

Portfolio OS

The operating model that closes the delivery discount: four functions installed, two aligned · the order of operations · transition mechanics · engagement economics

September 2026 · Companion to Closing the Delivery Discount in B2B SaaS

CHAPTER 1

Funding the Fix: Redirect, Not Add

This operating model does not begin with new investment capital. It begins with the money already being spent. At a typical sub-scale B2B software company the trapped envelope runs to millions annually: inflated legacy engineering payroll, outsourced support overflow, post-acquisition integration overhead, and professional services running at negative gross margin.

We redirect that envelope onto your books and lead it at materially lower cost, through architectural discipline and senior capability sourced at 40–55% of tier-1 rates. **The difference flows to EBITDA — funding the sponsor's exit or the founder's next stage.**

One nuance for the founder case, stated plainly. In a sponsor-held asset the envelope can be redirected by decision. In a founder business it is often fully consumed by payroll, so the freeze on legacy feature development and the rationalisation of the unprofitable tail, both in Chapter 5, are what release it first. Where the released envelope is still insufficient, the same diagnostic becomes the basis for a raise priced as software rather than services. The model is redirect-first in both cases; the founder path sometimes adds a financing step the sponsor path does not need.

Operators, Not Consultants

Most holders of fatigued assets have already tried a turnaround consultancy: slide decks, framework diagrams, recommendations nobody could staff. The failure mode is predictable. Consultancies sell hours, deliver advice, and leave before the friction of installation begins.

The problem inside these assets is operational, not analytical. We take operational control and install the disciplines below. Fractional operating leadership runs the transformation rather than observing it. The new delivery team is hired onto the company's own OPEX, never billed as a managed service, so the cost base genuinely transfers and the capability stays when the programme ends. And we stay until the disciplines hold: the exit condition for every function is that the company's existing leadership can run the cadence without external pressure.

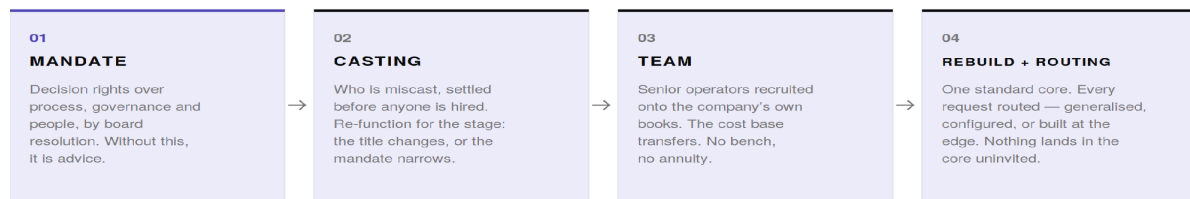
CHAPTER 2

The Order of Operations

The fix is not a technical tool. It is an order. A rebuild without these prerequisites produces a newer version of the same broken asset. Each step is worthless without the one before it.

THE FOUR STEPS

The order is the argument. Each step is worthless without the one before it.



WHY THIS ORDER

Mandate first, because decision rights are what separate installation from advice. Casting second, because the audit decides who is miscast before anyone is hired. Team third. The rebuild last — because a rebuild without the first three produces a newer version of the same asset.

Step 1 · Mandate: Authority Before Technology

The first step has nothing to do with technology. It is decision rights granted by board resolution across a defined scope: delivery and programme management, operations, and product, including the scope-of-work consultation process through which enterprise commitments are priced before they are made, and the alignment of sales and marketing to the product cadence. Commercial leadership keeps the customers, the renewals and the external face. What changes hands is authority over how delivery decisions are made.

Skip this step and everything downstream is a recommendation, and recommendations die at the first renewal-pressure exception. The test: when a material customer asks for an exception in month 9, who decides, and does the commercial team already know the answer?

What a Decision Right Looks Like Written Down

A board resolution is necessary and not sufficient. Authority that is not written decision by decision gets renegotiated at the first renewal-pressure exception. So each decision that crosses the product–services boundary gets one owner and a clock, against the three routes set out in 3.4.

A commitment enters the core product: the boundary owner decides, in days. A commitment is built beside the core, priced, on its own contract: the boundary owner decides. A departure from the standard for one account: the boundary owner decides, with finance agreeing where it carries cost. Engineering can veto on feasibility, commercial on price. Neither decides.

One owner per decision. Never shared, never the leadership team — a row with two deciders has none. Every veto names the constraint that earns it: technical, legal or financial. Vetoes granted for seniority are how a five-day decision takes five weeks. Each ruling goes into a register with its reason, and the register is what the next negotiation reads.

Step 2 · Casting: Re-Function, Don't Replace

The leadership that built the company is usually miscast, not incompetent. They hold the domain expertise and the customer relationships, the actual moat, and neither is replaceable. The instinct under pressure is to replace. Run the arithmetic first: a 3–6 month search, six months before a newcomer can safely change anything, then their reorganisation. Twelve to eighteen months before the number moves, inside a hold that may have twenty-four left, and the customer relationships leave with the person.

So the design position is to re-function each senior person for the stage the company has reached. Sometimes the title changes; sometimes the title stays and the mandate narrows. And where a role demands experience the person has never had, there are two honest options:

develop them under a mentor who has genuinely held that role at that stage, not a spreadsheet consultant, or replace them. The reliable tell of a leader out of their depth is micromanagement. What damages companies is doing neither for two years and then reaching for a replacement when the runway is short.

Each senior person gets one of three options, named up front. A customer-facing role with real authority: ownership of customers, revenue or partnerships, with a budget — pay and equity stay flat or rise, never fall. Successor: they learn the operating model and take it over when we leave, with the assessment and development plan committed, criteria and dates included. Or an honest exit: a defined runway of at least three months before any replacement, a bonus for a proper handover, and straight advice about their options. The casting decisions come out of the first 100 days, before any hiring starts.

One further observation on the team beneath. A decade of stability in a thin talent market is often not loyalty but the absence of an exit: the people who know the legacy codebase have nowhere to go, and nobody new has arrived. Casting breaks that seal too. Roles acquire real definitions, and the definitions acquire real assessments.

Step 3 · Team: Cast the Production, Keep the Producers

Modernisation is a production, and it staffs like one. The permanent cast is the small accountable core that keeps the engine running and owns the result. Around it, four sourcing moves, planned in unison for a defined period against the stage of growth: specialists brought in to train leaders down a path they have not walked; outsourced firms for temporary capacity you should not keep on the books after; the best team for each specific job, per domain and per market, rather than one provider’s ancillary services; and accountability never leaving the core. The crew changes. The producers do not.

At this stage the binding constraint is seniority, not headcount, because cheap capacity pointed at an unowned intake produces absorbed work faster. Senior architectural capability is recruited in secondary hubs directly onto the company’s books, at top-of-market rates locally:

EXHIBIT 1 Senior engineering cost by market, fully loaded (public salary surveys)

Market	Fully loaded (USD)	Index vs UK
US West Coast	\$170,000–\$230,000	125%
UK (London)	\$140,000–\$180,000	100%
Romania (Bucharest)	\$60,000–\$95,000	48%
Argentina	\$32,000–\$50,000	26%
Philippines	\$32,000–\$48,000	25%

Sources: Levels.fyi 2024; Stack Overflow Developer Survey 2024; Robert Walters Salary Survey 2024; Romanian Software Industry Association. The model centres on the 40–55% band, not the lowest rows, and holds four conditions the differential never compromises. Overlap, correctly defined: an hour a day with the stakeholders who make product decisions is sufficient, because the team purchased are owners in the product development process, not engineers taking orders — full-day overlap is the test for a team that needs supervising. Seniority, correctly defined: the ability to form an opinion and hold it under executive or customer pressure. Employment onto the company’s own books, with code ownership. And seniority, not headcount, as the unit purchased.

Step 4 · Rebuild and Routing

Only with authority, casting and the team settled does the rebuild begin. Refusing custom enterprise work costs revenue and fixes nothing; companies that try it discover the core was

already saturated. Every request is routed instead: generalised into the core, configured as rules and data in the ring, or built in isolation at the edge. Nothing lands in the core uninvited.

CHAPTER 3

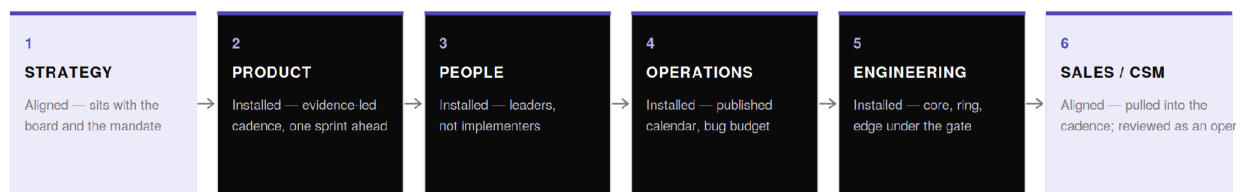
Four Functions Installed, Two Aligned

The operating system has six functions. Four are installed in strict sequence, each holding because the one before it is in place. Two are aligned rather than installed: Strategy arrives as the board mandate, and Sales and Customer Success are pulled into the product cadence and reviewed as an operation. Taken together, the four installations are the target operating model and the order of operations is the plan that gets there — stated here in plain terms rather than a named framework.

EXHIBIT 2 The model, end to end

SIX FUNCTIONS · FOUR INSTALLED, TWO ALIGNED

Each function holds because the one before it is in place. Sales is where the restored asset converts.



Strategy is granted, not installed; it arrives as the board mandate. Sales and CSM are aligned through the product cadence — the function that pulls the right people into one room with the customer — and reviewed as an operation, end to end.

3.1 Product and Org Design: From Pro-Serve to True SaaS

The first installation reshapes authority, not process. **Companies at this stage are staffed with implementers — people whose job, as lived, is to say yes to whatever the customer asks. The shift is to an opinionated product function with the standing to say no** — and the mechanism that makes the no commercially survivable: the request routes to the configuration ring or the edge, and the maintenance obligation is negotiated on the customer's side of the boundary, priced and capped.

The mechanism, concretely. A 3-phase product flow — product flow, user stories, wireframes — with a minimum of two iterations per phase, a documented ready-for-dev gate, and the cadence running one full sprint ahead of engineering. A governance overlay on the discovery tooling, where the leadership review fires only when a customer-evidence pack is attached to the ticket: the structural fix for opinion-driven roadmaps, and the gate through which enterprise sales can no longer bypass technical reality. A client committee segmented by ICP, because the right research method differs by tier: deep-dive interviews for enterprise accounts, A/B prototype tests for mid-market, usability testing at the volume end. And a standardised user-story format as the contract between Product and Engineering, which is where spec-mismatch rework goes to die.

This is the empty chair from the thesis document, filled — by a pairing at the intake: one person accountable for what and when, one for how and how much, neither able to commit on the other's behalf.

Move Capability Up, Not Just Cost Out

Org design applies to teams, not only to people. Cost programmes move work one way: out of the business, into a shared centre, priced per transaction. That is right for commodity work and wrong for the team holding the product knowledge.

In a fatigued asset the delivery function treated as a cost centre is often the deepest reservoir of platform knowledge in the company. The stronger move is upward. Its standards become the group's standards, its senior engineers review the other teams' architecture, and a cost line becomes the capability the rebuild runs on.

The move holds only if it is more than a rename: standards someone is obliged to follow, reviews someone is obliged to act on. Adoption by respect is where it starts. Written authority is what makes it survive a leadership change.

3.2 People: From Implementers to Opinionated Product Authority

Six components, none novel; the discipline is the installation. Build leaders, not implementers: senior leadership's job is growing other leaders, not being the last decision-maker on every question, carried by a structured delegation framework, named escalation routes and an explicit decision-rights map. Time management and delegation, taught as installable practice rather than motivational coaching. Communication lines: senior leadership accessible at structured moments (demos, kick-offs, mid-reviews) rather than as the default escalation route. Documentation culture, so institutional knowledge becomes portable. A leadership-development model that produces the next generation of senior operators inside the company. And a weekly cadence — feature planning, programme delivery, release management, process governance — as the operating heartbeat without which nothing else holds.

Underneath the components sits the culture work: intellectual honesty. In organisations that drifted into reactive mode, the people who make the most sense are routinely judged as difficult. Changing what evidence is required, who gets heard and how disagreement is handled is the real installation, and it is installed by the senior team modelling it. People are then assessed against the role as it exists now, not as it existed at the last stage.

3.3 Operations: From Firefighting to a Published Calendar

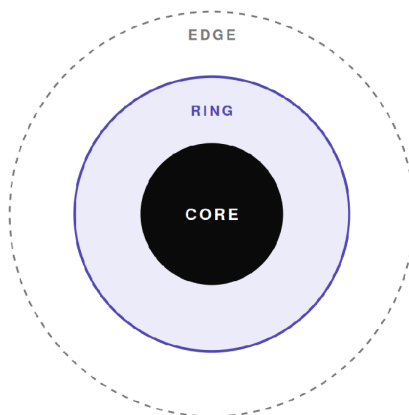
Process installs only where an owner exists to hold it; otherwise it decays, and the decay is misread as proof that process does not work here. The roadmap becomes a published release calendar. Capacity is planned monthly: squads, tech leads, vacation factoring, QA and release planning in one document the team owns. A published bug budget makes remediation a planned line item. Bugs are a planned cost, not an exceptional one.

The structural move underneath is the team model: from one centralised queue, where every roadmap competes for the same engineering bandwidth, to product-led autonomous teams, each owning a product surface with its own engineers, tech lead and roadmap. It is a textbook scale-up move that is rarely executed inside a 10-year-old organisation, because the political cost of breaking up a unified resource pool is real. Once through, dependencies get named instead of implied, and senior engineers stop spending their time on cross-team mediation. That is what makes the cadence survive the next set of competing demands.

3.4 Engineering: From Custom Branches to Core, Ring, Edge

EXHIBIT 2b The three layers

THE THREE LAYERS



THE CORE — LOCKED

Product code only, standardised, identical for every customer. Strict typing, full test coverage. No single-customer edge case touches it.

THE RING — CONFIGURATION

Customer-specific need absorbed as rules and data, never code branches. Cleanly separated — exactly where agentic tooling builds custom configuration cheaply and safely.

THE EDGE — PRICED AND OWNED

Bespoke integrations, adapters, legacy bridges. Outside the main application, priced, under its own statement of work, with a named owner.

Customer requests are never refused; they are routed. Nothing lands in the core uninvited.

With the first three disciplines secure, automation is applied to a model that works. The product restructures into a hard common centre, genuinely identical for every customer; a ring absorbing customer-specific need as configuration, rules and data, never code branches; and an edge for genuinely bespoke work, priced, under its own statement of work, with a named owner. Three tests distinguish a real ring from a claimed one: the share of last year's commitments satisfied inside it with no core change, whether a ring change can be made by someone who is not a core engineer, and whether it can be removed without residue.

The Fleet and the Gate: AI Under Governance

Agents make the ring cheap: ring work expressed as declarative configuration is bounded, specified, testable against a known contract, exactly what language models do well. Applied without the boundary, the same tooling writes technical debt faster.

Senior operators direct multiple agents in parallel across code generation, migration, testing and documentation, every output passing a human gate before production. We do not cite an operator-to-agent ratio as a deliverable; the number rises with tooling and falls under the gate, and what we underwrite is the release cadence the fleet produces. Five disciplines govern the gate: a curated golden-path infrastructure context; model tiering with spend visibility; enforced component reuse; an AI-mapped codebase where every change carries its plan; and one managed control surface for models, prompts and tools.

Without the gate, agentic development produces faster slop. Build the gate first, then scale the fleet.

Three Levers, in Order of Execution Certainty

THREE LEVERS · IN ORDER OF EXECUTION CERTAINTY



Nothing in the engagement economics depends on L2 or L3 arriving.

For a sponsor, the model decomposes into three levers, and it is built so the case stands on the first. L1, cost arbitrage plus AI modernisation: low risk, required. The base case stands or falls here. L2, revenue expansion and cross-sell once delivery trust is restored: medium risk, upside optionality. L3, platform integration across assets at a premium exit multiple: high risk, and deliberately later. Nothing in the engagement economics depends on L2 or L3 arriving.

CHAPTER 4

Phase 0: The First 100 Days

Phase 0 is the standardised diagnostic entry point. We do not begin by guessing at the timeline, the team shape or the financial upside. We map it, on a fixed cadence with named outputs.

EXHIBIT 3 Phase 0 — four stages, four outputs

Window	Activity	Output
Days 1–7 · Listen	Cross-function sessions, leadership 1:1s, customer calls, P&L baseline	Listening report and scorecard
Days 8–30 · Diagnose	Four-function diagnostic; redirect envelope quantified; knowledge-holder map built	EBITDA plan, draft
Days 31–60 · Validate	Plan refined against board constraints; sponsor reviews; Phase 1 scoped	Phase 1 proposal and hub plan
Days 61–100 · Mobilise	First 3–5 senior architectural hires; product cadence installed	Phase 1 begins

The measurement baseline set in these hundred days is the instrument that converts operational work into an attributable value-creation narrative at exit (Chapter 6). Three things we deliberately do not do: no mass restructure announced on day one, which signals the sponsor has given up and craters engineering retention; no premature mass hiring ahead of the organisation's capacity to absorb it; no public commitment of the plan before the diagnostic is complete, costed and defensible.

Week One, and What the Read Actually Is

The mandate is week one. The design is not week two. Week one is deliberately narrow: meet the executive team individually, meet the top five customers' relationship holders, read the last four board packs and the last two quarters of delivery data, and change nothing. The first artefact is a one-page statement of what will be measured and against what baseline — not a plan.

The read that follows asks the same six questions at every team and every product line, so the answers can be compared. In a group built by acquisition, the differences are the finding.

EXHIBIT 3b The six questions, asked identically everywhere

Question	What it exposes
Walk me through one real enterprise commitment, from the sales call to the release that carried it	The actual route, not the policy. Ask for a named one
Who decides what enters the core product — and who has to agree before they can?	Whether the boundary has an owner or a committee
Why is this work done by this team and not another?	Structure inherited from deals rather than designed
What gets rekeyed, and into what?	Rekeying marks every seam the systems do not join
What is bought in, and who manages that relationship?	Spend outside the delivery pool, and who controls it
How do you know, inside the month, whether you are on plan?	Whether anything is measured at a useful frequency

Watch one real transaction end to end before believing any documentation. Baseline cost by activity, not by department — departments hide duplication — and do it before anything moves, because once change starts the baseline cannot be rebuilt.

The read ends in three to five hypotheses, each with what would disprove it. Findings make a report. Hypotheses start a design.

The 24-Month Shape, and the Gates

Phase 0 earns the right to Phase 1; a delivered EBITDA flip earns the right to scale. Months 0–3, the diagnostic. Months 3–18, the operating engagement: the model installed, the core modernised, the flip delivered. Months 18–24 and beyond, exit or expansion. Three milestones gate the scale: validation, when the first production-ready module ships and holds under real load; benchmark, when the agentic delivery model runs across the full engineering lifecycle; expansion, when the same playbook is pointed at the next surface or the next asset.

CHAPTER 5

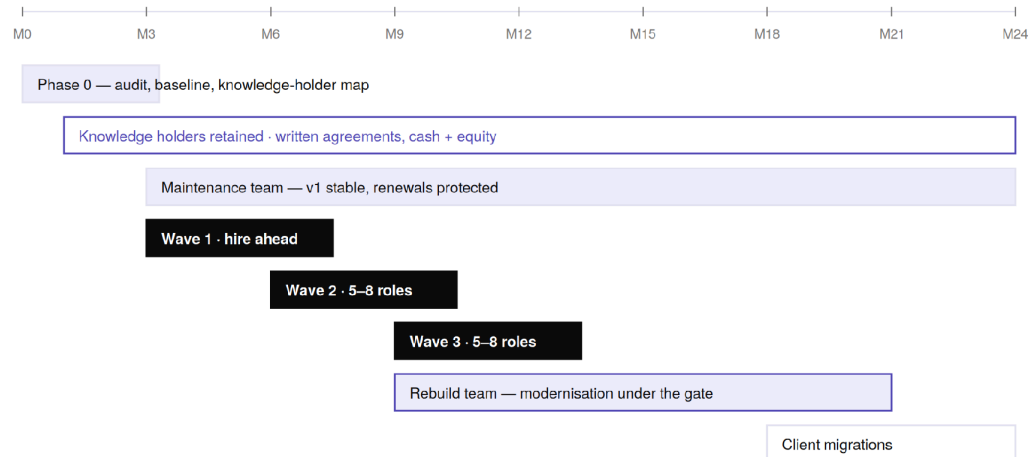
The Transition: Changing the Engine in Mid-Air

The standard objection to any cost transition is the hollow-out: institutional knowledge walks out, service degrades, and the saving is consumed by the damage. The objection is legitimate — it describes most transitions. These mechanics exist to prevent it, and they are the most differentiated part of the model.

EXHIBIT 4 The transition, month by month

THE TRANSITION, WITHOUT THE HOLLOW-OUT

Hire ahead, then transition. Three waves, three-month overlaps, knowledge holders retained before anything moves.



TWO BOARD MANDATES PROTECT THE PROGRAMME

Hire Ahead, Then Hand Over

Migration runs in three waves of 5–8 roles, each with a three-month overlap: the successor is hired, onboarded and productive before the incumbent hands over. No customer experiences a service-level gap. The phasing deliberately trades some first-year saving for materially lower transition risk.

Retain the Knowledge Holders First

Phase 0 produces a knowledge-holder map: the specific 5–10 individuals who carry the legacy architecture in their heads. **Before anything moves, they are retained under written agreement — cash or equity or both, vesting over 24 months, funded outside the savings budget.** Where the engagement starts at acquisition, the packages fund from a pre-allocated portion of the purchase price; where the sponsor already owns the asset, from the Phase 1 budget or a sponsor equity top-up agreed in Phase 0; in the founder case, from the option pool or the round. Their departure mid-transition is how programmes of this kind actually fail, which makes this a week-4 action, not a contingency. The retention framework is a portable Phase 0 artefact: it arrives as a template and leaves as a signed set of agreements.

Two Teams: Maintain and Rebuild

From Day 60, once the map is complete, operations split. The maintenance team, built around the retained holders, keeps the existing product stable and protects renewals; that is its entire mandate. The rebuild team executes the modernisation under core-ring-edge as a greenfield-style unit. The resourcing shape is deliberately small: roughly six senior operators with the agent fleet on the rebuild, a compact maintenance layer with 3–5 retained holders on the legacy estate, replacing a conventional function several times the size.

Customer Continuity in the First 30 Days

Relationships at vendors of this profile are typically held by two to four senior individuals, personally rather than institutionally. Within the first 30 days, the senior decision-maker at each top-five customer is met directly, establishing relationships independent of any individual's tenure.

Renewal windows are mapped in Phase 0, and migration waves are sequenced so the highest-risk transitions never coincide with them.

Two Board Mandates: Freeze and Rationalise

- 1. Freeze legacy development.** New feature work on the existing product stops. Without the freeze, maintenance load drags the rebuild team back into business-as-usual and starves the modernisation. That is how the previous attempts failed.
- 2. Rationalise the tail.** The least profitable, most bespoke accounts are wound down under a disciplined framework: full-cost margin analysis in the first 90 days, strategic value assessed before any decision, a structured six-month transition for those confirmed. The objective is released capacity, not revenue reduction.

The Cash Shape of the Transition

These mechanics cost money before they release it. Phase 0 fees and retention packages land first; waves double-run for a quarter each; the tail winds down before its capacity is redeployed. EBITDA typically crosses zero around month 12 and builds to run-rate through months 24–36. The companion case study prints the half-year arithmetic; a board that has not seen the J-curve in advance treats month 6 as failure.

What Counts as Realised

Every number in a turnaround is contested at exit, so the discipline is set before the first benefit is claimed. It is the same three classes used throughout these documents — realised, operational, modelled — enforced at the point of measurement rather than at the point of writing.

A benefit is measured against a number taken before the change touched it, then measured again after bedding in. No baseline, no benefit: it is a forecast, and it is written as one. The failure mode is reversion — the programme leaves and the old way returns — which only repeat measurement catches.

Every benefit has one owner in the business, still in post after the engagement ends, who accepts it in writing. A benefit nobody will sign for is a forecast wearing a different label. That signature is also the handover: the successor named in casting is the person who inherits it.

Identified and realised are reported as two numbers, and the gap between them is the honest measure. Cash savings, efficiency gains and non-financial gains are never summed; a single blended figure is the first thing diligence takes apart.

The costs of the change are measured like the benefits — pruned accounts, authority taken from people who held it, the productivity lost while two teams run in parallel. A benefits case that shows only benefits is not a case.

CHAPTER 6

Engagement Economics: Seats, Fees, Carry

The structure rests on a clean P&L separation, and on a distinction buyers reward at exit: what is permanent cost, and what is transformation cost.

EXHIBIT 5 The mandate in practice — illustrative, for counsel and CFO confirmation

Element	Shape
Operating seats	Fractional but titled, because titles carry the authority the mandate grants: a Chief Transformation Officer (org design, product operations, people) and a CTO for the new platform (architecture, rebuild team)
Incumbent leadership	Recast, not removed: the existing CTO owns the current platform, its stability and customer continuity — the part only they can run. Joint roles during the turnaround are the design, not a compromise
Reporting	Operating seats report to the CEO. A defined status-and-baseline reporting channel runs to the sponsor's deal team: alignment, not authority. The CEO's own reporting line to the board is untouched
Delivery team	Hired onto the company's books: permanent payroll in R&D and cost of goods. Never an add-back, never a vendor line
Operating fee	A separate, clearly named professional-fees line, sized to fractional senior-partner time, structured as non-recurring transformation cost. A quality-of-earnings review adds it back: the fee is invisible to the exit multiple. A fee blended into run-rate OPEX is not
Carry	A pool tied to incremental EBITDA against the Phase 0 baseline, vesting over the engagement, paid at exit or refinancing
Founder variant	Fractional engagement under professional fees, with a success fee or equity participation at the raise or exit

Illustrative and subject to confirmation by counsel and the company's CFO; tax and accounting treatment vary by jurisdiction.

Paid on the Increase

The engagement ties our wealth event to yours. A firm paid by the day carries no exposure to whether the discipline survives month 14; a firm that keeps the delivery team on its own books is selling an annuity that requires the core to remain absorbent. Ours requires the opposite: the fee is senior operating time, the delivery team is your payroll, and the upside is carry on EBITDA that did not exist.

The Baseline: Attribution and Exit Separability

What is rewarded inside a sponsor is attributable improvement. A gain nobody can trace to a decision funds nothing at the next investment committee; the Phase 0 baseline is what makes the improvement attributable. At exit it does a second job: once custom work lives outside the core, a buyer underwrites product and services each on its own terms rather than discounting the blend, and the perpetual maintenance obligation — usually unpriceable, therefore priced punitively — acquires a defined scope and a cap.

CHAPTER 7

What We Don't Offer, and What Breaks the Model

Scope, stated plainly, then the failure modes. Both belong in a document a sponsor will diligence.

Outside Our Scope

- We don't sell AI transformation programmes. The phrase assumes the outcome is known before the work begins.
- We don't bill for delivery hours. The fee is senior operating time.
- We don't rebuild from scratch. We modernise the core. The data, the customers and the workflow stay.

- We don't ship AI-written code without a human gate. Architecture decisions stay human.
- We don't take engagements where speed trumps everything. That client cannot be served honestly.

Sales and Customer Success we treat differently, and precisely. We do not run the sales function, and we do not sub-contract it. We review it as an operation: is the process mapped and documented; is the funnel measured, with fixes feeding predictability and intelligence into the CRM; is the customer journey mapped, with A/B testing running on engagement, objection registers, show-up rates, close rates and budgeting tactics; is the offer articulated for every ICP, with marketing assets built for each buyer persona's journey. Structurally, both functions are pulled into the product cadence: the forum that puts the right people in the room with the customer around an evidence-led roadmap, which is where delivery-driven churn actually gets fixed.

What Transfers, and What Is Rebuilt

A fair question in diligence is what, exactly, arrives with us. The method artefacts transfer directly: the product flow, the governance gate, the user-story format, the capacity model, the release calendar, the retention framework, the meeting discipline. The client-committee segmentation and squad shape transfer as method and are rebuilt against your customer base and product lines. Engineering frameworks and component libraries built inside prior engagements are the client's IP: they do not transfer, and an equivalent is built per company. The agentic delivery patterns are our IP and transfer directly. Nothing arrives that a buyer would later have to license out.

Four registers are the durable artefacts, and they stay with the company. The decision-rights register: every boundary ruling with its owner and its reason. The baseline book: cost by activity, measured before anything moved. The benefits register: each benefit with its owner, its baseline and its measure. And the boundary register: what sits in the core, what sits in the ring, what was priced at the edge. A sponsor can ask to see all four at any point in the engagement, and at exit they are what makes the improvement attributable.

The Eight Failure Modes

The model is deterministic but not immune to physics. If the programme fails, it fails here:

- 1. Mandate not granted.** The programme runs on influence and dies at the first renewal-pressure exception, before anything technical is attempted.
- 2. Boundary exceptions for material accounts.** Custom code returns to the core. The architecture survives in name; the discount returns.
- 3. Customer concentration.** A single account above 20% of revenue churning mid-programme takes the economics with it.
- 4. Knowledge-holder departure.** If the 5–10 individuals who carry the legacy architecture are not retained under written agreement in week 4, the transition fails.
- 5. Ring efficiency disappoints.** Configuration replaces custom code at lower throughput than assumed; gross margin lands high-70s rather than above 80. The thesis holds; the threshold claim does not.
- 6. Renewal repricing stalls.** Conversion to clean subscription happens renewal by renewal over 18–24 months. A weak acceptance rate delays the re-rating.
- 7. Churn above 10%.** This breaks the thesis outright. The model fixes margin, mix and predictability; it improves retention only where churn was delivery-driven. Where the product lacks market fit, every operating line can succeed and the asset still declines.

8. Mandate durability. Decision rights quietly stop being honoured after a sponsor reshuffle or board change, and everything below Step 1 reverts. The least discussed failure in this class of work, and the reason the mandate is papered by resolution rather than goodwill.

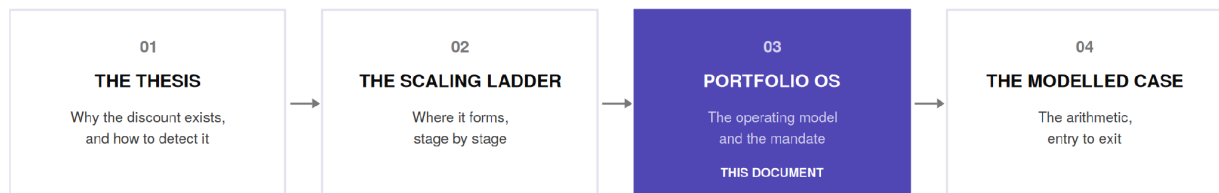
One scale statement belongs beside the failure modes. The four-function installation and the offshore transition are proven at product-team scale, inside a larger organisation, with the outcomes stated in the thesis document. Portfolio-company scale — multiple product lines, sales motion, finance, governance — is materially harder, and it is what the first mandate demonstrates. We would rather you hear that from us than find it in diligence.

NEXT STEP: REQUEST THE PHASE 0 PROPOSAL

Phase 0 is a fixed 100-day engagement with named outputs: the listening report, the redirect envelope quantified, the knowledge-holder map, the baseline set, the first senior hires made.

For founders, the same diagnostic opens the Scale OS conversation, and where a raise is part of the path, it is what prices the raise as software.

EXHIBIT 6 Where this document sits



Read in either direction; the ladder locates the stage; the thesis prices it; the operating model resolves it; the case shows the arithmetic.

A Renaissance Group company.

Figures carry the classification scheme of the accompanying thesis report: realised, operational, modelled or externally verifiable, never summed. The 18–24 month window and the retention of the senior team are realised outcomes, and the 6x release cadence against the sector norm an operational one, all from one engagement, stated without naming the group, its sponsor or its customers; an evidence note with initiative-level bases is available on request, and fuller detail is disclosed under NDA. Compensation figures reference the public surveys at Exhibit 1. Engagement structure is illustrative and subject to counsel.

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