Stage 5
The Levers and the Room

Field Guide Supplemental Reading

CLARITY DIRECTION ASCENT

The six modules that turn the method into practice: reading the numbers, the pricing lever, growth and go to market, the discovery conversation, presenting the readout, and leading the change.

ORIENTATION

How to use this guide

This is the companion reading for Stage 5 of the Pinnacle advisor training. The interactive modules in the portal teach and test each idea. This guide is the version you keep on the desk: the distilled point of each module, and the one thing to do when you are in the room with an owner.

Stage 5 sits after the method (Diagnose, Decide, Design, Deploy) and before certification. By this point you can run the method. Stage 5 is about applying it to the levers that actually move a business, and doing it in front of a real owner. The first three modules are the levers. The last three are the room.

Read it in order the first time. After that, pull the single section you need before a client meeting. Every point here is written the way Pinnacle writes: lead with the answer, plain language, no framework names on the page.

> **IN THE ROOM**
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> **The move.** Before any client meeting in Stage 5, reread the one section that matches what the meeting is for. A pricing conversation is a different preparation than a discovery call.
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> **The standard.** You do not walk in cold. The relevant section takes two minutes and changes how the meeting goes.

MODULE 13 THE LEVERS

Reading the Numbers

Before you form a view, read the numbers.

Financial fluency is what turns a P&L into a diagnosis. You do not need an accounting degree. You need three questions answered: did the business make money (the income statement), what does it own and owe (the balance sheet), and where did the cash actually go (the cash flow). Profit on paper and cash in the bank are not the same thing.

Read the change, not the number

A single figure rarely tells you much. Read this period against last, actuals against plan, and margin against revenue. The gaps between those three reads are where the diagnosis lives.

Margin is the story

Owners lead with revenue because it is the number they feel. The advisor leads with margin. A company can grow revenue and lose money on every new sale. Gross margin shows whether the core model works.

A short list of ratios

Gross margin, operating margin, and the current ratio place most companies fast. Rule of 40 (growth rate plus profit margin at or above 40) is a quick sanity check for anything scaling. Working capital is where the "profitable but always tight" owner is bleeding.

> **IN THE ROOM**
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> **The move.** When an owner hands you financials, do not start with an opinion. Start with three reads: this period against last, actuals against plan, and margin against revenue.
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> **The standard.** If a business is profitable but tight, look at the days it takes to get paid before you look at anything else. The cash trap is the most common miss and the fastest win.

MODULE 14 THE LEVERS

The Pricing Lever

Pricing is the fastest lever a business has and the one owners touch least.

When you sell more units you also pay to make and deliver them, so only part of the extra revenue becomes profit. When you raise price on units you already sell, there is almost no added cost, so nearly the whole increase drops to the bottom line. A small, well placed price move beats a large, expensive push for volume.

Owners under-price out of fear

Most hold prices flat for years and quietly absorb cost inflation into their own margin. Name it plainly: you have not raised price in three years while your costs rose, so you have been giving your customers a raise every year.

Value, not cost, sets the price

Cost sets your floor, the price you cannot go below. It does not set your price. Price against what the outcome is worth to the buyer. A sensor that prevents a shutdown is priced against the cost of the line going down, not against its parts.

Sequence the increase

Do not raise everything at once. Lead on the strongest lines, hold the rest, then reprice the tail once volume response is clear. Tiers (good, better, best) let each buyer self-select and make the middle option the obvious default.

> **IN THE ROOM**
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> **The move.** Lead an overdue increase on the strongest lines, hold the rest, watch the volume response, then reprice the tail. Design tiers before you move a single number.
>
> **The standard.** The math to keep in your pocket: at a 30 percent margin, a 1 percent price increase at the same volume raises profit by more than 3 percent. Owners feel the risk. They rarely feel the size of the prize.

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MODULE 15 THE LEVERS

Growth and Go to Market

When an owner says "we need to grow," find where growth is actually stuck.

A business grows in exactly three ways: it acquires new customers, it keeps the ones it has, or it grows the value of each one. Every growth tactic is one of these three wearing a costume. The first job is to find which lever is stuck, not to reach for more ad spend.

The funnel shows the leak

Growth stalls at a specific stage, not everywhere at once. Pouring more in at the top when the leak is at the bottom just wastes more. Find the stage that leaks first.

The cheapest growth is rarely new logos

Winning a new customer costs far more than keeping or growing an existing one. A business leaking customers out the back is filling a bucket with a hole in it. Retention and expansion are the quieter, higher-return levers.

Know exactly who you win

The ideal customer profile is narrow on purpose: the customer you win most, keep longest, serve best. A hundred bad-fit leads are worse than ten that fit. The ICP chooses the channel, because you go where those customers already are.

> **IN THE ROOM**
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> **The move.** Convert "we need growth" into a stage. Are we not getting found, not converting, not keeping, or not expanding? The tactic follows from the stage. Naming the stage is the whole job.
>
> **The standard.** A good ICP fits on one line and excludes more than it includes. If the owner cannot name who they do not serve, the profile is not sharp enough yet.

MODULE 16 THE ROOM

The Discovery Conversation

Ask so the owner reveals the real constraint, not the one you assumed.

By the time you are in the room, the sale is done. Discovery is not a second pitch. Its only job is to find the real constraint before you propose anything. The owner has a theory about what is wrong. Your job is to test that theory against what the business actually shows.

The symptom is not the cause

Owners describe symptoms: sales down, team stretched, cash tight. Each has a cause a layer or two below. Solve the symptom the owner named and you often fix nothing. Trace each symptom to its cause.

Open first, then narrow

Start wide so the owner reveals what matters in their order, which is itself information. Then narrow to confirm. Avoid the leading question that hands the owner your answer and gets a yes that proves nothing.

Follow the energy and the flinch

Notice where the owner speeds up, gets specific, or goes quiet and changes the subject. The flinch marks what they would rather not look at, and that is frequently the constraint. Return to it gently.

> **IN THE ROOM**
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> **The move.** Walk in with a theory and hold it loosely. Ask more than you assert. The best question is almost always a follow-up to what the owner just said, not the next line on your list.
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> **The standard.** The advisor who talks most in discovery learns least. Silence after a question is where the real answer surfaces. Let the pause do its work.

MODULE 17 THE ROOM

Presenting the Readout

Land the analysis in the room: answer first, then the logic.

The owner does not want the story of how you did the work. They want the answer, then the reasoning that supports it. Open with the headline: the one sentence that states what you found and what to do. Under it, walk three beats every time: the finding (what is true), the so what (why it matters, in dollars or risk), the now what (the move).

No frameworks on the page

The readout is about the owner business, not your method. Say "pricing is the constraint," not "we applied a value-capture analysis." The owner should hear their own business described more clearly than they could describe it.

Three real options, owner marks the page

When the decision is the owner to make, present three live options, each a path a reasonable owner might pick. No straw men. The owner chooses, out loud, on the page. A decision they mark themselves is one they own and act on.

Trade-offs, not the verdict

You are not there to tell the owner what to do. You make the trade-offs so clear that the right choice for their appetite becomes obvious. State what each option costs, risks, and wins. Then be quiet.

> **IN THE ROOM**
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> **The move.** Test every readout first: if the owner read only the headlines, would they know exactly what you found and what to do? If not, the headlines are not doing their job yet.
>
> **The standard.** When an owner pushes back, separate a challenge to the data from a discomfort with the answer. Defending harder makes it a fight. Name the real concern and address it, so the finding survives and the owner stays with you.

MODULE 18 THE ROOM

Leading the Change

A right answer the owner cannot put into practice is worth nothing.

Most strategies that fail do not fail because the analysis was wrong. They fail because no one adopted them. The plan was sound, the slides were clean, and then Monday came and everyone went back to how they always worked. The advisor who stops at the recommendation has done half the job.

People let go before they take up

Change starts with an ending. People must let go of the old way before they can take up the new. Skip that and you get quiet resistance: nodding in the room, reverting in practice. Name the ending honestly.

Resistance is information

It usually marks a real cost the plan did not account for: a role that shrinks, a skill that stops mattering. Surface the cost and you can address it. Steamroll it and it goes underground and wins.

Sequence for belief, then size

Give the change a spine with a 30, 60, 90. Start with a visible, fast win that proves the effort is real, even if it is not the biggest lever. Early wins build the belief that funds the harder change that follows.

> **IN THE ROOM**
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> **The move.** Before you hand over a plan, ask who loses something when it lands, even something small, and make sure the plan speaks to them.
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> **The standard.** The test of a Pinnacle engagement is what still works after you leave. The strongest close is a first win the team achieved themselves, on the new way, before you walked out the door.

CLOSE

The through line

The three levers tell you where to push. The room decides whether the push lands. An advisor who can read the numbers, price the value, and find the stuck growth lever, but cannot run a discovery call, present a readout, or make a change stick, delivers reports that sit in a drawer.

That is why Stage 5 pairs them. Every domain lever in this guide ends in a conversation with an owner, and every conversation is only as good as the analysis behind it. Carry both.

IN THE ROOM

The move. Certification (the next and final stage) tests the five point ship test on work that now draws on all of Stage 5. Do not treat these six as reference only. They are what the ship test checks.

The standard. Is it true, is it clear, is it the client priority, can they act on it, does it leave something working. All five, every time.