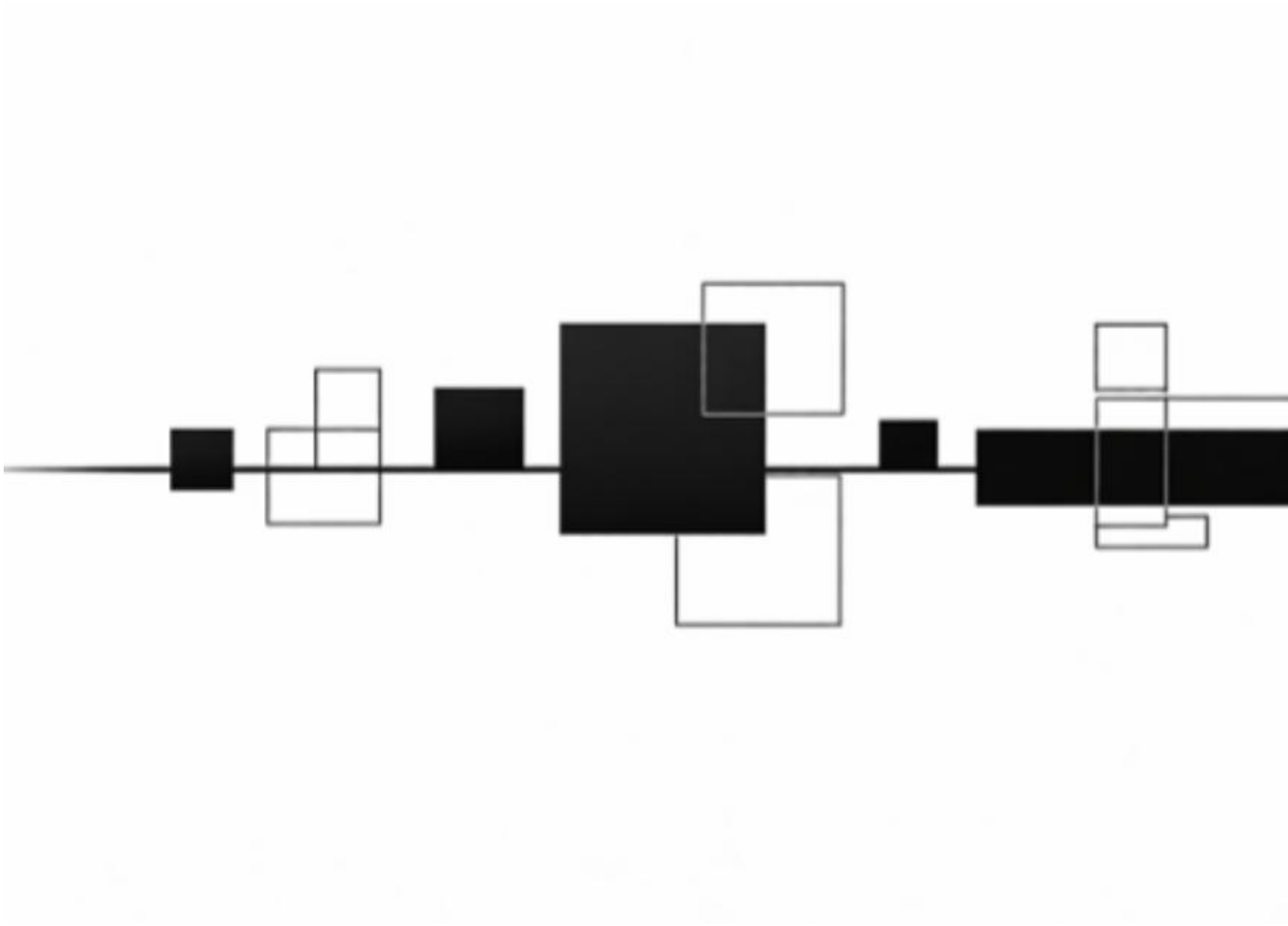


The most dangerous problem in consulting, service, and software firms is not visible failure but delayed correction.

Organizations are once again repeating familiar patterns from earlier technology and business model shifts. The details change, but the structural logic remains surprisingly stable.

The commercial narrative evolves faster than the operating model. That is the real issue.

Across consulting firms, managed service providers, software companies, and hybrid businesses that combine product, implementation, support, and advisory work, the visible conversation is often about growth, transformation, automation, AI, efficiency, customer value, and new ways of working.

Fair enough. That is the market-facing story.

The harder internal story is less flattering. Many firms are still trying to run a new business reality on top of an old operating logic. Revenue may still come in. The pipeline

may still look acceptable. The leadership team may still feel that things are “basically working.”

And that is exactly why the problem survives. Visible failure usually triggers action. Delayed correction does not.

This pattern appears in several forms.

In one type of company, growth is pursued by hiring a new sales rep or a new leader, even though the real issue is the absence of a coherent sales system, delivery logic, compensation model, and packaged offering. In another, the current business is healthy enough to postpone difficult structural questions about integration, quality, accountability, and offering coherence. In a third, the company is large enough that complexity itself hides the weakness: fragmented portfolios, legacy incentives, weak integration, and a leadership narrative that sounds modern long before the execution model actually is.

These may look like different problems. They are not.

They are different expressions of the same underlying condition:

- legacy revenue still protects the current model
- incentives still reward yesterday’s behavior
- ownership is fragmented
- role design is weak
- new thinking is tolerated rhetorically but not processed operationally
- and the company confuses activity with adaptation

That is why many organizations continue to add tools, people, initiatives, and messaging without meaningfully changing the structure of work. The result is predictable.

Commercial promises accelerate. Operational truth does not. Upstream teams create momentum. Downstream teams absorb ambiguity. Sales pushes. Delivery improvises. Support and continuous services inherit the leftovers. Nobody fully owns the entire flow. Yet everybody claims partial success.

This is where compensation becomes far more important than most leadership teams want to admit. A compensation model is not an administrative detail. It is a behavioral architecture.

If incentives reward bookings over delivery readiness, local wins over system health, or individual heroics over repeatable execution, then the organization is not merely failing to change. It is paying people not to change. And if the legacy model still produces enough money, that resistance becomes individually rational.

That is why some firms remain stuck for years in a condition of false satisfaction. Nothing collapses dramatically. Nothing is truly repaired either.

Another lazy explanation often appears at this stage. Leaders start talking as if the issue were generational: older people resist change, younger people understand the future, and the organization simply needs fresher energy.

This is usually nonsense.

The main divider is rarely age. It is whether the environment makes better behavior possible. That depends on leadership quality, role clarity, incentives, workflow design, operating cadence, and the willingness to confront structural truth instead of protecting comfort.

Company size is equally misleading as an explanation. Large firms often hide behind complexity. Small firms hide behind improvisation. A large company may look powerful while running on fragmented ownership, weak integration, and protected legacy economics. A small company may look agile while actually relying on under-designed roles, unclear accountability, founder-centric decisions, and amateurish execution disguised as speed.

In both cases, the issue is not size. It is discipline.

This is why good business can be more dangerous than bad business. Bad business creates urgency. Good business often creates denial. If current revenue remains acceptable, if customer relationships are still carrying weight, or if the brand continues to buy time, leaders can delay the uncomfortable work of redesigning the model itself.

But that delay has a cost.

The offering remains fragmented. The commercial motion remains person-dependent. Delivery quality varies too much. Support becomes reactive. Integration remains partial. And each additional growth push places more stress on a system that has not been rebuilt to carry it.

The real executive question is therefore not: “How do we grow faster?”

It is: “Is our current operating model structurally capable of carrying the kind of growth, complexity, and delivery expectations we are now creating?”

A second question follows immediately:

“Are our incentives, roles, and leadership behavior helping that transition, or quietly sabotaging it?”

For most firms, the answer is not another broad transformation program. It is something smaller, stricter, and far more revealing.

Pick one critical commercial-to-operational workflow. Map where ownership breaks. Map where ambiguity is created. Map where compensation distorts behavior. Map where customer value is delayed. Map where work is still inherited instead of designed. Then decide what has to change:

- roles
- accountability
- packaging
- handoffs
- governance
- metrics
- incentives
- delivery discipline

Not in theory. In one actual workflow. That is where structural truth becomes visible.

Because the biggest risk in consulting, services, and software is not always failure.

Often it's the comfort of partial success inside a model that no longer earns it.