ACME INTEGRATED SERVICES GROUP

Executive Decision Paper

Service and Profitability Transformation

See how Acme's Board could compare governance options, assess financial value and consider a staged transformation investment.

Prepared for Board

Case version 1.0
Evidence cut-off 15 December 2026
Financial amounts in AED million unless stated otherwise

Fictional demonstration. Acme is a fictional organisation. All figures, people and proposed outcomes are illustrative.

Baseline as at 15 December 2026. All approvals and funding releases remain proposed.

The editable working register accompanies this report. Source IDs refer to embedded exhibits in the supplied Acme Transformation Master Case, not external research or independently verified client records.

Decision and proposed conditions

The Board should endorse the service and profitability transformation and the hybrid Transformation Office, subject to a conditional AED 18.00 million envelope. The requested initial release is AED 3.50 million for Q1 mobilisation. The remaining AED 14.50 million remains reserved for evidence-based gates. The proposal is for the fictional Board meeting on 18 December 2026; it records no signed approval.

Acme's operating problem crosses functional boundaries. Contract repricing needs dependable cost and billing data. Scheduling gains depend on common job definitions and trained supervisors. Workforce savings depend on demonstrated service capacity. A hybrid office can coordinate these links while leaving delivery and benefits with the line executives who control them.

The principal condition is cash sufficiency. The programme-only calculation leaves just AED 0.65 million above the policy floor under the unrealistic assumption of zero ordinary business cash movement. The CFO must establish a rolling 13-week forecast covering collections, payroll, debt service, maintenance capex and tax. The Board should treat that missing forecast as a funding condition, not a footnote to an otherwise unconditional approval.

Proposed approval	Boundary
Hybrid direction and CEO-sponsored office	Line leaders retain delivery ownership; Finance validates realised value.
18.00 total envelope	12.00 expense and 6.00 capital; classification requires Finance validation.
3.50 mobilisation release	Document the cash control and named capacity commitments before commitment.
Later funding	Release only against usable baseline, service gates, funded capacity and cash evidence.

The recommendation is conditional because attractive annual economics do not remove execution risk. The downside requires AED 20.70 million of investment and cannot be authorised through the proposed base envelope. The Board retains that decision and any material scope change.

Source: SRC04: Options and recommended approach, section 7; SRC06: Investment and cash, section 9; SRC14: Assumptions and gaps, section 19. All case evidence is fictional.

The commercial and operating case

Acme serves 260 business customers through 420 contracts, eight hubs and 1,200 employees. Growth after two acquisitions has left separate service desks, inconsistent job codes and local purchasing. The organisation has retained revenue without developing a common view of cost to serve.

Revenue rises from 204.00 in 2024 to a 240.00 FY2026 forecast, while underlying EBITDA falls from 20.00 to 10.00. Gross profit stays at 62.00, and recurring overhead grows from 42.00 to 52.00. Revenue growth alone therefore does not repair the business. Contract contribution and overhead need distinct interventions.

AED million	FY2024 history	FY2026 forecast
Revenue	204.00	240.00
Direct costs	142.00	178.00
Gross profit	62.00	62.00
Recurring SG&A	42.00	52.00
Underlying EBITDA	20.00	10.00

Twenty-six contracts produce revenue of 36.00 against direct cost of 39.40. Their 3.40 contribution loss precedes corporate overhead. The proposed exits cover only eight of those contracts; remaining losses still need repair. Allocated corporate overhead is not automatically avoidable when a contract closes.

Service continuity is commercially material. The top ten customers represent 38% of forecast revenue and 72.00 of contracts renew in 2027. Current SLA attainment is 84%, first-time resolution 71% and utilisation 62% under the canonical paid-hours definition. Standardisation must protect scarce maintenance skills and contract-specific commitments.

Source: SRC01: Financial baseline and proposed plan, section 4; SRC02: Service lines and operating footprint, section 5; SRC03: Diagnosis and evidence extracts, section 6. All case evidence is fictional.

Governance options and sensitivity

Status quo with stronger reporting has low disruption but leaves conflicting authority unresolved. Centralised delivery strengthens enterprise control but risks bottlenecks and weak local accountability. Federated delivery retains responsiveness while making dependency coordination and benefit overlap harder. Hybrid delivery separates enterprise standards and assurance from line execution.

Option	Speed	Ownership	Benefit control	Continuity	Feasibility	Weighted score
Status quo	2	3	1	3	4	2.45
Centralised	4	2	5	2	2	3.15
Federated	3	5	2	4	4	3.50
Hybrid	4	4	4	4	3	3.85

The illustrative weights are execution speed 20%, business ownership 20%, benefit control 25%, service continuity 20% and feasibility 15%. Scores are management judgements on a 1-5 scale. Hybrid scores 3.85, followed by federated at 3.50. These scores structure the discussion; they are not measured benchmarks or fully costed business cases for all four options.

The recommendation is sensitive to ownership preference. Reducing benefit control to 15% and raising ownership to 30% brings federated to 3.80 against hybrid at 3.85. At 10% benefit control and 35% ownership, federated reaches 3.95 and exceeds hybrid. The Board should record why enterprise assurance is worth the additional coordination effort.

Reconsider the model if leaders will not release capacity, Finance cannot establish a usable baseline or the diagnostic shows materially fewer cross-functional dependencies. An office chart cannot compensate for any of those failures.

Source: SRC04: Options and recommended approach, section 7. All case evidence is fictional.

The reconciled financial case

The exit bridge is 10.00 baseline underlying EBITDA plus 29.00 gross annual benefit less 3.00 recurring enablement cost, giving 36.00. Revenue at exit is 250.80: baseline 240.00 plus repricing 4.80 plus cross-sell revenue 12.00 less exited revenue 6.00. Cross-sell contributes 4.20 of profit, not its full revenue.

ID and benefit	2027 benefit	2028 benefit	Exit annual benefit
B01 Contract repricing	2.40	4.32	4.80
B02 Cross-sell to existing customers	1.05	3.15	4.20
B03 Exit selected loss-making scope	0.25	0.75	1.00
B04 Cashable workforce productivity	2.40	5.10	6.00
B05 Procurement savings	1.80	4.05	4.50
B06 Lower service recovery costs	1.20	2.70	3.00
B07 Property and technology rationalisation	1.60	2.24	3.20
B08 Overhead and shared-service controls	1.30	1.69	2.30
Gross EBITDA benefit	12.00	24.00	29.00
New recurring cost	(1.50)	(3.00)	(3.00)
Net EBITDA improvement	10.50	21.00	26.00

FY2028 underlying EBITDA is 31.00 because initiatives do not operate at full effect throughout the year. Reported EBITDA is 28.00 after 3.00 of one-off programme expense. FY2028 net profit is 13.95. The 36.00 exit figure is an annual run rate, not that year's reported result.

Every benefit has a principal owner and an overlap boundary. Redeploying 20 roles books no saving. B04 requires removal of paid cost after service conditions pass. The separate 12.00 working-capital release changes cash and never increases EBITDA. The model's 10% tax convention is illustrative and makes no statutory claim.

Source: SRC01: Financial baseline and proposed plan, section 4; SRC05: Benefits and profit bridge, section 8. All case evidence is fictional.

Funding and quarterly programme cash

The envelope comprises 12.00 expense and 6.00 capital expenditure. Q1 is intentionally cash-consuming: gross benefit 0.90 less recurring cost 0.15 less investment 3.50 equals negative 2.75. The initial release cannot be justified by claiming that the full 29.00 annual benefit arrives during mobilisation.

Period	Gross benefit	Recurring cost	Investment cash	WC release	Net cash with WC
2027 Q1	0.90	0.15	3.50	0.00	-2.75
2027 Q2	2.20	0.30	3.50	1.00	-0.60
2027 Q3	3.70	0.45	3.00	1.00	1.25
2027 Q4	5.20	0.60	2.00	2.00	4.60
2028 Q1	5.40	0.75	2.00	2.00	4.65
2028 Q2	5.80	0.75	1.50	2.00	5.55
2028 Q3	6.20	0.75	1.50	2.00	5.95
2028 Q4	6.60	0.75	1.00	2.00	6.85
Total	36.00	4.50	18.00	12.00	25.50

Over two years, 36.00 gross benefit less 4.50 recurring cost less 18.00 investment produces 13.50 programme cash before working capital. The 12.00 one-time balance release raises this to 25.50. Programme expense is already within investment cash and must not be deducted twice.

Quarter-level cumulative payback occurs in Q1 2028 before working capital and Q4 2027 after it. Peak cumulative draw is 4.35 before working capital and 3.35 after it. Starting cash of 12.00 less 3.35 gives only an illustrative 8.65; ordinary business flows are absent. No total-liquidity conclusion, exact payback date or debt repayment schedule follows from this exhibit.

Source: SRC06: Investment and cash, section 9. All case evidence is fictional.

Scenarios and reserved financial decisions

Measure	Downside	Base	Upside
Exit gross annual benefit	18.85	29.00	31.90
Exit annual recurring cost	3.30	3.00	3.15
Exit annual revenue	247.02	250.80	251.88
Exit annual EBITDA	25.55	36.00	38.75
Exit EBITDA margin percent	10.34	14.35	15.38
Total investment cash	20.70	18.00	18.00
Two-year cash before WC	-2.25	13.50	16.88
One-time WC release	8.00	12.00	13.00
Two-year cash after WC	5.75	25.50	29.88

Downside capture is 65% of base benefits, with recurring annual cost of 3.30 and a 15% investment overrun. The result improves exit profit, but two-year cash before working capital is negative 2.25. The 2.70 excess above the 18.00 envelope requires a fresh Board decision or a scope reduction. Cash release is not a substitute for that authority.

Upside capture is 110%, with annual recurring cost 3.15. The result is an assumption test, not a probability-weighted forecast. The model applies the same capture factor to benefit phasing and preserves a half-year recurring cost ramp in 2027.

Each percentage point of repricing on the 60.00 pool changes annual EBITDA by 0.60. Ten fewer cross-sell wins reduce revenue by 4.00 and contribution by 1.40. Retaining ten funded positions reduces the proposed saving by 1.20. These isolated sensitivities must not be stacked on a downside that already captures them.

No NPV or IRR is supplied. A full valuation would require approved assumptions for horizon, discount rate, taxes, residual value and cash timing. A ratio of exit EBITDA improvement to investment would answer a different question.

Source: SRC07: Scenarios and sensitivities, section 10; SRC14: Assumptions and gaps, section 19. All case evidence is fictional.

Delivery accountability and risk

The CEO sponsors a ten-FTE office with eight internal secondments and two temporary external specialists. A further 24 FTE of line capacity is required. All 32 internal FTE releases remain proposed. Protected programme roles and essential specialists are excluded from the 50-position reduction plan.

The first quarter establishes one data foundation and two operating pilots. Data definitions precede workflow validation; compliant service evidence precedes workforce cost removal. Each pilot needs four consecutive weeks at at least 90% SLA and 78% first-time resolution, without material safety or complaint deterioration. The company-wide day-90 targets are lower: 88% and 75%.

Risk	Accountable response
R01 Service disruption	COO holds expansion and restores service or rolls back.
R02 Benefit overlap	CFO rejects unsupported claims and requires a recovery forecast.
R03 Cash below 8.00	CFO escalates immediately and freezes discretionary commitments.
R05 Premature position removal	COO and CHRO pause releases until service evidence passes.
R09 Capacity withheld	CEO reprioritises commitments or reduces scope.

Finance validates the baseline and actual ledger effects. The Transformation Director coordinates milestones and escalation but cannot approve its own investment or claim line benefits. The Board retains envelope changes and customer exits above 2.00 annual revenue per relationship.

Source: SRC08: Workstreams and portfolio, section 11; SRC09: First 90 days and roadmap, sections 12 and 13; SRC10: Office and governance, sections 14 and 18; SRC13: Risks and issues, section 17. All case evidence is fictional.

Proposed Board resolution and day 90 evidence

Proposed resolution for consideration: endorse the Acme Service and Profitability Transformation strategic direction and hybrid delivery model for January 2027 to December 2028; approve an 18.00 conditional funding envelope comprising 12.00 expense and 6.00 capital, subject to accounting validation; and authorise an initial 3.50 mobilisation release with documented cash and capacity controls.

Reserve the remaining 14.50 for staged decisions. Require the CFO to provide a rolling 13-week cash forecast covering the full business, the CEO to confirm named resource releases, and accountable executives to accept the benefit profiles and service safeguards. Record open assumptions and any release conditions in the decision log. This wording remains proposed and unsigned.

At day 90, require a usable Finance baseline, controlled metric dictionary, separate four-week results for each pilot, benefit validation records, funded next-wave capacity, a current risk assessment and a cash forecast above the 8.00 floor. The Steering Committee recommends the next release; it does not convert an unmet condition into approval by reporting an average pilot result.

If the gate fails, preserve service coverage, investigate the failure and replan. A bounded remediation tranche needs an explicit decision, stated purpose and acceptance evidence. Hold wider rollout and dependent workforce reductions. The Board retains changes to the total envelope, material strategic scope and specified customer exits.

ID and decision	Authority and due date	Status and required evidence
D01 Hybrid model, conditional 18.00 envelope and initial 3.50 release	Board, 18 Dec 2026	Proposed. Funding authorisation, named capacity release and cash control required.
D02 Next funding release after day 90	Board funding decision, 31 Mar 2027	Reserved. Finance baseline, service gates, funded next-wave capacity and 13-week cash forecast required.
D03 Pilot rollout and dependent workforce changes	COO readiness decision; relevant funding authority	Reserved. Each pilot meets both service gates for four weeks. HR review and funded-cost evidence required.
D04 Material scope or envelope change	Board, before commitment	Reserved. Scenario, cash and service consequences required. No baseline approval exists.

Source: SRC06: Investment and cash, section 9; SRC09: First 90 days and roadmap, sections 12 and 13; SRC10: Office and governance, sections 14 and 18; SRC14: Assumptions and gaps, section 19. All case evidence is fictional.

Assumptions and unresolved inputs

These items remain open in the fictional baseline. The decision paper does not imply that suppliers, Finance, customers or any Board have independently verified them.

ID	Assumption or gap	Consequence and validation owner
A01	Existing business held flat before programme changes	CFO must develop a normalised business-as-usual forecast
A02	Effective repricing uplift reaches 8% on the defined pool	CCO validates customer response, concessions and retention
A03	Cross-sell contribution reaches 35% after delivery cost	COO and CFO confirm capacity and margin by opportunity
A04	Fifty funded positions can be removed without service damage	COO and CHRO verify pilot evidence and role plan
A05	Contract exits remove 7.00 of genuinely avoidable cost	CFO verifies stranded costs, notice periods and transition expense
A06	Capital/expense split and recurring costs are valid	CFO and CIO validate accounting treatment and supplier terms
A07	Ten percent illustrative effective tax convention	Replace only with an explicitly approved model assumption
A08	Full contingency is spent in the base model	Board controls release; no speculative underspend benefit
G01	Monthly ordinary cash flow and debt-amortisation schedule missing	Full liquidity sufficiency cannot be concluded
G02	Contract-level renewal and exit dates incomplete	Exact monthly repricing and exit phasing needs validation
G03	Country and entity tax analysis not supplied	Do not produce a tax-compliance opinion
G04	Customer survey response rate missing	Do not claim population representativeness
G05	Approved software vendor quotes absent	Digital budget remains a planning estimate
G06	Detailed skill inventory and individual workforce cases absent	Do not generate named employee action decisions

Source: SRC14: Assumptions and gaps, section 19. All case evidence is fictional.