

SAUCE · PRACTITIONER'S GUIDE

THE COST NOBODY BUDGETS FOR

**A practitioner's guide for profitable businesses that
don't have time for an ecosystem.**

What's inside.

Sixteen sections. One thesis: the operating knowledge of your business should not live in one head.

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Your best person quits tomorrow.

How much walks out the door with them? Not their salary. Not even their replacement cost. What walks out is the 42% of institutional knowledge that exists nowhere but in their head. Not in a document, not in a system, not in anyone else's memory. That number comes from a study of over 1,000 U.S. workers. It is not a metaphor. The routing decisions. The client relationships. The “ask Sarah, she knows.” Gone.

The cost is real and researched. SHRM estimates replacing a key employee costs 50 to 200% of their annual salary, and most of that cost is not recruiting. It is the 5 to 12 months of lost productivity, stalled projects, and re-learning that follows. A single departure of a \$65,000 operations manager costs \$32,000 to \$130,000 in disruption. For a 15-person service business with two departures a year, that is \$55,000 to \$220,000. It never appears on a P&L.

But the departures are just the visible damage. The invisible damage is happening every week your team is intact. Coveo's Relevance Report finds knowledge workers spend roughly 3.6 hours every day, close to half their workweek, searching for and gathering internal information. Not creating value. Not serving clients. Searching for things that were already known, already decided, already documented somewhere no one can find. In a five-person team, that is 18 hours a day of re-derivation. Every day. Forever.

And when someone finally finds the answer, there is a 58% chance they are re-solving a problem that was already solved. That is not a productivity problem. That is a systems problem. It has a fix.

This guide is about that fix. Not about AI. Not about digital transformation. About the invisible, compounding cost of running a business where institutional memory lives in people's heads instead of systems, and how to reverse it. Everything else in this guide (the agents, the dashboards, the automation) is downstream of that one fix.

§ 01 SARAH, IN DETAIL

SARAH IS YOUR OPERATIONS MANAGER.

Sarah makes **\$65,000** a year. She quits tomorrow.

In the six months that follow, her departure will cost your business \$32,000 to \$130,000. Not on any line item. Not in any budget meeting. It shows up as overtime, because the rest of your team is scrambling to cover what she knew. It shows up as the customer who left because the handoff dropped. It shows up as the close that slipped a quarter, the renewal that didn't happen, the new hire who took five months to ramp instead of two.

None of that is in her job description. None of that is in any system you own. It was in her head: the vendor who'll take a phone call at 9pm, the spreadsheet whose tab is named "DON'T DELETE," the reason the Tuesday report runs the way it does. The judgment. The shortcuts. The history.

That's the math on one person who held one piece of the operation in her head. Multiply by the four other people in your business who hold a different piece each, and you have the shape of the problem.

SARAH IS A COMPOSITE. THE NUMBERS ARE NOT.

FIGURE 01

\$65K

SALARY

\$32K- \$130K

SIX-MONTH COST
OF DEPARTURE

METHOD

SHRM 50-200%
REPLACEMENT
MULTIPLE × \$65K.
CONSERVATIVE MID-
MARKET, SIX-MONTH
WINDOW.

From one Sarah to a five-person estimate.

The numbers above scale linearly. In most mid-market operating companies, the operating knowledge is held by a small number of irreplaceable people: the operations manager, the senior tech, the AR lead, the controller, the field foreman. Run the same math against each of them.

ROLE	SALARY	LOW (50%)	HIGH (200%)	6-MO MIDPOINT
Operations manager	\$65K	\$32K	\$130K	\$81K
Senior technician / foreman	\$85K	\$43K	\$170K	\$107K
AR / billing lead	\$58K	\$29K	\$116K	\$73K
Controller	\$110K	\$55K	\$220K	\$138K
Top salesperson	\$95K	\$48K	\$190K	\$119K
Five-person key-bench exposure	\$413K	\$207K	\$826K	\$518K

METHOD · SHRM 50-200% · 6-MO WINDOW · NO EXIT-VALUE IMPACT

WHAT THIS NUMBER IS

A first-order estimate of what walks out the door if one irreplaceable person leaves. Conservative: it excludes exit-value impact, customer churn beyond six months, and the second-order cost of overworking the people who stay.

WHAT THIS NUMBER IS NOT

A retention budget. The fix is not to pay each of these people more. The fix is to move the knowledge out of their heads and into a system they don't have to be in the room to operate.

01

42 %

of what your best employee knows lives nowhere but in their head.

PANOPTO / YOUNG & RUBICAM · WORKPLACE KNOWLEDGE & PRODUCTIVITY REPORT · N = 1,000+ U.S. WORKERS

02

20 HRS /WK

spent searching for what is already known across your tools.

COVEO · RELEVANCE REPORT · WORKPLACE EDITION · 3.6 HRS/DAY AVERAGE

03

58 %

of "new" work is re-solving a problem someone else already solved.

PANOPTO RESEARCH · WORKPLACE KNOWLEDGE & PRODUCTIVITY REPORT

04

5-12 MONTHS

to recover from a single key-person departure.

SHRM · SOCIETY FOR HUMAN RESOURCE MANAGEMENT · TURNOVER COST RESEARCH

05 · AI

95 %

of AI pilots never reach production, almost always because the underlying data and process architecture wasn't ready.

VOICE OF THE ENTERPRISE · ENTERPRISE AI ADOPTION SURVEY SERIES

READING THE GRID

Four independent studies, four research bodies, four methods. They converge on a single picture: most of what runs a business is undocumented, most of the day is spent recovering what already exists, most of "new" work is a repeat, and a single departure takes the better part of a year to absorb. The fifth figure tells you why bolting AI on top of that mess doesn't work.

§ 04 THE ARGUMENT

EVERYTHING WE BUILD IS DOWNSTREAM OF THAT ONE FIX.

The five figures on the previous page are not five different problems. They are five faces of one problem: the operating knowledge of the business is not in the business. It is in heads, in inboxes, in spreadsheets nobody owns.

Pick whichever pillar fits the symptom. Underneath, the work is the same: get the knowledge out of one head and into a system the next hire can read on day one. AI is downstream of that. Reporting is downstream of that. The buyer's diligence pack is downstream of that.

That is why this guide is called *The Cost Nobody Budgets For* and not *The Five Pillars*. The pillars are the surface. The cost, unbudgeted, compounding, invisible, is the root.

THE ONE-LINE VERSION

Architecture, not apps.

Apps come and go. Architecture is the layer that lets you swap, add, retire, and still trust the numbers in the meantime. It is the difference between a stack and a system.

A NOTE ON THE ORDER

The pillars are walked in the order they tend to break in a real business: AI is loudest, data is foundational, integration is the daily tax, automation is the recovery, security is the insurance. Read them in any order; we wrote them in this one.

One stat per pillar. One fix per stat.

01 **AI ADOPTION** **95%** of AI pilots never reach production. VOICE OF THE ENTERPRISE

02 **DATA ARCHITECTURE** **42%** of what your best employee knows lives in their head. PANOPTO / YOUNG & RUBICAM

03 **SOFTWARE INTEGRATION** **20 hrs/wk** spent searching for what is already known. COVEO

04 **WORKFLOW AUTOMATION** **58%** of "new" work is re-solving problems already solved. PANOPTO RESEARCH

05 **DIGITAL SECURITY** **5-12 mo** to recover from a single key-person departure. SHRM

HOW TO USE THE MAP

If a single figure on this page is the one that sounds like your business, jump to that pillar next. The pillars are independent enough to be read standalone, and pricing is the same across all five.

01 / AI

AI ADOPTION.

95%
OF AI PILOTS
NEVER REACH PRODUCTION

AI that actually does the work. Built on your data. Plugged into your day. No demos that go nowhere.

What good looks like.

- Operations copilots. A chat surface that reads your real systems, drafts the answer, links to the source.
- Document automation. The 30-minute proposal becomes a 30-second draft your reps still edit.
- Inbox triage. Email categorized, drafted, queued. You approve. The model never sends without you.
- Decision support, not replacement. The model surfaces the option. The human still picks.

Where it goes wrong.

Most AI pilots fail because they were demos. A standalone chat box, bolted onto nothing, with no data underneath. The 95% failure rate is the failure to wire the model into the real workflow.

Our rule: AI sits *inside* the operating system. It reads your data, writes back to your systems, and is owned by the same people who own the rest of the stack.

THE QUESTION TO
ASK

Is the model wired to my real data, or is it a standalone demo?

If the answer is "standalone," the project will join the 95%. Insist on a thin, real, useful integration before the polish.

BUILD · DOOR 01

PRICING
BOTH DOORS

\$1,500 FROM

RUN · DOOR 02

\$150 / MO

02 / DATA

DATA ARCHITECTURE.

42%

OF WHAT YOUR BEST
EMPLOYEE KNOWS LIVES
IN THEIR HEAD

Your numbers in one place. The spreadsheets, the systems, the notebook on the desk. One source of truth your team actually uses.

What good looks like.

- One warehouse. Postgres or Snowflake, sized to the business. Your account. Your bill.
- Entity resolution. Six systems each call your biggest customer a different name. We resolve them to one record.
- Source-of-truth modeling. Each field has a defined owner and update rule. The dispute layer named, not hidden.
- Reporting that updates itself. The weekly numbers stop being a person.

Why it matters first.

AI fails on bad data. Reporting fails on bad data. Decisions fail on bad data. Data architecture is the foundation we put under every other pillar, even when the engagement starts as "just an AI thing."

We don't build a data lake for the sake of it. We build the smallest, fastest source-of-truth that solves the question on the table.

THE QUESTION TO ASK

If my analyst quits today, can the next person rebuild the Tuesday report by reading something?

If the answer involves "ask Karen," you have a data architecture problem disguised as a reporting problem.

PRICING
BOTH DOORS

BUILD · DOOR 01

\$1,500 FROM

RUN · DOOR 02

\$150 / MO

03 / SOFT

SOFTWARE INTEGRATION.

20 HRS/WK

SPENT SEARCHING FOR
WHAT IS ALREADY KNOWN
ACROSS YOUR TOOLS

Your tools, finally talking to each other. Fewer logins. Fewer open tabs. One stack instead of forty subscriptions you forgot you were paying for.

What good looks like.

- CRM ↔ accounting ↔ email. The three systems that own your customer all see the same record.
- Vendor consolidation. Forty subscriptions become twelve. The exits are documented before the on-ramps.
- API hardening. When a vendor changes the contract, the change is contained, not catastrophic.
- SSO across the stack. One login. One offboarding. One audit trail.

The principle.

No rip-and-replace. We connect what you already run: Salesforce, HubSpot, Stripe, QuickBooks, Notion, Airtable, Google, Microsoft. We integrate. We don't resell.

The 20-hours-a-week figure is what integration buys back. It is also the most measurable pillar. Time savings show up inside the first month.

THE QUESTION TO
ASK

How many systems hold a copy of the same customer record today?

If it's more than two, you are paying for the same data twice and reconciling it by hand.

BUILD · DOOR 01

PRICING
BOTH DOORS

\$1,500 FROM

RUN · DOOR 02

\$150 / MO

04 / FLOW

WORKFLOW AUTOMATION.

58%

OF "NEW" WORK IS
RE-SOLVING PROBLEMS
ALREADY SOLVED

The work that always needed you, doesn't anymore. The routine runs itself. Your team handles the decisions that matter.

What good looks like.

- Repetitive ops, triggered. The thing that fires on the first of every month. The thing that runs when a deal closes. The thing nobody remembers to do until Friday.
- Approval chains, defined. Who signs off, in what order, with what fallback if they're out.
- Handoffs, instrumented. Sales to ops. Ops to finance. Each handoff has a checklist that knows when it was completed.
- Audit trail, free. Every run leaves a log. Every log is queryable.

Where humans stay.

The repeat work, run by machines. The judgment, kept by humans. We do not automate decisions that need a human in the loop, and we do not pretend judgment can be generalized from past data when it cannot.

The result is more time for the work nobody else can do, less time on the work that should have stopped needing a person years ago.

THE QUESTION TO ASK

How much of last week's work was something we already did the week before?

The Panopto 58% figure says: more than half. If you don't recognize that in your own week, look harder.

PRICING
BOTH DOORS

BUILD · DOOR 01

\$1,500 FROM

RUN · DOOR 02

\$150 / MO

05 / SEC

DIGITAL SECURITY.

5-12 MO

TO RECOVER FROM A SINGLE
KEY-PERSON DEPARTURE

The basics, done right. Logins, backups, access, posture. The boring stuff that costs you the deal when the next buyer looks at it first.

What good looks like.

- Identity + access posture. SSO across the stack. MFA enforced. Roles audited. Offboarding is a single action, not an email chain.
- Backups that actually restore. We test the restore. A backup that never restores is a hope.
- Vendor risk. A small, honest list of who has access to what, reviewed quarterly, not annually.
- Diligence-ready. When the buyer or insurer asks, you have the answer.

Sized for mid-market.

This is not enterprise security theatre. Mid-market operators do not need a SOC team. They need the boring fundamentals done right, on a budget that matches the business.

A clean security posture is also an exit-value lever. Buyers discount sloppy diligence. Insurers raise premiums on it. Tidy this up before someone makes you.

THE QUESTION TO
ASK

When someone leaves, how many systems does the IT person have to remember to disable?

If the answer involves more than ten minutes or a printed checklist, your offboarding is your single largest insider-risk surface.

BUILD · DOOR 01

PRICING
BOTH DOORS**\$1,500** FROM

RUN · DOOR 02

\$150 / MO

TWO DOORS. NO LOCK-IN.

Pick one, or both. Same operators behind both doors. Same pricing on every pillar. Neither requires a multi-year commitment, ever.

01 / CUSTOM PRODUCTS

YOU OWN IT

FROM

\$1,500

Fixed-scope build. You own the code, the data, and the infrastructure. 50/50 deposit and delivery. One-time engagement. No upper band. A discovery call defines the scope.

WHAT YOU WALK AWAY WITH

SOURCE CODE

In your repo. Your name on the license.

INFRASTRUCTURE

In your cloud account. Your billing, your control.

HANDOFF DOC

A runbook your next dev can read on day one.

OFF-RAMP

Written before the on-ramp. No exit fees.

02 / MANAGED SERVICES

WE RUN IT

FROM

\$150

We run it. You don't. Monitoring, sync, dashboards, reporting, and the patches when a vendor changes an API. Month to month. Cancel any month.

WHAT RUNS WHILE YOU SLEEP

MONITORING

If it breaks, you hear it from us first.

PATCHES & UPGRADES

Vendor API changes, library bumps, kept current.

MONTHLY DIGEST

What ran, what changed, what to watch.

CANCELLATION

One month notice. No claw-back. Code stays yours.

§ 12 THREE ENGAGEMENTS, THREE PILLARS CASE ANCHORS · VALIDATES EACH STAT

W01 · COMMERCIAL REAL ESTATE

3G Healthcare Real Estate.

Six systems, one trusted operator. We connected them. The notebook on the desk became a system on every screen.

PROPERTIES	14,710
SYSTEMS	6 → 1
MATCH RATE	94.2%
PATTERNS	71 across 29 states
TIMELINE	Q1 → Q2 2026
PILLARS	Data · Integration

VALIDATES THE 95% VOTE FIGURE

W02 · WELLNESS BRAND

BLL Command Center.

Email tool, booking app, payment processor, refund spreadsheet. Connected. Every customer became one profile.

CUSTOMERS	4,195 unified
TOOLS	4 → 1
TIME BACK	11 hrs/wk
BY MONTH 4	20 hrs/wk
TIMELINE	Q4 2025
PILLARS	Integration · Automation

VALIDATES THE COVED 20-HR FIGURE

W03 · PRINT · MARKETING

MMP T-Lock Fusion.

Seven-phase sales workspace inside Minute Man Press Toledo's existing CRM. *Structure before automation.*

KICKOFF → DEMO	19 days
PHASES	7 lifecycle stages
AUTOMATION	1.1% (274/25,000)
TIMELINE	Q1 2026
PILLARS	Integration · Workflow

VALIDATES VOTE ARCHITECTURE READINESS

READING THE WORK

Three engagements, three different pillars, three different industries. The common thread is not the technology stack; it is the move from operating knowledge held in a few heads to operating knowledge held in a system the rest of the business can use.

ASSESS. BUILD. MANAGE.

PHASE 01 · ASSESS

Two-week diagnostic. We map where time is lost, where data is stuck, where the same work happens twice.

Deliverable: A prioritized list with effort and impact estimates. Not a 40-page roadmap. A one-page map of what we fix first and why.

PHASE 02 · BUILD

First capability in production in 2–4 weeks. Real data, real systems, measurable outcome by week four. This is Door 01: fixed scope, 50/50 payment, you own everything when we're done.

Deliverable: A live workflow, in your stack, owned by you.

PHASE 03 · MANAGE

Door 02 only. The ongoing tier runs what we shipped, and expands it as the business grows. Monitoring, patches, monthly digest, and a named operator who knows your stack.

Deliverable: Monthly digest, SLA, add-ons as the work grows.

Calendar.

WEEK 01-02	Assess. Sessions with operators. System inventory. Prioritized backlog.
WEEK 03-04	Build. First workflow lands in production. Measured outcome.
WEEK 05+	Build next (Door 01), or move to Managed (Door 02) to run what we shipped.

OUR STANDING RULE

We do not take work that doesn't give you time back. If the engagement won't pay for itself inside twelve months, we say so on the call, before you wire a deposit.

Ten questions. The answers tell you who's honest.

We wrote these against the worst behavior we've seen in our own category. If a vendor (us included) cannot answer them simply, in writing, that is the answer.

Q.01 Will I own the source code on day one, or are you renting it back to me?

Good answer: you own it on day one, in your repo, with your name on the license. Bad answer: anything involving the words "platform fee."

Q.03 What does the off-ramp look like, and was it written before the on-ramp?

Good answer: it's in the SOW. Bad answer: "we'll cross that bridge when we come to it."

Q.05 If I cancel month four of a managed-services contract, what survives?

Good answer: the code, the data, the documentation, all of it. Bad answer: a kill switch, a claw-back, or an unpublished "deactivation policy."

Q.07 What does the "AI" in your AI capability actually do, and which of my systems does it read from?

Good answer: a specific workflow, specific systems, specific data. Bad answer: anything that takes more than two sentences.

Q.09 What's the smallest engagement you'll take, and what does it look like?

Good answer: a real number with a real first deliverable. Bad answer: a six-figure floor that doesn't fit your business.

Q.02 Where does my data live, and whose account is paying for the infrastructure?

Good answer: your cloud account, your billing. Bad answer: ours, with a markup, and a migration fee if you ever want to leave.

Q.04 How many of your engagements have I personally talked to a reference at?

Good answer: at least one before any deposit. Bad answer: a logo wall with no working phone numbers.

Q.06 Is the person selling me this the same person who'll build it?

Good answer: yes, or here is the named operator who will. Bad answer: a sales engineer who disappears after close.

Q.08 Show me a project you walked away from. Why?

Good answer: a real one, with the reason. Bad answer: "we've never had to."

Q.10 If I ask for the actual SOW your last three clients signed, will you send them with names redacted?

Good answer: yes. Bad answer: a polished template that hides what changed.

Q.01 How much institutional knowledge lives in one employee's head?

Research from Panopto and YouGov found that 42% of institutional knowledge (the processes, judgment, and shortcuts that keep a business running) exists nowhere but in an individual employee's head.

PANOPTO / YOUNGOV · WORKPLACE KNOWLEDGE & PRODUCTIVITY REPORT · N = 1,000+ U.S. WORKERS

Q.02 How many hours per week does the average knowledge worker spend searching for information?

Coveo's Relevance Report — Workplace edition finds knowledge workers spend roughly 3.6 hours per day searching for information, close to 20 hours per week. McKinsey, IDC, and Microsoft have reported figures in the same range.

COVEO · RELEVANCE REPORT · WORKPLACE EDITION

Q.03 How much of the "new" work knowledge workers do is actually re-solving solved problems?

Panopto research finds that approximately 58% of work that knowledge workers treat as new is in fact a re-solve of a problem someone else already solved, whose solution was never captured.

PANOPTO RESEARCH · WORKPLACE KNOWLEDGE & PRODUCTIVITY REPORT

Q.04 How long does a business take to recover from a single key-person departure?

SHRM research puts the recovery window at 5 to 12 months for a single key-person departure, counting time to backfill, ramp, and recapture the lost institutional context. Fully-loaded replacement cost runs 50%–200% of annual salary.

SHRM · SOCIETY FOR HUMAN RESOURCE MANAGEMENT · TURNOVER COST RESEARCH

Q.05 What does knowledge loss cost a mid-market business in dollar terms?

For a \$65,000-salary operations manager: \$32,000 to \$130,000 over six months. Driven by overtime, lost customers, hiring fees, ramp time, and recreated work. Does not include exit-value impact at sale, which is typically larger and harder to quantify.

SHRM 50-200% REPLACEMENT MULTIPLE × \$65K · CONSERVATIVE MID-MARKET READING

Q.06 What is the minimum engagement?

Door 01 starts at \$1,500. That buys a fixed-scope build: a real workflow, in your stack, running when we're done. Scope is defined in a discovery call. 50/50 payment. No upper band.

Q.07 Do I have to commit to a managed services contract?

No. Door 02 is month to month. Cancel with one month's notice. No claw-back. Everything we built stays yours.

Q.08 What if I only need one thing fixed?

Door 01 is built for that. One engagement, one fixed scope, one deliverable. Most clients start with one thing and come back when the first fix surfaces the next problem.

No pitch. Just: where do you start?

A fifteen-minute discovery call. You tell us about your business. We tell you which capability would give you the biggest week back, and which ones can wait. If we're not a fit, we say so and tell you who to call.

What the call covers.

- **Two minutes:** introductions.
- **Five minutes:** you talking. Where you are, what you do, why you reached out.
- **Five minutes:** us, being specific about what we'd do.
- **Three minutes:** mutual questions before we either book a longer session or part ways.

Logistics.

LENGTH	15 minutes
COST	Free · no obligation
FORMAT	Zoom / phone / in-person if local
SLIDE DECK	None

BOOK IT

saucetech.io/book

CALENDLY.COM/MALCOLM-SAUCETECH/30MIN

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Less sprawl. More control. You get your time back.

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