Risk Register & Mitigation Strategy

Comprehensive identification and mitigation of key business risks — FY2024–2029

RISK REGISTER

Risk	Category	Likelihood	Impact	Residual
Client Concentration Risk	Revenue	Medium	High	**Low**
Key Person Dependency	Operational	High	High	**Medium**
Tax Law / Regulatory Change	Compliance	Medium	Medium	**Low**
Cybersecurity / Data Breach	Technology	Low	Critical	**Low**
Economic Recession	Market	Low	High	**Medium**
Staff Turnover	HR	Medium	Medium	**Low**
Competitive Displacement	Market	Medium	Medium	**Low**
Cash Flow Seasonality	Financial	High	Medium	**Low**

RISK SCORING: **Critical** **High** **Medium** **Low**

MITIGATION STRATEGIES IN DETAIL

Key Person Dependency

High

The business model currently relies heavily on the principal's expertise and client

- Create documented SOPs for all recurring workflows (tax prep, client onboarding, billing)
- Implement CRM to capture all client communication history and preferences

Cybersecurity / Data Breach

Critical

Financial and tax data is among the highest-value targets for cybercriminals. A

- Use only SOC 2 Type II certified cloud providers (e.g., Canopy, Drake Cloud, Intuit)
- Enforce MFA on 100% of systems — no exceptions for any user or device

Cash Flow Seasonality

High

Tax-focused firms experience heavy Q1 concentration of revenue (Feb–April). Without

- Convert 40%+ of clients to monthly retainer model by end of Year 1
- Maintain 6-month operating expense reserve in dedicated account

Competitive Displacement

Medium

The accounting market is undergoing consolidation and technology disruption.

- Specialize in 2–3 high-value niches: real estate investors, medical professionals,
- Build content marketing flywheel demonstrating niche expertise

Your business plan includes a complete Risk Register with scoring matrix, mitigation plans, and monitoring timelines.

Contact Illion Tax & Accounting to get started: illion.tax | info@illion.tax