

DEMAND FORECASTING — FIRST PASS

Same company. ML forecasting across 85,000 SKUs. The hardest case in the portfolio.

POTENTIAL VALUE · FIVE LINE ITEMS

Revenue lift	\$0
Cost takeout	\$890K
Risk-cost avoidance	\$540K
Working capital	\$2.4M
Decision velocity	\$420K
GROSS VALUE	\$4.25M

ADOPTION REALITY · TWO MULTIPLIERS

Adoption rate	42%
Planners override recommendations they do not trust.	
Workflow coverage	48%
Recommendation-only; planners hold the decision.	

TRUE COST · YEAR 1 TCO

Build	\$410K
Run / MLOps	\$128K
Change management	\$165K
Governance	\$52K
Tech debt	\$85K
Incident reserve	\$40K
TOTAL YEAR 1 TCO	\$880K

Reuse credit	none
No carry-forward from Initiative 1 assets.	

$\$4.25\text{M} \times 42\% \times 48\% = \857K realized
 $(\$857\text{K} - \$880\text{K}) \div \$880\text{K}$. Below the 10% MARR hurdle. Exit Criterion #2 fires — redesign, do not kill.

YEAR 1 ROI

-3%