

FORMALUS

COMMERCIAL-FIRST TRANSFORMATION ARCHITECTURE

L0 · COMMERCIAL TRANSFORMATION RISK DIAGNOSTIC

Commercial Transformation Risk Report

An independent, board-level view of how ready your commercial requirements are to be built into the new platform. And the risk of building before they are clear, owned and tested.

PREPARED FOR

The Board & Executive Committee

SECTOR

Insurance — Commercial & Retail Lines

ENGAGEMENT

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CLASSIFICATION

Private & Confidential

Illustrative sample. This report is a representative example of the Commercial Transformation Risk Diagnostic deliverable. The client is anonymised and all figures, quotations and findings are composite and illustrative. It is provided to demonstrate the structure, depth and standard of the engagement output.

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What this report contains.

This diagnostic ran over ten working days. It covered an executive alignment session, five stakeholder interviews and a structured review of the commercial operating model. It tests one thing: are the commercial requirements the new platform must build clear enough, owned firmly enough, and tested deeply enough to build against? Or is the programme about to commit to a platform before it knows what it is asking the platform to do?

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THE QUESTION THIS REPORT ANSWERS

The board has approved the programme. A delivery partner is being chosen. The open question is not *which platform*. It is whether the commercial teams know what the platform must do. Clearly, and as one. It must win more customers, keep them happier, grow their spend and hold them longer. If those requirements are not yet agreed, the platform will be built to codify uncertainty. This report tests exactly that.

01 · EXECUTIVE SUMMARY

The platform is funded. What it must do is not yet agreed.

The board has approved a **£4.2M transformation**. It will replace the policy administration platform, bring three distribution channels onto one system, and add artificial intelligence to underwriting and claims. The business case promises faster quote-to-bind, lower claims leakage, and clear evidence of fair-value outcomes. The intent is sound. The timing is right.

A transformation lives or dies on one thing the technology cannot supply. The commercial teams must agree, clearly, what they need the platform to *do*. This diagnostic finds that they have not yet agreed it. Across the six dimensions of the commercial operating model, the organisation scores **43 out of 100** for requirements readiness. In plain terms: the platform is on course to be built against requirements that are partial in some areas, disputed in others, and untested where it matters most.

THE VERDICT

The platform decision is sound. **What the business is asking the platform to do is not yet agreed.** On the current path, an estimated **£1.3M–£1.8M** of committed value is exposed. Not because the technology will fail. Because it will build exactly what it is given, and what it has been given is not yet clear.

43_{/100}

Requirements-Readiness Score — below the build-safe threshold

£1.3–1.8M

Programme value exposed to scope creep, rework and unrealised benefits

3 of 6

Dimensions where requirements are unclear, unowned or untested

11 wks

Window to define requirements before partner mobilisation locks scope

What we found

Three findings sit beneath the score. First, the commercial teams do not share one view of the customer journey. The direct, broker and affinity channels each describe a different version of how a customer is won, served and renewed. So the platform would be asked to build three processes the business has not yet merged into one. Second, no single executive owns the requirement end to end. Underwriting, pricing and claims each specify their own part. Where their needs clash, no one decides. That gap is where mid-build change requests are born. Third, the requirements that do exist have not been tested against the customer problems they are meant to solve. So the business cannot yet say which requirements will move the four outcomes that justify the spend.

None of this is a technology problem. None of it is a criticism of the teams. It is the normal state of an organisation that has approved a platform before defining the operating model the platform must serve. The risk is simple. If this state carries into the build, every undefined requirement becomes a change request. Every change request becomes cost, delay, and a weaker business case.

THE OPERATOR PROMISE

Define the customer processes the transformation must deliver — then specify the technology requirements to support them. The platform wraps around the business, not the other way around. Without this upstream clarity, the build risks scope creep, rework, and a platform that does not hit the growth targets committed to the board.

01 · EXECUTIVE SUMMARY — CONTINUED

What the platform must ultimately drive.

Every requirement worth building serves one of four commercial outcomes. They are why the board funded the programme. They are also the only fair test of whether a requirement belongs in the build. This diagnostic assesses how ready the organisation is to specify against each.

<p>OUTCOME 01</p> <p>More customers acquired</p> <p>A defined, single acquisition model across every channel.</p> <hr/> <p>Requirements: Unclear</p>	<p>OUTCOME 02</p> <p>Customers who are happier</p> <p>Service and journey requirements built around real moments of truth.</p> <hr/> <p>Requirements: Partial</p>	<p>OUTCOME 03</p> <p>Customers who spend more</p> <p>A governed value model the platform can act on.</p> <hr/> <p>Requirements: Unclear</p>	<p>OUTCOME 04</p> <p>Customers who stay longer</p> <p>Retention and health requirements grounded in evidence.</p> <hr/> <p>Requirements: Developing</p>
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The pattern matters. The two outcomes the business case leans on most are acquiring more customers and growing their spend. They are also the two where the requirements are least defined. The organisation is strongest on retention, where its current practice is sound. It is weakest exactly where the investment is most exposed. A platform built now would be best equipped to support the outcome that needed it least.

WHAT IT MEANS FOR THE BOARD

The programme should proceed. But the next eleven weeks are the lowest-cost moment to act. That is the window before the delivery partner mobilises and scope locks. In it, the four outcomes can be turned into one agreed, tested set of requirements. Define them now and the cost is measured in weeks. Discover them mid-build and the cost is measured in change requests, delay and a weaker business case. The recommended next step (Section 10) does exactly this.

The basis of this assessment

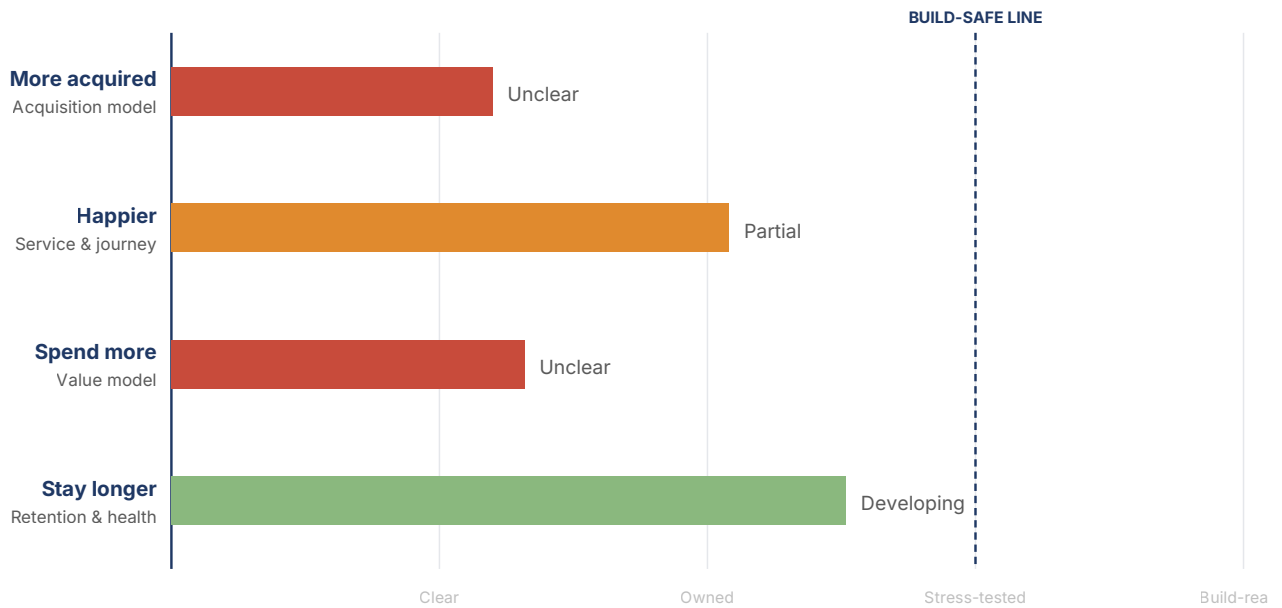
ENGAGEMENT INPUT	DETAIL	VOICES REPRESENTED	ROLE LENS
Executive Alignment Session	90 min · remote	Chief Information Officer	Programme
Stakeholder Interviews	5 × 30 min	Chief Financial Officer	Economics
Journey & Touchpoint Review	Indicative sample	Chief Risk Officer	Regulatory
Requirements-Readiness Analysis	3 test lenses	Commercial Director	Revenue
Executive Readout	60 min · board-level	Claims Director	Service

Interview attributions and quotations in this report are composite, anonymised and illustrative. They are representative of the executive and customer voices a full engagement records, and are shown to demonstrate method, not to report a specific client.

02 · THE FOUR COMMERCIAL OUTCOMES

Where requirements are ready — and where they are not.

Each outcome the platform must drive is scored for requirements readiness on a simple, board-readable scale. Are the requirements *clear* — does the business know what it needs? Are they *owned* — is there one person who can settle a dispute? Are they *stress-tested* — have they been checked against real customer problems and the business case? The chart below shows the gap between ambition and definition.



Commercial Outcome readiness · how clear, owned and stress-tested the requirements are for each outcome the platform must drive. None yet crosses the build-safe line.

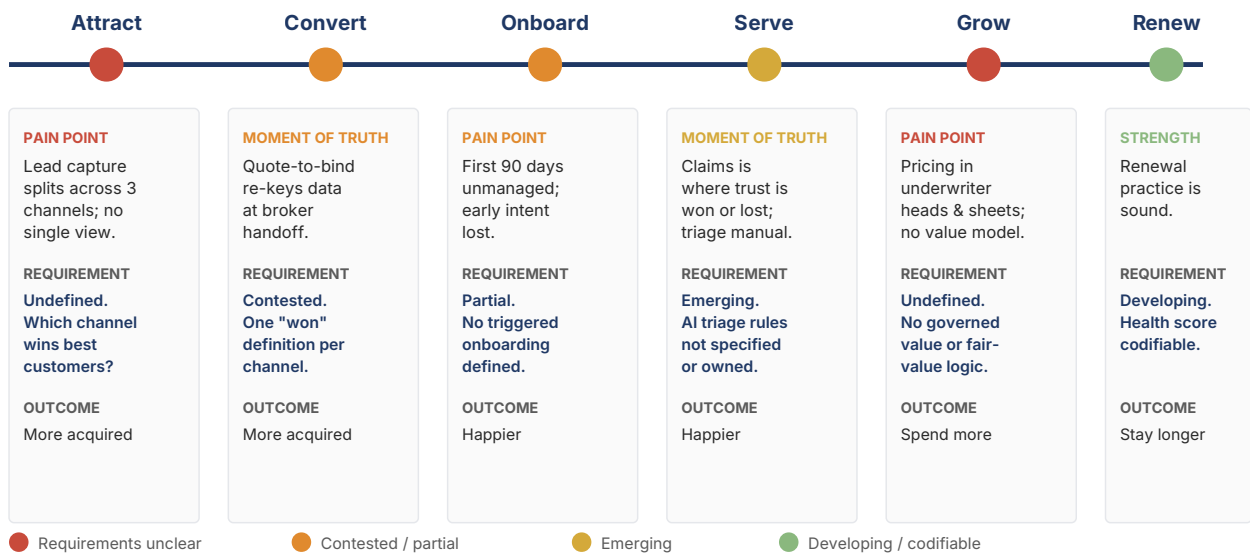
THE FINDING THAT MATTERS

The business case leans hardest on two outcomes: **acquiring more customers** and **growing their spend**. These are the two furthest from build-ready. Their requirements are neither clear nor owned. Specify the platform now, and these are the outcomes it will be least able to deliver. They are also the first place the benefits case will erode.

03 · THE CUSTOMER JOURNEY — INDICATIVE

Where the requirements are undefined across the lifecycle.

A transformation is only as good as the journey it is built to serve. Below is an indicative view of the customer lifecycle, mapped at the level a diagnostic allows. Six stages, the touchpoints that matter most, and the points where the commercial teams could not yet agree what the platform must do. A full engagement maps this end to end. This sample shows the shape of the gap.



Indicative customer journey · six stages, with the requirement-clarity at each. A full audit maps the complete lifecycle, every touchpoint, and writes each requirement in full.

HOW TO READ THIS

The journey is reddest at the front and in the middle. That is exactly where new customers are won and where their spend is grown. The platform is being asked to transform a journey whose hardest, highest-value stages have no agreed requirements behind them. The green at renewal proves the method works. Where the business already knows what it does, the requirement is nearly build-ready.

04 · FROM PAIN POINT TO REQUIREMENT

How a customer problem becomes something you build.

This is the discipline a transformation needs, and the one most often skipped. Every requirement the platform builds should trace back to a real customer problem and forward to a commercial outcome. The risk of leaving it undefined should be named. Below are three worked examples from the engagement. A full audit does this for every material touchpoint.

EXAMPLE 01 · ATTRACT → CONVERT	
Winning the right customers across three channels	
<p>THE CUSTOMER PAIN POINT</p> <p>A prospect's information is captured differently in each channel. The same business can look like three different leads, and the team cannot see which channel produces customers worth keeping.</p>	<p>IN THEIR WORDS (ILLUSTRATIVE)</p> <p><i>"We honestly can't tell you which channel brings in our best customers — the data doesn't line up, so we go on gut."</i>— Commercial Director, stakeholder interview</p>
<p>THE REQUIREMENT TO CODIFY</p> <p>The platform must hold one unified view of a prospect across all channels, and score lead quality by the value of the customers each channel actually produces.</p>	<p>THE RISK IF LEFT UNDEFINED</p> <p>The platform codifies three separate capture flows. Acquisition spend stays un-prioritised, the "more customers" outcome underperforms, and a single-view requirement re-enters as a costly mid-build change.</p>

EXAMPLE 02 · GROW	
Growing what each customer is worth	
<p>THE CUSTOMER PAIN POINT</p> <p>Pricing and value decisions live in underwriter judgement and spreadsheets. The business cannot consistently show why a customer pays what they pay, or evidence fair value across the book.</p>	<p>IN THEIR WORDS (ILLUSTRATIVE)</p> <p><i>"If the regulator asked us to evidence fair value across the book tomorrow, we'd be assembling it by hand."</i>— Chief Risk Officer, stakeholder interview</p>
<p>THE REQUIREMENT TO CODIFY</p> <p>The platform must express customer value and fair-value logic as governed rules the business owns — so AI-supported pricing acts on a defensible, auditable model.</p>	<p>THE RISK IF LEFT UNDEFINED</p> <p>AI-decisioned pricing is built on undocumented judgement. The "spend more" outcome rests on logic no one can defend, and regulatory exposure is automated at scale rather than resolved.</p>

EXAMPLE 03 · SERVE

Keeping customers happy at the moment that matters

THE CUSTOMER PAIN POINT

Claims is where customers decide whether to stay, yet triage is manual and inconsistent. The experience that most shapes loyalty is the least designed.

IN THEIR WORDS (ILLUSTRATIVE)

"A claim is the only time most customers really test us — and it's the part of the journey we've left to whoever picks it up."— Claims Director, stakeholder interview

THE REQUIREMENT TO CODIFY

The platform must apply defined, owned triage rules at first notification, so every customer meets a consistent, evidenced standard — and AI accelerates a process the business has agreed.

THE RISK IF LEFT UNDEFINED

AI triage is trained on inconsistent practice and learns the inconsistency. The "happier customers" outcome is undermined at the exact moment it is decided.

WHY THIS MATTERS

Three examples, one pattern. A real customer problem. A requirement the platform must hold. A measurable risk if the build is left to discover it. A full engagement does this for every material touchpoint. That turns a platform decision into a defined, tested specification the delivery partner builds *to*, not *against*.

05 · REQUIREMENTS-READINESS HEATMAP

Clear, owned and stress-tested — by dimension.

Each dimension is tested against the three questions that decide whether its requirements are safe to build. Are they *clear*? Is there one *owner* who can settle a dispute? Have they been *stress-tested* against customer problems and the business case? The fourth column shows whether the dimension is, on balance, ready to build.



Requirements-Readiness Heatmap · six dimensions tested for clarity, ownership and stress-testing.

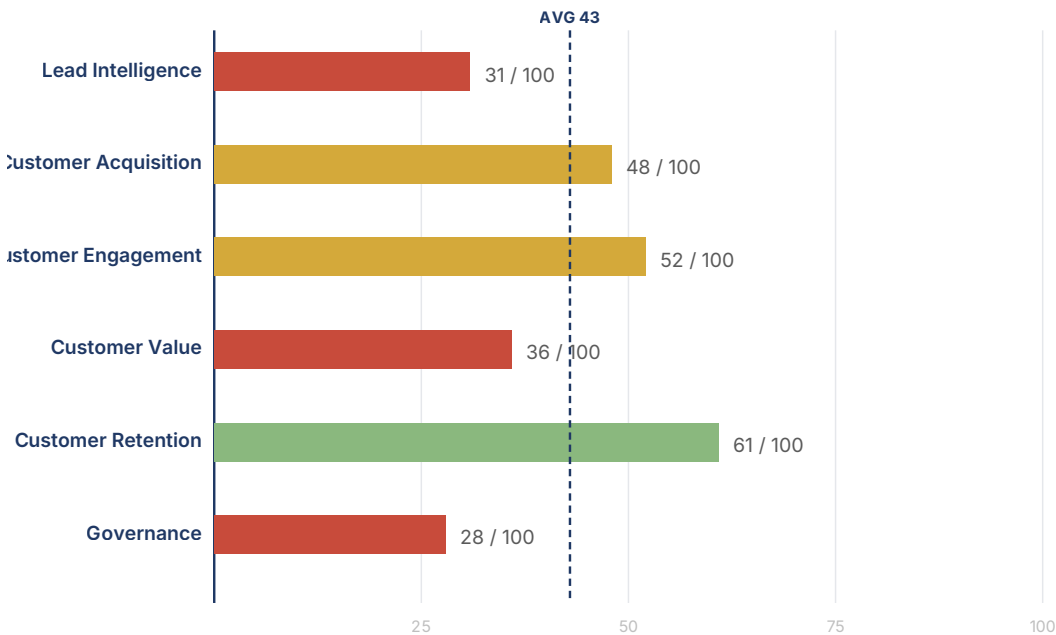
THE PATTERN THAT MATTERS

Two dimensions are red across the board: **Customer Value** and **Governance**. Value, because the business has no agreed model for what a customer is worth. Governance, because no one owns the requirement when teams disagree. A platform does not fix these. It needs them defined before it is built. Retention shows what ready looks like: clear, tested, build-ready.

06 · SIX-DIMENSION ASSESSMENT

The requirements scorecard.

The Requirements-Readiness Score is the average of six dimensions of the commercial operating model. These are the layers a platform must serve, from first customer signal through to retained, governed value. Each score reflects how ready that dimension's requirements are to build. Shown in sequence, the shape of the exposure is clear at a glance.



Requirements scorecard · scored in canonical sequence. Colour denotes readiness band.

Lead Intelligence 31

Undefined. The business cannot yet say what a good lead is in a way the platform could act on. The three channels measure it differently. Until one definition is agreed, the platform has nothing consistent to build.

Customer Acquisition 48

Partly defined. The direct channel is well understood. The broker and affinity channels are not. The definition of a won customer differs by channel. The requirement exists in fragments, not as one agreed model.

Customer Engagement 52

Emerging. The business understands onboarding and ongoing service. But the steps that drive adoption and expansion are informal habit, not defined requirements. So the journey the platform would automate is not yet written down.

Customer Value

36

Undefined, and the exposure is high. There is no agreed model for what a customer is worth, or for how fair value is evidenced. Yet AI-decisioned pricing is in scope. The platform would be asked to automate a judgement the business has not written down.

Customer Retention

61

The strongest dimension, and the proof the method works. Renewal practice is sound and well understood. So a health-scoring requirement could be written and tested quickly. This is the dimension most ready to build, because the business already knows what it does.

Governance

28

The lowest score, and the most important. No single owner can settle a dispute when requirements conflict. There is no change-control gate to hold the line through the build. This dimension decides whether every other requirement stays defined once delivery pressure begins.

07 · TOP FIVE RISKS

Ranked by threat to the business case.

Each risk below flows from the same source: requirements that are not yet clear, owned and tested. Each is written as the commercial consequence the board would feel. They are ranked by the value at risk and how close the trigger is. That trigger is partner mobilisation, after which scope is far harder to change.

#	RISK	WHERE IT COMES FROM	COMMERCIAL CONSEQUENCE	SEVERITY
1	Scope creep from undefined requirements	Requirements unclear in three of six dimensions. What is not specified now is discovered during the build, one change request at a time.	Cost and timeline expand against a fixed business case; the board funds discovery it thought it had bought.	CRITICAL
2	Mid-build rework	The customer journey is not agreed as one model; three channel variants would be configured, then reconciled later.	Built capability is torn up and rebuilt — the most expensive way to discover a requirement.	CRITICAL
3	Teams not aligned on what to build	No single owner arbitrates when underwriting, claims and distribution disagree. Conflicts surface in the build, not before it.	The platform encodes whichever team shouts loudest, not what serves the customer or the case.	CRITICAL

#	RISK	WHERE IT COMES FROM	COMMERCIAL CONSEQUENCE	SEVERITY
4	Requirements not stress-tested	Existing requirements have not been checked against customer pain points or the four outcomes. Some will not move the numbers they assume.	The business builds the wrong things well; benefits are committed against untested logic.	HIGH
5	Benefits unrealised	The two outcomes the case leans on — more customers, more spend — have the least-ready requirements.	The platform lands, but the headline benefits that justified £4.2M do not.	HIGH

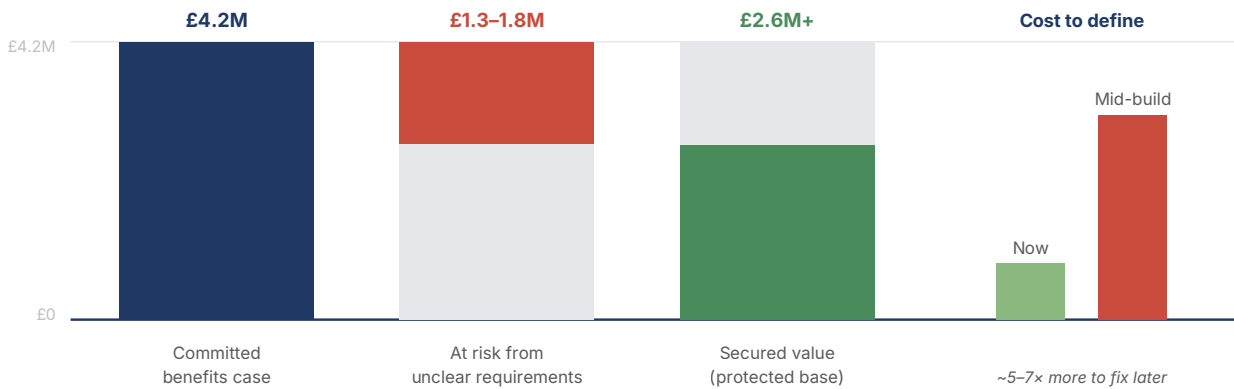
THE COMMON ROOT

These are not five separate problems. They are five ways the same gap turns into cost once the build begins: requirements that are not yet clear, owned and tested. One step, taken before mobilisation, addresses all five at once.

08 · COMMERCIAL IMPACT ANALYSIS

The value at risk from unclear requirements.

How much of the £4.2M is exposed to scope creep, rework and unrealised benefits on the current path. And the cost difference between defining requirements now versus mid-build.



Value-at-risk analysis · committed benefits, exposure from unclear requirements, and the cost difference of defining now versus mid-build.

BENEFIT LINE IN THE BUSINESS CASE	COMMITTED	AT RISK	WHY IT IS EXPOSED
Faster quote-to-bind / conversion	£1.1M	£0.4–0.5M	No single acquisition model across channels
Claims leakage reduction (AI triage)	£1.4M	£0.5–0.6M	Triage rules unspecified; AI learns inconsistency
Pricing optimisation (AI-decisioned)	£0.9M	£0.3–0.5M	No governed value model for AI to act on
Operating efficiency / consolidation	£0.8M	£0.1–0.2M	Largely realisable; least requirements-dependent
Total	£4.2M	£1.3–1.8M	<i>31–43% of committed value exposed</i>

THE COST-TO-FIX DIFFERENCE

Defining requirements now costs weeks. Discovering them mid-build costs hundreds of thousands, plus delay. Acting inside the eleven-week window is the strongest economic case in this report.

09 · PRIORITISED RECOMMENDATIONS

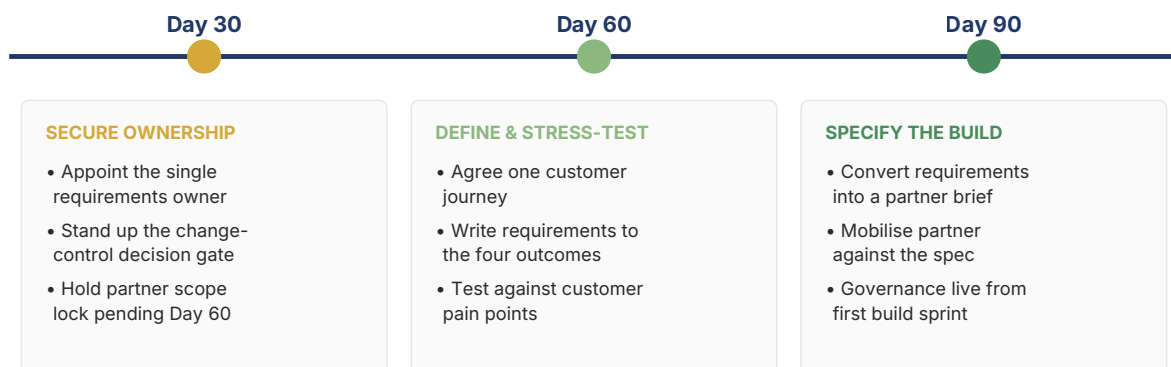
What to do, and in what order.

Five recommendations, in order. The highest-leverage, lowest-cost actions come first. The aim is not to slow the programme. It is to define and test the requirements the programme needs while doing so is still cheap, so the teams mobilise the partner as one.

#	RECOMMENDATION	WHAT IT RESOLVES	ADDRESSES
1	Appoint a single requirements owner	Give one executive authority to arbitrate the commercial requirement end-to-end, so conflicts are resolved before the build, not during it.	Risk 3
2	Agree one customer journey	Reconcile the three channel variants into a single defined journey the platform is configured to serve.	Risk 2
3	Write requirements to the four outcomes	Specify what the platform must do to acquire, satisfy, grow and retain customers. Discard requirements that serve none of these.	Risk 5
4	Stress-test against customer pain points	Check each requirement against the real moments of truth it must solve. The build then targets value, not assumption.	Risk 4
5	Lock scope with change control	Put a decision gate in place before mobilisation, so the defined requirements hold through delivery pressure.	Risk 1

The 30 / 60 / 90-day plan

Sequenced against the eleven-week window before the delivery partner mobilises.



The 30 / 60 / 90-day plan · define and stress-test the requirements before the build locks.

10 · RECOMMENDED NEXT STEP

Define WHAT, before the build decides HOW.

This diagnostic has tested how ready your commercial requirements are. It has named where they are not. The next step turns that diagnosis into the requirements themselves. It maps the full customer journey, writes each requirement against the four outcomes, and tests it before a line of the platform is built. That is the difference between a partner building **to** a specification and discovering one **against** your budget.

Architecture Discovery & Audit

A focused engagement that maps the customer journey end to end. It scores every dimension in depth. It merges the three channels into one defined model. And it writes the requirements the platform is built to, each traced to a customer problem and a commercial outcome. This converts a funded platform decision into a tested specification. The cost-to-fix analysis identifies it as the highest-return move in the current window.

ENGAGEMENT	DEFINES	DURATION	TIMED TO
L1 · Discovery & Audit	WHAT the platform must do	4-6 weeks	The pre-mobilisation window

WHERE THIS SITS

This diagnostic defines the *risk*. The audit defines the *requirements*. The build delivers them. Each stage answers the question the one before it raised. And each keeps the platform wrapped around the business, never the reverse.

The methodology behind this report

This diagnostic applies the Three Laws of Transformation Architecture. They are the principles that govern whether a transformation realises the value committed to its board.

LAW I**Architecture precedes technology**

The commercial requirements must be defined before the platform is built. Technology amplifies the requirements it is given — it does not create them.

LAW II**The business owns the platform**

The platform wraps around the business, not the other way around. A business that fits itself to the technology inherits the technology's assumptions, not its own.

LAW III**Governance holds the line**

A single owner and a change-control gate keep the requirements defined once delivery pressure begins. Without them, the agreed scope quietly drifts.

The six dimensions assessed are Lead Intelligence, Customer Acquisition, Customer Engagement, Customer Value, Customer Retention and Governance. Together they describe the commercial operating model the platform must serve, from first customer signal through to retained, governed value. Each is also a precondition for the AI the programme intends to deploy. AI industrialises performance where the requirements are clear. It industrialises confusion where they are not.

ABOUT THIS DIAGNOSTIC

Formalus is an independent commercial-transformation architecture practice. It is not a technology reseller and holds no platform alliances, so its read of your requirements carries no vendor bias. The diagnostic is led personally by the founder, drawing on senior operating experience across regulated, customer-facing sectors and large-scale commercial transformation. The method behind this report — the six dimensions, the Architecture Map and the Three Laws — is the same framework applied at every depth of the Formalus engagement ladder, from this diagnostic through to governed delivery.

Architecture Before Technology.

The platform wraps around the business, not the other way around.

Formalus · Commercial-First Transformation Architecture · Commercial Transformation Risk Diagnostic · Engagement Ref. CTRD-2603-INS · March 2026 · Strictly Private & Confidential. Illustrative sample built around an anonymised, composite client; all figures, quotations and findings are representative.