CLUB WEST AI

Operational improvement for established regional businesses

ILLUSTRATIVE CLIENT SAMPLE

Savings Opportunity Plan

Pine & Forge Distribution

Fictional regional industrial distributor

PREPARED	DECISION HORIZON	PREPARED BY
July 31, 2026	12-month verification	Club West AI

This document demonstrates the structure and rigor of a Savings Opportunity Plan.

01 EXECUTIVE DECISION

A credible path to six-figure savings exists.

The modeled opportunity is large enough to justify implementation, provided the baseline assumptions are confirmed before work begins.

FIRST-YEAR NET	RECURRING NET	IMPLEMENTATION	CONFIDENCE
$220.2K	$306.2K	$86K	Base case
After approved implementation and new operating costs	Annualized after one-time implementation	Approved one-time cost across four initiatives	Projection, not a guarantee

RECOMMENDATION

Proceed with a gated implementation.

Begin with order intake and software consolidation. Both have strong documentary baselines, short implementation cycles, and limited operational disruption. Release the billing and purchasing work only after the first two initiatives meet their 30-day control targets.

DECISION GATES

- Confirm the planned order-entry hire is documented and still avoidable.
- Validate six months of credits, write-offs, overtime, and premium-freight records.
- Approve the ERP integration approach and data-access owner.
- Agree to the measurement schedule before implementation begins.

AT A GLANCE

$220,200

Projected first-year net savings

Client retains	**$154,140**
Success fee	**$66,060**
Assessment credit	**$7,500**
Balance success fee	**$58,560**

Actual fees are based on verified results, not this projection.

02 OPERATING BASELINE

Enough complexity for small frictions to become material costs.

The baseline combines payroll, vendor, transaction, and workflow records. It is intentionally financial before it is technical.

ANNUAL REVENUE	EMPLOYEES	ANNUAL PAYROLL
$18.7M	76	$5.9M
LOCATIONS	**ADMIN / COORDINATION**	**AVERAGE ORDERS**
2	14 roles	176 / day

OBSERVED OPERATING PATTERN

WORKFLOW	CURRENT CONDITION	BASELINE SIGNAL
Order intake	Email and PDF purchase orders are rekeyed into ERP; pricing exceptions are checked manually.	2.6% order exception rate
Billing	Proof of delivery, invoice release, and dispute notes move across inboxes and shared folders.	2.1-day median invoice lag
Software	Twelve tools touch sales, service, reporting, or document flow; four functions overlap.	$51.6K removable spend
Purchasing	Buyers reconcile stock, open orders, and expedite risk in manually assembled workbooks.	31 hours per week

RECORDS REVIEWED

- Six months of payroll, overtime, vendor, credit, write-off, and premium-freight records.
- ERP order timestamps, exception codes, invoice-release dates, and transaction volume.
- Approved hiring plan, software contracts, process walkthroughs, and manager interviews.

01 Order intake and entry

IMPLEMENT FIRST

CURRENT CONDITION

Customer purchase orders arrive through six inboxes in PDF, spreadsheet, and free-form email formats. Coordinators rekey line items, confirm customer-specific pricing, and route exceptions manually. The company has approved an additional order-entry hire for the next volume step-up.

RECOMMENDED CHANGE

- Create one governed intake queue for every customer order.
- Extract order fields and validate customer, price, quantity, and ship-to rules before ERP entry.
- Send only true exceptions to a coordinator with the source document attached.
- Track exception reasons and rework by customer and order type.

SAVINGS MODEL

Avoided coordinator hire	$64,000
Reduced overtime	$18,000
Credits and reshipments	$36,000
Gross annual benefit	**$118,000**
New annual operating cost	($18,000)
One-time implementation	($32,000)
First-year net	**$68,000**

Recurring annualized net after implementation: $100,000

VERIFICATION

The avoided-hire component qualifies only if the approved role remains unfilled and transaction volume stays within the agreed range. Overtime and error savings are measured from payroll and ERP credit codes per 1,000 orders.

METRIC	BASELINE	CONTROL TARGET
Manual-touch rate	100% of emailed orders	Below 35% after 60 days
Order exceptions	2.6% of orders	Below 1.5%, volume-adjusted
Coordinator overtime	$1,500 monthly average	Below $300 monthly average

02 Billing operations

IMPLEMENT SECOND

CHANGE

Match proof-of-delivery documents to shipments automatically, release clean invoices without inbox follow-up, and route disputes with a complete audit trail. Preserve manual review for pricing and quantity exceptions.

QUALIFYING ECONOMICS

Gross benefit	**$62,000**
Ongoing cost	**($8,000)**
Implementation	**($18,000)**
First-year net	**$36,000**
Recurring net	**$54,000**

IMPORTANT MEASUREMENT RULE

Faster cash is not savings by itself. Only documented reductions in borrowing expense, outside collection cost, credits, or write-offs qualify for the success fee.

03 Software consolidation

QUICK WIN

CURRENT OVERLAP

Four subscriptions duplicate customer records, reporting, document storage, or workflow notifications. Ownership is distributed and renewal dates are not reviewed together.

RECOMMENDED CHANGE

- Retire three overlapping tools at renewal.
- Move reporting to the existing ERP data warehouse.
- Keep one governed document repository and one workflow layer.

SAVINGS MODEL

Removed annual spend	**$51,600**
Replacement cost	**($8,400)**
Implementation	**($9,000)**
First-year net	**$34,200**
Recurring net	**$43,200**

Verification: paid invoices and canceled contracts, net of replacement licenses.

04 Purchasing and reporting

IMPLEMENT THIRD

CURRENT CONDITION

Buyers assemble open purchase orders, stock risk, late suppliers, and customer commitments in separate spreadsheets. Managers receive a weekly status pack after the decisions it should inform have already been made.

RECOMMENDED OPERATING SYSTEM

A

One purchasing queue

Rank open orders by customer impact, stock risk, and supplier commitment.

B

Exception-led reporting

Replace weekly spreadsheet assembly with live thresholds and owner assignments.

C

Supplier follow-up

Create one documented cadence for late confirmations, shortages, and substitutions.

SAVINGS MODEL

AVOIDED ANALYST ROLE	PREMIUM FREIGHT	INVENTORY LOSSES	GROSS BENEFIT	FIRST-YEAR NET
$72K	$31K	$21K	$124K	$82K

QUALIFICATION CONDITIONS

- The analyst role must remain in an approved budget and be demonstrably replaced by the new workflow.
- Premium-freight and inventory-loss results are adjusted for sales volume and supplier disruptions outside management control.
- Recovered manager time is reported operationally but does not qualify unless it replaces a documented expense.

Expected recurring annualized net after implementation

$109,000

03 FINANCIAL MODEL

The fee follows verified net benefit.

Approved implementation costs may include Club West services, third-party vendors, software, hardware, and incremental internal project costs. Every cost is disclosed in advance and deducted, along with new operating costs, before the success fee is calculated.

OPPORTUNITY	GROSS	ONGOING	ONE-TIME	YEAR 1 NET	RECURRING
01 Order intake and entry	$118.0K	($18.0K)	($32.0K)	$68.0K	$100.0K
02 Billing operations	$62.0K	($8.0K)	($18.0K)	$36.0K	$54.0K
03 Software consolidation	$51.6K	($8.4K)	($9.0K)	$34.2K	$43.2K
04 Purchasing and reporting	$124.0K	($15.0K)	($27.0K)	$82.0K	$109.0K
TOTAL	$355.6K	($49.4K)	($86.0K)	$220.2K	$306.2K

OUTCOME RANGE

Conservative — **$162.0K**
Lower realization on errors, freight, and avoided hiring

Base case — **$220.2K**
Current projection used throughout this plan

Upside — **$264.0K**
Faster adoption and full baseline realization

BASE-CASE CLIENT ECONOMICS

$220,200	$66,060	$154,140	$306,200
Verified first-year net	Club West success fee	Client retains in year one	Continuing annualized net

04 IMPLEMENTATION ROADMAP

Four releases. Each one must work before the next one expands.

The sequence favors short feedback loops, reversible changes, and operating continuity over a single large launch.

Weeks 1-2 — 1

Baseline lock

Confirm records, definitions, owners, exclusions, and control groups.

Weeks 3-6 — 2

Order intake pilot

Launch with two high-volume customers; measure exceptions daily.

Weeks 5-8 — 3

Billing + software

Automate document matching and retire the first overlapping tools.

Weeks 8-12 — 4

Purchasing visibility

Release live exception queues and replace the weekly workbook.

Weeks 13-16 — 5

Stabilize + verify

Train, document, resolve drift, and begin formal measurement.

OPERATING OWNERSHIP

OWNER	ACCOUNTABILITY
Executive sponsor	Approve scope, remove cross-department barriers, sign quarterly verification.
Process owners	Own controls, adoption, exceptions, and standard operating procedures.
Club West AI	Design, configure, build, train, and maintain the measurement record.
Finance	Validate baseline, excluded events, implementation costs, and realized savings.

05 MEASUREMENT AND VERIFICATION

Agree on the math before changing the system.

Every qualifying category has a baseline, source record, adjustment rule, owner, and review cadence. If the evidence is weak, the savings do not count.

CATEGORY	SOURCE RECORD	ADJUSTMENT RULE	REVIEW
Avoided hire	Approved budget or requisition; payroll	Role remains unfilled; volume within agreed range	Quarterly
Overtime	Payroll ledger by team	Normalize per 1,000 orders	Monthly
Errors / credits	ERP reason codes and credit memos	Exclude pricing or policy changes	Monthly
Software	Vendor invoices and canceled contracts	Subtract replacement licenses	Quarterly
Freight / losses	GL detail and purchase-order records	Adjust for volume and supplier force majeure	Monthly
Cash timing	Credit facility and collection invoices	Count only reduced cost or loss, never cash principal	Quarterly

NET SAVINGS FORMULA

Verified gross benefit

- new operating costs

- approved implementation costs

= verified first-year net savings

EXCLUDED CHANGES

- Sales decline, closure, or unrelated layoffs
- Normal attrition without a documented avoided expense
- Pricing, acquisition, or policy changes outside the project
- Employee time with no financial or capacity consequence

DISPUTE RULE

Unresolved categories are excluded from the current invoice and carried to the next review. Club West AI is never paid on an unsupported estimate.

06 RISKS AND NEXT DECISION

The opportunity is credible. The controls still matter.

The recommendation is conditional on data access, documented hiring intent, and operating ownership. These are the issues most likely to change the outcome.

RISK	EXPOSURE	CONTROL	OWNER
ERP integration limits	Medium	Run a two-customer pilot before committing to full automation.	IT lead
Weak exception codes	High	Clean the last six months and require coded reasons after launch.	Operations
Staff workarounds	Medium	Keep one queue, publish ownership, and review exceptions daily.	Process owner
Volume shift	Medium	Normalize labor and error metrics per 1,000 orders.	Finance
Hire not truly avoidable	High	Require approved budget and executive confirmation before counting.	Sponsor

DECISION REQUIRED

Authorize a two-week implementation-validation sprint.

The sprint confirms integration feasibility, freezes the measurement baseline, assigns owners, and converts the four recommendations into milestone-priced implementation scopes. No larger engagement begins until those outputs are approved.

1 **Confirm**

Approve baseline sources and excluded business changes.

2 **Validate**

Test the ERP intake path and document the hiring decision.

3 **Scope**

Price each implementation milestone and operating dependency.

4 **Decide**

Proceed, defer, or stop with the findings in hand.

ABOUT THIS SAMPLE

Pine & Forge Distribution is fictional. The figures, records, findings, and savings are illustrative. A real Savings Opportunity Plan is based on the client's own records and agreed measurement rules.