

A COMPLETE OPERATING SYSTEM

The XpoNential Business Systems

The eleven systems every business runs on, and the 131 subsystems beneath them.



THE FRAMEWORK

Four fundamentals. Eleven operating systems. 131 subsystems.

xponentialmanagement.com/eleven-systems

HOW TO READ THIS

Different businesses. Same system.

Every business runs on the same eleven systems. What sits inside them changes with the business. A restaurant, a law firm, a software company, and a dental group may look completely different at the subsystem level. At the system level, they are solving the same eleven operating problems.

The eleven define the operating machine. The 131 subsystems define the work inside it. Within each system, the sequence reflects operating dependencies: what has to be established before the next layer can work reliably.

THE FOUR FUNDAMENTALS

At the center are four fundamentals every business has to manage: People, Process, Product, and Profit.

People

The team that runs the business and the people it serves. Every one of the eleven systems exists to make their work and their experience better.

Process

How the work gets done. Written down, repeatable, and measured, so quality does not depend on who happens to be in the building.

Product

What the business delivers and why anyone chooses it. In a practice, the care and the experience around it.

Profit

The economic result. Revenue becomes meaningful when the business converts it into durable profit, cash flow, and enterprise value.

THE ELEVEN SYSTEMS

01	Governance	DIRECTS	07	People	EMPOWERS
02	Demand	GENERATES	08	Supply	PROVIDES
03	Delivery	FULFILLS	09	Infrastructure	HOUSES
04	Capacity	SCALES	10	Assurance	PROTECTS
05	Revenue	CONVERTS	11	Knowledge	COMPOUNDS
06	Finance	MEASURES			

01 Governance DIRECTS

12 SUBSYSTEMS

Where the business is going and who owns it when it gets there.

- 1 Vision and goals.** We facilitate and document what the owner wants the business to make possible.
- 2 Entity structure.** Structured with counsel we bring. We supply the operating and economic inputs.
- 3 Decision rights.** Who decides what, at what dollar threshold, and what stays reserved to ownership. Written before it is needed.
- 4 Annual plan and budget.** Built with the owner, measured against, reset on a schedule.
- 5 Scorecard and indicator definition.** One definition per number, argued about once, used everywhere.
- 6 Quarterly planning.** Priorities reset for ninety days with dates and owners attached.
- 7 Valuation and exit readiness.** What the business is worth and which levers move the number.
- 8 Succession and continuity.** We prepare the operational continuity annex. Counsel we bring drafts the instruments.
- 9 Associate buy in and partnership.** Valuation, structure, and financing. Counsel we bring papers it.
- 10 Acquisition and integration.** Evaluation, diligence, deal architecture, and integration onto the group standard.
- 11 Sale and transition.** Preparation, positioning, and negotiation through closing.
- 12 Capital placement.** We introduce. We do not raise, place, or broker capital.

02 Demand GENERATES

8 SUBSYSTEMS

Whether anyone wants what the business makes, and whether they can find it.

- 1 Market position and brand.** How the business is described, to whom, and why a buyer picks this one.
- 2 Digital presence and conversion.** Website, local search, and listings built and maintained by an agency we manage.
- 3 Lead conversion.** We build the scripting and measure conversion by person. Your team takes the calls.
- 4 Reputation and reviews.** We set the generation cadence and the response protocol. Your team answers.
- 5 Professional referral network.** We build the tracking and the cadence. The relationship is yours.
- 6 Paid acquisition.** Channel mix and spend run by a media partner we manage. Ad spend passes through at cost.
- 7 Direct customer solicitation.** Your team owns every customer conversation. We never make one.
- 8 Community presence and events.** Owner led and local. No repeatable method for us to manage.

03 Delivery FULFILLS

11 SUBSYSTEMS

How the thing actually gets made and handed over. In a practice, care. In a firm, the matter. In a shop, the job.

- 1 Service mix.** We model which work stays in house and which leaves, on economics and skill.
- 2 Intake and onboarding.** In office forms, online forms, and consent capture. One project, configured inside tools already licensed.
- 3 Planning standards.** We document how work is scoped, phased, and presented. Your licensed team decides what belongs in it.
- 4 Case presentation and acceptance.** We standardize the financial conversation and track presented against accepted.
- 5 Delivery protocol library.** We write the protocol and the training. Your licensed team defines the standard.
- 6 Standards and calibration.** We build the audit and the calibration cadence. Your licensed team sets the criteria.
- 7 Program design.** We build the workflow, tracking, and recall. Your licensed team sets the clinical content.
- 8 Lab and outsourced work management.** We build the tracking. Your team seats the case and your biller submits.
- 9 Documentation standards.** We configure the daily audit and the exception list. Your providers write the notes.
- 10 Peer review.** We build the review cadence, the sample, and the form. Your licensed peers do the reviewing.
- 11 Professional judgment.** Diagnosis, treatment selection, materials, and standard of care are never ours to have an opinion about.

04 Capacity SCALES

9 SUBSYSTEMS

Whether the machine can physically produce what Demand sold.

- 1 Capacity model.** Chairs, hours, providers, and columns against the production target, including what the mix is worth.
- 2 Producer capacity and utilization.** Column count, hours, and each producer's contribution to overhead.
- 3 Schedule architecture.** We design the block template against the production target and revise it on a cycle.
- 4 First visit flow.** We sequence the visit and train to it. Your team delivers it.
- 5 Continuing care and recall.** We set the standard and report the return rate. Your team books.
- 6 Confirmation and reminders.** We configure cadence and channel and measure the effect on the fill rate.
- 7 Cancellation and no show protocol.** We write the standard and the fill list rules. Your team works the list.
- 8 Urgent and same day access.** We write the routing protocol. Your team routes and your providers deliver.
- 9 Reactivation.** We build the list and the campaign. Your team makes every contact.

Every dollar earned, from the quote through the deposit.

- 1 **Credentialing and enrollment.** Managed by us and executed by a credentialing partner contracted to the business.
- 2 **Payer or customer mix.** We model what each payer actually pays and recommend where to stay.
- 3 **Fee schedule maintenance.** Current fees against current allowables, reviewed on a cycle.
- 4 **Fee schedule negotiation.** We negotiate commercial schedules directly. Capitated agreements are out entirely.
- 5 **Eligibility and verification.** We configure and audit the automation. Your team works the exception queue.
- 6 **Financial policy.** We write the policy and the payment plan rules for the whole group.
- 7 **Consumer financing.** Financing platforms selected and managed by us, contracted to the business.
- 8 **Pre-authorization and estimates.** We build the log and the follow up rule. Your team works the queue.
- 9 **Coding accuracy.** We set the verification standard and audit it. Your team codes.
- 10 **Claims submission and scrubbing.** We define the scorecard and review weekly. Your biller submits.
- 11 **Attachments and narratives.** We build the templates and the submission standard. Your biller attaches.
- 12 **Denials and appeals.** We build the root cause reporting and the templates. Your biller appeals.
- 13 **Payment acceptance.** Processor selected and rate negotiated by us, contracted to the business.
- 14 **Payment posting and reconciliation.** We set the daily tie out. Your bookkeeper posts and we verify.
- 15 **Receivables, third party.** Aging discipline set and reviewed. Your biller works the aging.
- 16 **Receivables, customer.** Statement cadence and recovery standards set. Your team makes every contact.
- 17 **Credit balances and refunds.** We set the rule. Your team holds and refunds against it.
- 18 **Adjustment and write off authority.** Who may write off what, with reason codes, reviewed weekly.
- 19 **Capitation and risk contracting.** Capitated agreements and risk rates go to counsel and an actuary.
- 20 **Actuarial and rate adequacy.** Utilization modeling and reserving belong to an actuary.

06 Finance MEASURES

14 SUBSYSTEMS

Whether the numbers are true and what the numbers say.

- 1 Chart of accounts.** One chart across every entity, mapped to the EBITDA definition.
- 2 Bookkeeping and monthly close.** Performed by a firm contracted to the business. We review the close and flag exceptions.
- 3 Internal controls.** Segregation of duties and the controls that keep money from leaving quietly.
- 4 Accounts payable.** Invoice intake and payment scheduling run by us or a partner, on your approval routing.
- 5 Reporting package.** Consolidated and by site, with the drivers behind the numbers, and we walk you through it.
- 6 Overhead benchmarking.** Every category against a defensible norm.
- 7 Cash flow management.** Cash modeled forward, including the months already known to be tight.
- 8 Budget and forecast.** Built with the owner and measured against.
- 9 Owner compensation and distributions.** Normalized owner pay separated from operating results.
- 10 Capital accounts and equity records.** Contributions, distributions, and ownership percentages maintained rather than reconstructed.
- 11 Capital expenditure planning.** What gets bought, when, and out of which dollars.
- 12 Debt structure.** Rate, term, and covenants modeled, refinance analysis run. Lenders lend.
- 13 Tax preparation and planning.** Performed by the CPA partners we bring. We supply the records and coordinate.
- 14 Audit and attest.** We do not prepare or issue financial statements.

07 People EMPOWERS

13 SUBSYSTEMS

Who does the work, how well, and whether they stay.

- 1 Fractional executive support.** Named XpoNential leadership occupying a defined non licensed seat.
- 2 Organizational structure.** The chart, and what each seat is accountable for producing.
- 3 Role standards.** Duties, systems used, daily checklists, and coverage when a seat is empty.
- 4 Compensation architecture.** Pay bands and producer models, and what each model incents.
- 5 Incentive and bonus design.** We design and calculate. You approve every run.
- 6 Employment compliance.** Classification, wage and hour, and handbook drafting through employment counsel we bring.
- 7 Recruiting and hiring.** We run sourcing, screening, and offer support. You hire and you fire.
- 8 Onboarding.** We build the first thirty days. Your managers deliver it.
- 9 Payroll and benefits.** Processing and plan administration through a platform and broker we manage.
- 10 Training and education.** Owner, manager, and team programs we build and deliver, quoted to the gap we find.
- 11 Performance management.** We build the escalation path and the review cadence and measure turnover. Your managers execute.
- 12 Operating cadence.** We run the weekly huddle, the monthly scorecard, and the quarterly reset.
- 13 Leadership development.** We train your managers to run a floor rather than relay messages.

08 Supply PROVIDES

8 SUBSYSTEMS

Everything the business buys in order to produce, and what the buying costs.

- 1 Vendor contract inventory.** Every contract, renewal date, term, and what cancelling actually costs.
- 2 Procurement authority.** Who may buy what, at what threshold, and against which approved catalog.
- 3 Supply spend control.** Spend managed as a percentage of collections, per site, against a defensible norm.
- 4 Inventory and par levels.** We set par levels and ordering rules. Your team orders and counts.
- 5 Lab and outsourced production cost.** Vendor pricing benchmarked and renegotiated on a cycle.
- 6 Preferred pricing programs.** Rebates and group pricing negotiated by us, disclosed to you in writing, and the savings are yours.
- 7 Group purchasing evaluation.** Membership economics modeled against current spend before joining anything.
- 8 Vendor performance review.** Service standards written into the contract and reviewed on a schedule, not on a complaint.

09 Infrastructure HOUSES

15 SUBSYSTEMS

The platforms, the data, and the space the business runs on.

- 1 System of record.** We configure, optimize, and hold administrative rights. The license is yours.
- 2 System conversion and data migration.** Migration executed by the vendor and IT partner under our project management.
- 3 Specialty and clinical systems.** Hardware, imaging, and integration through the vendors and IT partner we manage.
- 4 Analytics and reporting layer.** We build and maintain the reporting layer and the definitions behind every number.
- 5 Communications platform.** Customer messaging, confirmations, campaigns, and the phone system underneath.
- 6 Network, servers, and backup.** Infrastructure and a tested restore through an IT partner we manage.
- 7 Continuity and failover.** We write the outage runbook and test the failover quarterly.
- 8 Automation and artificial intelligence.** We select and configure, and we deploy automation only where automation pays.
- 9 Equipment lifecycle.** Service schedule, failure history, and a replacement plan with dates on it.
- 10 Lease and landlord management.** Lease abstracted, critical dates held, renewals and CAM reconciliation handled.
- 11 Real estate transactions.** Purchase, sale, sale-leaseback, and lease structure coordinated through appropriately licensed real-estate professionals.
- 12 Cybersecurity operations.** Penetration testing and security operations go to a specialist we do not manage.
- 13 Facility maintenance.** Belongs to the landlord or a facilities vendor.
- 14 Space and layout planning.** Belongs in a Blueprint engagement, not in ongoing management.
- 15 New site construction.** Site selection and construction management sit outside our scope.

10 Assurance PROTECTS

14 SUBSYSTEMS

Everything that can close the business or cost it a claim.

- 1 Licensure and credential calendar.** We hold the calendar and escalate every renewal across every site.
- 2 Corporate practice compliance.** Scope of duties and entity structure reviewed against state rules by counsel we manage.
- 3 Insurance coverage review.** Professional liability, general liability, workers compensation, and key person, reviewed with a broker we manage.
- 4 Cyber and business interruption coverage.** Placed through the same broker. We identify the exposure and scope the coverage.
- 5 Employment handbook.** Drafted and issued through counsel we bring. We scope it and keep it current.
- 6 Workplace safety program.** We build the structure and the documentation cadence. Your team maintains the program.
- 7 Privacy and data protection.** We build the policy framework and the training cadence. Your team runs it.
- 8 Regulated operations.** Radiation safety, waste and separator compliance, and the regulatory layer above clinical protocol.
- 9 Emergency preparedness.** We build the checklist and the drill cadence. Your team drills.
- 10 Incident reporting.** We build the reporting path and hold the log.
- 11 Claims management.** A tracked path from incident to carrier to resolution, rather than a phone call and hope.
- 12 Records retention and release.** We write the retention schedule and the release procedure.
- 13 Enterprise risk register.** Concentration, litigation, reputation, and key person exposure, reviewed quarterly.
- 14 Legal advice and documents.** We scope and coordinate. We never advise or issue a legal document ourselves.

11 Knowledge COMPOUNDS

7 SUBSYSTEMS

Whether the business gets smarter or starts over. The only system that makes the other ten compound.

- 1 Document retention and file architecture.** Where things live, how long they stay, and who can reach them.
- 2 Process documentation.** How the work is actually done, written by the people who do it and maintained on a cycle.
- 3 Playbook library.** Every system documented in one place, versioned, and current. Not a binder nobody opens.
- 4 Template and deliverable library.** Forms, letters, agreements, and reports built once and reused rather than rebuilt each time.
- 5 Training content library.** The material behind every program, kept current so onboarding does not depend on who is available.
- 6 Lessons learned.** A short written review after every project, hire, vendor change, and lost customer.
- 7 Continuity of institutional memory.** What survives when a key person leaves. Most businesses discover the answer is nothing.

WHAT TO DO WITH IT

Strong systems create options. Weak systems create dependen

Find the gaps, decide what matters first, and build the sequence.