

DEMAND FORECASTING — REBUILT

Same model. Same data. Same technology. Same investment. The operating model changed.

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	73%
Bonus goals (MBOs) realigned to turns and service level; champion model.	
Workflow coverage	78%
AI auto-replenishes top movers; planners own launches.	

TRUE COST · YEAR 1 TCO

Build	\$410K
Run / MLOps	\$128K
Change management	\$220K
Governance	\$52K
Tech debt	\$85K
Incident reserve	\$40K
TOTAL YEAR 1 TCO	\$935K

Reuse credit

Initiative 1 pipeline, monitoring, and governance carry forward.

counted in cost

$\$4.25\text{M} \times 73\% \times 78\% = \2.42M realized

$(\$2.42\text{M} - \$935\text{K}) \div \$935\text{K}$. The difference between -3% and 159% was not the AI. It was the operating model.

YEAR 1 ROI

159%