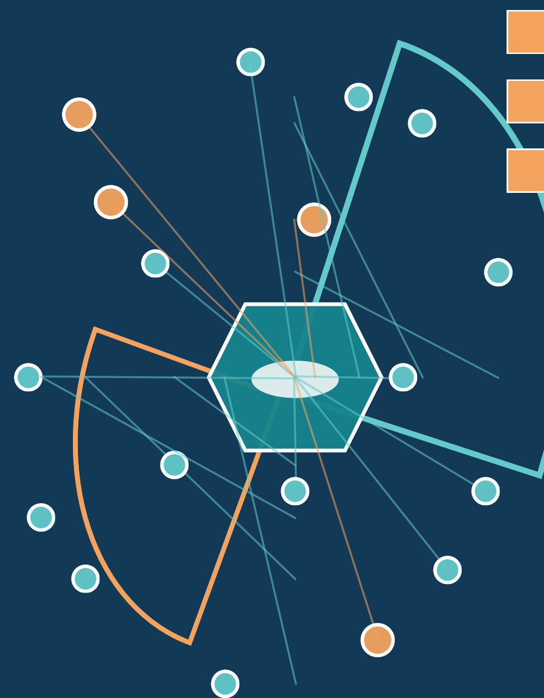
QSF ENTERPRISE SOLUTIONS

ILLUSTRATIVE QSF BUSINESS CASE

DIGITAL TRANSFORMATION RECOVERY



Decision assurance after substantial ERP deployment without expected enterprise value conversion

Portfolio Case Edition

CASE FILE	DETAIL
Case type	Digital transformation recovery assessment
Case designation	Sanitized business case
Domain	Multi-location industrial service and distribution
Decision scale	$12.8 million modernization and proposed $2.4 million recovery funding
Document ID	QSF-ES-DTR-001 | January 2026

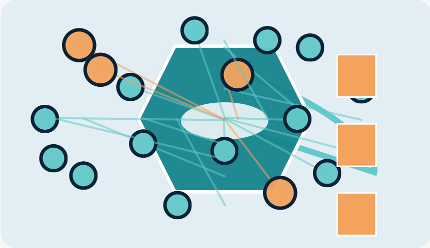
All organization names, figures, records, and outcomes are sanitized.

02

The Executive Case

The business decision beneath a substantially completed modernization

Arcwell Service & Distribution Group is a 27-location industrial service and distribution organization that invested $12.8 million in a cloud enterprise modernization. The core platform is live at 24 locations. Stable technical availability and substantially completed testing and training created a credible record of implementation progress.



$12.8M
MODERNIZATION

24 / 27
LOCATIONS LIVE

$1.3M
VERIFIED BENEFIT

$2.4M
PROPOSED RECOVERY

Twelve months after the primary rollout, only $1.3 million of the planned $5.4 million annual benefit run rate had been verified. Management therefore faced a proposed $2.4 million commitment for the remaining locations, extended vendor support, additional training, reporting optimization, and benefits recovery.

Accepted interpretation. The modernization was substantially completed and the productivity and financial gap represented a benefits-realization lag that could be addressed through final rollout, more training, vendor support, reporting improvements, and additional time.

Computed structural condition.

Coupled, partially converted transformation state. Deployed capability was present, but the operating conditions required to convert it into enterprise-wide financial and productivity benefits were not jointly resolved or consistently active.

CENTRAL DECISION DISTINCTION

Substantial technical deployment has been achieved. Complete operating value conversion has not.

Supported management posture. Proceed with a controlled recovery and value-conversion program. Preserve the deployed platform while conditioning remaining rollout, legacy retirement, vendor expansion, and benefit recognition on explicit operating validation.

03

Original Planning

A credible modernization strategy reached the limit of its operating boundary

The business need. Arcwell is a $820 million company with approximately 2,600 employees, 27 operating locations in eight states, and four regional service organizations. Aging systems limited standardization, workflow visibility, reporting, and enterprise coordination.

The approved strategy. The board approved modernization in November 2024. From January 2023 through March 2025, the $12.8 million program replaced aging systems with a cloud platform covering finance, order management, inventory, purchasing, service dispatch, billing, customer records, and reporting.

Conventional governance. The program used cross-functional design workshops, vendor-recommended configuration, phased deployment, data conversion, user acceptance testing, role-based training, cutover, hypercare, and planned legacy retirement. The business case used Arcwell transaction volumes and labor costs and projected a $5.4 million recurring annual run rate with a 2.4-year payback.

Evidence of implementation. User acceptance testing reached 94 percent, training completion reached 96 percent, technical availability reached 99.8 percent, and 97 percent of planned live-site interfaces were operating. With 24 locations live, management reasonably believed implementation was substantially complete.

Why recovery appeared defensible. Three specialized depots remained on legacy order and inventory applications. A further $2.4 million to finish rollout, retain the vendor, repeat training, optimize reports, close remaining defects, and continue benefits tracking was reasonable if the principal problem was incomplete rollout and normal adoption delay.

EXECUTIVE DECISION QUESTION

Should Arcwell extend the existing implementation plan as designed, or restructure recovery around the operating conditions required to convert installed capability into measurable enterprise value?

04 The Conditions Beneath the Deployment Record

The approved evidence, grouped by what was deployed, converted, active, and still uncertain.

Deployed and Operational

The organization had spent $12.8 million and placed 24 of 27 locations live. Platform availability was 99.8 percent, 97 percent of planned live-site interfaces were operating, user acceptance testing reached 94 percent, and training completion reached 96 percent. The evidence did not support platform instability as the primary explanation for the benefit gap.

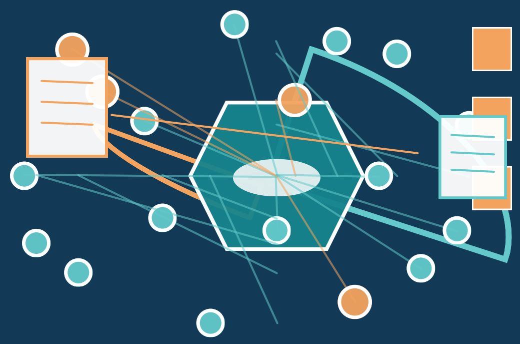
Value Not Converted

Verified benefits were $1.3 million against the planned $5.4 million annual run rate. Order-to-cash performance improved 4 percent against a 20 percent target; inventory declined 2 percent against a 12 percent target; and interbranch transfers rose 11 percent. The approved benefit chain had not propagated at the planned enterprise scale.

Evidence and Observation Limits

Reliable adoption and branch-level benefit reporting arrived five months after the primary rollout, delaying management recognition of the conversion gap. All facts are synthetic scenario inputs. The record establishes deployment, underperformance, workflow exceptions, and unresolved governance, but not audited causal shares. Incomplete evidence remains uncertainty; it is not treated as absence or enterprise-wide certainty.

Operating Conditions Still Active



Thirty-one percent of sampled orders used an off-platform spreadsheet, email, or local approval; the sample covered 18 live sites over eight weeks. Automated replenishment was active at 15 live branches and disabled at nine because of item-master exceptions. Workflows continued to change for four months after the final rollout, so completed training did not establish capability against a stable final process.

No end-to-end owner controlled operating conversion. Branch measures emphasized throughput, response, earnings, and continuity rather than platform adoption, allowing local workarounds to remain rational. Three specialized depots remained on legacy applications, while live locations reconciled related transactions. Vendor acceptance centered on configuration, interfaces, testing, cutover, and stabilization rather than internal operating redesign and benefit conversion.

05

The QSF Structural Finding

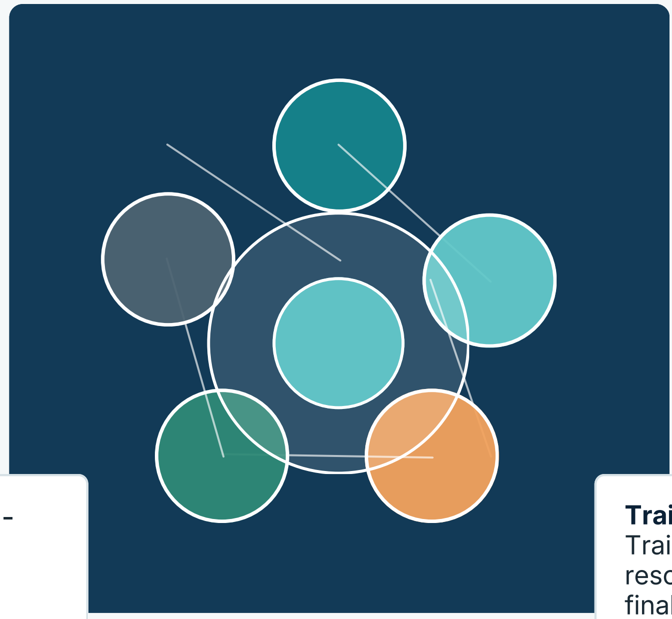
The deployed system and its operating environment formed one coupled conversion state

APPROVED CLASSIFICATION

Coupled, partially converted transformation state.

Installed capability was technically available and the planned benefits remained structurally permitted. Enterprise-wide value conversion was not supported at the current boundary because the required operating conditions did not function as a stable combined state.

Operating ownership. Executive sponsorship existed, but end-to-end process and data authority was split. No integrated owner controlled workflow design, exceptions, adoption, legacy dependencies, vendor boundaries, and benefit evidence together.



Workflow and incentives. Execution varied across locations. Branch priorities rewarded throughput, response, earnings, and continuity, so local workarounds could protect daily operations while weakening enterprise standardization.

Data and automation. Item-master exceptions and inconsistent transactions constrained automated replenishment. Installed automation remained available, but not active wherever the required data conditions were unresolved.

Training and adoption. Training attendance was resolved; capability against the final operating process was only partially active because workflows continued changing after delivery. Adoption could not be separated from process stability and observed execution.

Legacy systems and reporting visibility. Three specialized depots, continuing reconciliation, incomplete historical data, and delayed branch-level reporting preserved latent and delayed influence. Management saw the conversion gap only after milestone acceptance.

INCONSISTENT DATA
↓
CONSTRAINED AUTOMATION → PARTIAL

These conditions reinforced one another. Training was coupled to process stability; reporting delay to late recognition; and legacy retirement to data migration, workflow continuity, and service protection. The conditions could not be resolved as isolated implementation issues.

06

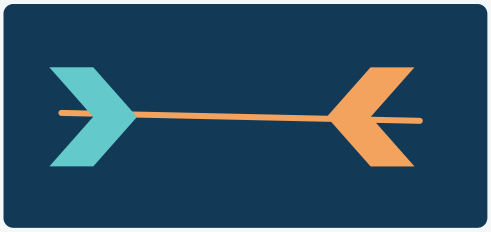
Where the Decision Changed

The accepted position remained credible within its boundary; the operating evidence changed its meaning

Existing Position	Preserved Evidence	QSF Finding	Executive Meaning
Deployment is substantially complete.	24 of 27 sites live; availability and interfaces stable.	Technical completion coexists with incomplete operating conversion.	Completion and value conversion require different evidence.
Benefits are delayed.	$1.3M verified against $5.4M planned; operating targets missed.	Milestone completion and realized value are non-equivalent.	Recognize benefit through controlled operating evidence.
Training was substantially completed.	96% completion; workflows changed for four months afterward.	Attendance is resolved; final-process capability is partially active.	Stabilize the process, then retrain and validate execution.
Vendor extension can finish recovery.	Vendor scope emphasized configuration, deployment, and stabilization.	The outcome boundary crosses internal process, data, incentives, and benefits ownership.	Vendor support cannot substitute for operating authority.
Approve $2.4M to finish.	Recovery includes final sites, support, training, reporting, and unresolved operating changes.	Funding is a conditional recovery investment, not automatic completion funding.	Accountability, sequencing, and release conditions must change.

The Decision-Conversion Gap

The approved plan assumed that deployment would be followed by training, adoption, standardization, automation, and realized benefits. The operating record instead preserved variable workflows, local workarounds, inconsistent data, constrained automation, delayed visibility, legacy dependencies, and only partial benefits.



PRINCIPAL DIVERGENCE

The divergence is not over whether the technology was deployed. It concerns whether deployment can convert into enterprise value under the preserved operating conditions.

The management question therefore shifted from finishing a delayed implementation to establishing a controlled value-conversion system. The technology decision remained relevant, but rollout, legacy retirement, vendor extension, benefit recognition, and additional recovery funding now required evidence from the operating boundary.

07

Protected Recovery Path

A gated management posture derived from the established structural condition

SUPPORTED ACTION POSTURE

Proceed with a controlled recovery and value-conversion program.

1. **Redefine the decision boundary.** Separate technical completion from operating conversion. Restate recovery around the four value streams carrying the approved benefit case and specify which evidence releases each new commitment.

2. **Assign integrated ownership.** Name end-to-end process and data owners with authority over design, exceptions, adoption, vendor dependencies, and benefits evidence. Completion requires decision rights that cross regional and functional boundaries.

3. **Stabilize workflows and data.** Resolve critical branch variations, define controlled exceptions, align performance measures, clear priority master-data issues, and establish the approved treatment of historical and legacy data.

4. **Rebuild adoption and outcome governance.** Retrain only after the process baseline stabilizes and validate capability through observed transactions rather than attendance. Track adoption, exceptions, automation, cycle time, inventory, billing accuracy, and finance-verified benefits by value stream and location.

5. **Gate remaining commitments.** Authorize final rollout, legacy retirement, vendor expansion, and benefit recognition only where the validation record supports the decision. Place the three specialized depots in a validated migration, coexistence, or retirement sequence.

Principal Validation Gates

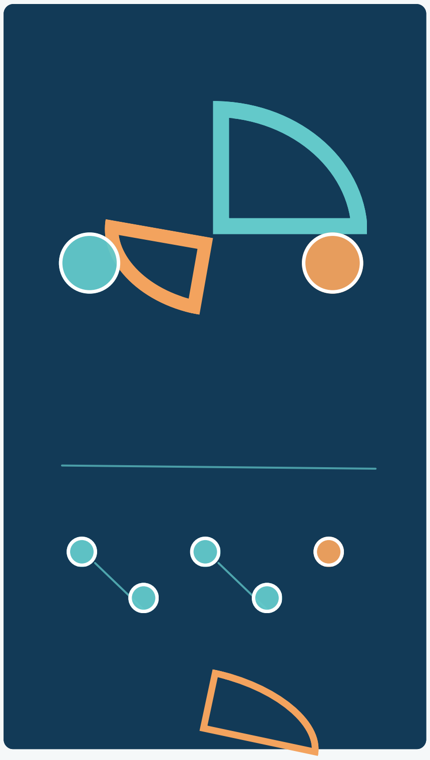
- **Ownership:** End-to-end process and data decision rights
- **Workflow:** Stable design and controlled exceptions
- **Data:** Owned priority-exception resolution
- **Adoption:** Critical-workflow transaction evidence
- **Benefits:** Finance-verified baselines and attribution
- **Legacy:** Validated migration, coexistence, or retirement
- **Vendor accountability:** Bounded outcomes the vendor can control

This is a protected decision sequence, not a guaranteed implementation plan, forecast, schedule, or promise of recovery outcome.

08

Executive Decision and Disclosure

Translation of the approved result to the proposed $2.4 million commitment



Accepted view: The platform was substantially implemented; remaining benefits should follow from final rollout, more training, reporting improvements, vendor support, and time.

QSF result: The organization was in a coupled, partially converted transformation state: technology was present, while value conversion remained conditional on unresolved operating dependencies.

What changed: Additional funding was no longer an unconditional extension of the original plan. The decision became whether to establish the operating conditions required for benefit conversion.

Translation to the $2.4 million decision: Protect the $12.8 million installed investment by treating the proposed $2.4 million as conditional recovery funding rather than automatic completion funding.

Supported action posture: Proceed with controlled recovery; preserve the platform; restructure operating governance; and gate rollout, vendor expansion, legacy retirement, and benefit recognition.

What remains unresolved: Causal share by dependency, final recovery cost and duration, remaining legacy treatment, customer effect, and the verified adoption level required for each benefit stream.

EXECUTIVE MEANING

The organization does not need to choose between abandoning the platform and simply spending more to finish it. The decision is whether to protect the installed investment by governing the operating conversion that the original implementation plan assumed.

Assumptions, Limitations, and Disclosure

Privacy Statement

All organization names, locations, financial figures, operating metrics, records, decisions, and outcomes are sanitized. No client, external company, confidential record, or researched dataset is named. Scenario metrics are internally consistent; the platform is assumed technically sufficient for the designed workflows; and no material platform outage explains the primary benefit gap.

The record does not provide audited transaction-level causality, complete branch-normalized labor studies, customer-impact evidence, vendor contract text, cybersecurity assessment, accounting determinations, or a validated scoring dataset. The qualitative classification is not a probability, audit opinion, financial rating, or prediction. The case does not establish legal responsibility, contractual breach, accounting treatment, technology fitness for purpose, cybersecurity posture, employee performance, schedule, return, or guaranteed recovery results.

FINAL DISCLOSURE

This Portfolio Case Edition is a presentation derivative of the approved QSF-ES-DTR-001 case file. The comprehensive 19-page master record remains unchanged.