

The Customer Concentration Worksheet

Find your concentration line before someone else finds it for you.

I mentioned earlier that my old employer was, in every way that mattered, one client. My paycheck depended on one company staying alive, in one industry, forever. I didn't have a name for that back then. I only had the wreckage it left behind.

Here's the name: the concentration line. Every business, including a business of one person with a job instead of a company, has a point where a single customer, platform, or vendor stops being a relationship and starts being a dependency. Below that line, losing the account hurts. Above it, losing the account ends you.

This is the exercise I wish someone had handed me before 2007, instead of after. Pull your last twelve months of revenue, list what you actually depend on, and find your line before it finds you.

01 Pull your twelve months

This is the exercise I wish someone had handed me before 2007, instead of after. Pull your last twelve months of revenue. List every client, every platform you depend on for leads or payment, and every vendor you couldn't operate without on short notice.

1

List every client.

One row per client, ranked largest to smallest by revenue.

2

Add your platforms.

Any marketplace, ad platform, or app your leads or your storefront run through.

3

Add your vendors.

Any supplier you couldn't replace on short notice.

4

Calculate the percentage.

What share of total revenue or access each row represents.

Most owners already know, somewhere in the back of their head, which row is going to be uncomfortable before they write it down. Fill it in anyway. The exercise doesn't work if you round the percentage down to make the number feel safer than it is.

02 Where lenders already drew this line

You didn't invent this question. The people whose job is lending money against small-business receivables have already drawn a version of it, in writing.

REFERENCE POINT	THRESHOLD	WHAT IT MEANS
SBA working-capital lending rules	20% of receivables	Lenders exclude a single customer's invoices beyond this share of total receivables from the collateral they'll lend against, unless narrow exceptions apply.
Bank-examiner guidance	10-20% of receivables	A single account at 10 percent counts as concentrated. Examiners expect lenders to hold concentrated accounts inside this range of the borrowing base.

Those rules are written about invoices, not whole relationships. The instinct behind them still applies. Somewhere around one-fifth, the professionals stop treating a customer as an asset and start treating it as a risk. Where your own line sits depends on your industry and how replaceable your work is. A business selling a commodity can tolerate more concentration than a business selling custom work that takes months to rebuild elsewhere. Don't borrow someone else's red line without asking whether your business looks anything like theirs.

03 Your concentration table

Now put your own numbers next to the reference points above. Include a row for every client, platform, or vendor that clears 10 percent on its own.

CLIENT / PLATFORM / VENDOR	% OF REVENUE OR ACCESS	REPLACEABLE IN 90 DAYS?	THIS QUARTER'S MOVE
[Your largest client]			
[Your second-largest client]			
[The platform you can't operate without]			
[The vendor you'd struggle to replace]			
[Add a row for anything else above 10%]			

Replaceable in 90 days means on your own initiative, at market terms, without a crisis. If you have to guess, the honest answer is no.

04 Run the gate on your top row

Take the row with the highest percentage and run it through the Two-Question Gate.

- ☐ **Question one, permission.** If this disappeared tomorrow, by their decision and nobody else's, would the business survive the quarter?
- ☐ **Question two, replacement.** Can you get your data and your customer relationships out of it without its cooperation, in time to survive the loss?
- ☐ **The drift check.** Have you talked to a single new prospect, vendor, or platform alternative in the last ninety days, or has "we're busy" quietly become your entire growth strategy?

If the answer to question one is no, the account is borrowed. It doesn't matter how good the relationship feels today, how many years you've worked together, or how many holiday cards you've exchanged. It was never owned, and it was never really yours to plan around.

05 The action plan

A red row is not a reason to walk away from that client, platform, or vendor tomorrow. It's a reason to build the second option quietly, in the background, so the next hard conversation happens from a

position with options instead of a position of fear.

- ☐ **The replacement-pipeline rule.** Keep a small amount of business-development effort running even when you're fully booked. Being busy with one account is not the same thing as being safe.

- ☐ **The platform-portability rule.** Before you build anything real on a platform, confirm you can get your data, your audience, and your money out of it on short notice, without that platform's cooperation. Test the export at least once a year, on a quiet Tuesday, not the day you actually need it.

- ☐ **The drift warning.** Concentration rarely happens on purpose. It creeps back in every time business is good, because good years are exactly when it's tempting to stop looking for what's next. Recheck this table every quarter, whether business is good or not.

How to use this. This is a thinking tool, built to help you reason about your own concentration risk. It is not professional advice, and it does not replace a conversation with your own accountant, lender, or attorney. The lending guidance in section 2 reflects rules as of July 2026 - verify current thresholds with your own lender or advisor before relying on them. Where the numbers point to a real risk, that's the conversation to have next, not a decision to make from this page alone.

How to use this. This is a thinking tool, built to help you reason about your own firm. It is not a compliance guarantee and it is not legal advice. Where it states a rule, it states the rule as of 2026-07, and the law moves, so confirm the current rules in your jurisdiction with your own counsel before you rely on anything here.

From *The Automated Law Firm* • 4Spot Consulting • [HTTPS://JEFF-ARNOLD.COM/BUILD-WHAT-CANT-BE-TAKEN/CUSTOMER-CONCENTRATION-WORKSHEET/](https://JEFF-ARNOLD.COM/BUILD-WHAT-CANT-BE-TAKEN/CUSTOMER-CONCENTRATION-WORKSHEET/)