METHODOLOGY · DEFLATIONARY ERP SUPPORT

OpenBook® Methodology

How Allari measures *cost compression*.

The ruler we use to measure your run-rate — publishable, auditable, and the same one in your monthly statement.

This document is the measurement protocol behind the −8% / −30% compression curve: how the baseline is defined, what is in and out of total cost of ownership, how each month is measured, and how an external auditor reconciles the number. It is the standard the phrase "methodology available on request" resolves to.

PORTFOLIO MEDIAN · YEARS 0–3

vs. fixed-fee benchmark ≈ +10% over 36 months

YEAR 1	YEAR 2	YEAR 3	MEASUREMENT BASIS
−8%	−22%	−30%	36 mo

01 · WHAT THIS IS — AND IS NOT

What this document is — and what it is *not*.

WHAT IT IS

The measurement protocol behind the −8% / −30% compression curve — defined to a standard defensible to a board and an external auditor. It states how the baseline is set, what costs are counted, how each month is recorded, and how the resulting number can be independently reconciled.

WHAT IT IS NOT

It is not a guarantee, a forecast, or a disclosure of how Allari operates. It publishes the ruler, not the recipe: definitions and protocol only — no automations, runbooks, tooling, or operating methods.

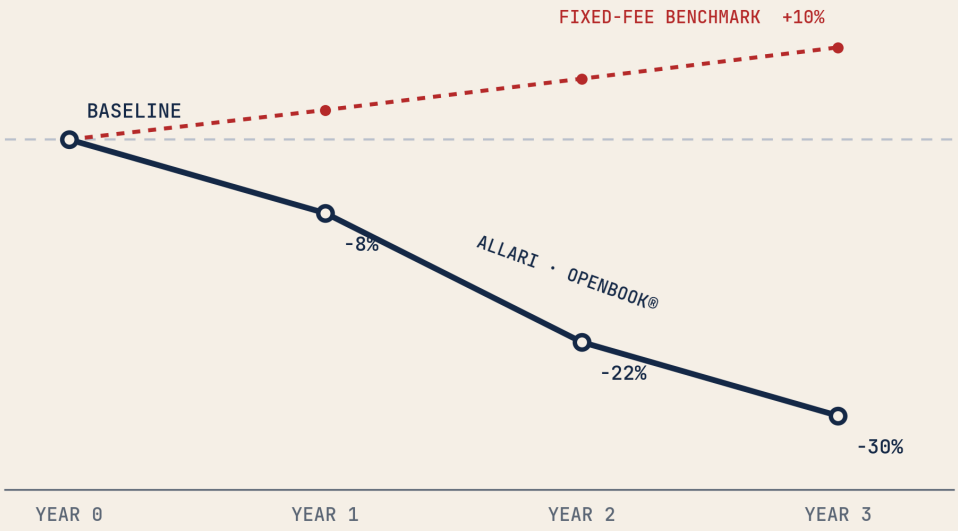
Stated plainly: the figures in this document are measured medians across real engagements. A measured median is a description of what has happened — it is not a promise of identical future results for any individual client.

→ This document publishes the ruler — how the number is defined and reconciled — not the recipe for how the work gets done.

02 · THE CLAIM WE ARE SUBSTANTIATING

The claim, stated in *numbers*.

Across the measured portfolio, the median enterprise customer reaches a run-rate −8% below baseline in Year 1, −22% in Year 2, and −30% in Year 3, measured against their own pre-engagement baseline. Over the same 36 months, a conventional fixed-fee support contract drifts to roughly +10% through compounding escalators. The curve below is the same one shown on the homepage and the deflationary-model page; this document is its source of truth.



Portfolio median run-rate vs. baseline, Years 0–3. Solid navy: Allari OpenBook® measured median. Dashed red: illustrative fixed-fee benchmark (≈ +10% / 36 months). Compression reflects work retired, not a price index.

→ This curve is the single claim the rest of the document substantiates — measured, not modeled, and reconcilable to the ledger.

03 · BASELINE DEFINITION

What the *baseline* is.

The baseline is the client's pre-engagement, fully-loaded annual run-rate for the supported scope. It is the denominator every later number is measured against, so it is defined precisely and fixed once.

Baseline equals	Support labor + cloud-hosting markup + contractual escalators, normalized to the supported scope.
Fixed at	The 90-day mark, once the supported scope is confirmed.
Re-basing	The baseline is never silently re-based. It changes only through the documented recalibration clause for a material scope change (Section 5).

04 · TCO SCOPE

Total cost of ownership: *in* and out of scope.

This table is what the CFO is actually buying. It is stated without ambiguity: only the lines on the left are counted in the compression measurement.

IN SCOPE — COUNTED IN COMPRESSION	OUT OF SCOPE — NOT COUNTED
Support labor	ERP license fees
Hosting markup eliminated	Client's internal build / roadmap labor
Escalator avoidance	One-time lift / migration project fees
Rework / repeat-ticket cost	—

05 · MEASUREMENT WINDOW & CADENCE

When and how often it is *measured*.

MEASUREMENT BASIS

A 36-month measurement basis (Jan 2022–Feb 2025 portfolio) of enterprise ERP engagements. The headline curve is the median of these engagements, not a single best case.

RECALIBRATION CLAUSE

Baseline changes only through a documented recalibration: a material change in supported scope (systems added or removed) is recorded, the baseline is adjusted transparently to the new scope, and the adjustment is shown in the ledger — never applied silently.

MONTHLY RECONCILIATION

Every month closes with an OpenBook® reconciliation: recorded hours at the published unit rate, reconciled against the prior period and the fixed baseline. The client has standing read access to the same ledger.

06 · SAMPLE & STATISTICAL BASIS

Why the headline number is not *naked*.

Median, not mean. The headline figures are medians across enterprise ERP engagements. The median is reported because it is outlier-resistant: a single unusually large or small engagement cannot pull the published number away from the typical customer experience.

Survivorship is stated, not hidden. Engagements that churned or were too short to complete a full measurement window are disclosed and excluded from the curve rather than silently dropped, so the median is not flattered by survivorship.

Detail available under NDA. The full engagement count and per-cohort detail are available under NDA. Enough is published here that the headline number is supported on its face: the basis, the statistic, and the treatment of attrition are all stated.

07 · HOW EACH MONTH IS MEASURED

The ledger *mechanics* — only.

This section describes what is recorded. It does not describe how the work is done. That distinction is the guardrail of this entire document.

— Work is logged in 15-minute increments at $22.50 per 15-minute increment. One unit price across every platform; no senior-tier premium, no buffer.

— Every ticket carries three recorded attributes: hours, owner, and a category. For the subset that are incidents or recurring problems, a root cause is also recorded.

— Spend is attributed by category, so recurring work is visible as a recurring line of cost. When that work is eliminated — an incident's root cause retired, or a repetitive request automated — the line drops.

— As recurring work is retired, that line's spend falls — and the monthly total falls with it. Compression is the arithmetic result of retired work, not a discount and not a price index.

08 · GOVERNANCE & AUDITABILITY

How your own auditor *reconciles* it.

CLIENT READ ACCESS

Standing, real-time read access to OpenBook®. The number the client sees is the number that is billed — there is no separate internal ledger.

AT-WILL TERMINATION

Terminate any day, with no notice. The meter stops the same day, every artifact is the client's, and there is no clawback and no exit fee.

ATTESTATION

The monthly figure is attested at close. Because the ledger is line-level, the client's own auditor can reconcile recorded hours and unit rate directly to the invoice without relying on a vendor summary.

INDEPENDENT RECONCILIATION

The published protocol — baseline, scope, unit rate, statistic — is sufficient for an external party to re-derive the compression figure from the ledger.

09 · DEFINITIONS & GLOSSARY

Terms, defined *once*.

Baseline. The client's pre-engagement, fully-loaded annual run-rate for the supported scope, fixed at the 90-day mark (Section 3).

Run-rate. The annualized cost of supporting the in-scope estate at the current period's recorded spend.

Deflation / compression. The reduction of run-rate below baseline that results from retiring recurring work. It is a measured outcome of less work, not a price index and not a discount.

OpenBook®. The line-level ledger of hours, owner, root-cause category, and dollars that the client reads in real time and that the monthly number is reconciled against.

Build–Run separation. The accounting boundary between one-time build/roadmap work (out of scope) and ongoing production support (in scope). Only run is measured in the compression curve.

Average ticket closure. The elapsed calendar time from open to close. Across the sample it fell from 6.42 days to 1.77 days (–72%).

RESOLUTION METRIC

Average ticket closure	6.42 → 1.77 days (–72%)	The average elapsed calendar time from open to close, including time a ticket waits on inputs, approvals, or scheduled windows. Across the sample it fell from 6.42 days to 1.77 days.

Closure is reported as elapsed calendar time from open to close — a single cycle-time measure. Most of a ticket's elapsed life is spent waiting on inputs, approvals, or scheduled windows rather than being worked.

→ Every term above is defined to a single, auditable meaning — no number in this document rests on an undefined word.

10 · ILLUSTRATIVE REFERENCE

One worked *roll-up*.

The following is a single anonymized engagement, described only by sector and scale. It shows how the published protocol produces a headline number; it is illustrative, not a promise of identical results.

ANONYMIZED ENGAGEMENT	Global electronics manufacturer · enterprise ERP estate.

YEAR-1 COMPRESSION
19%
below the fixed baseline

CHRONIC BACKLOG
12% → 6%
over 36 months

CLOSED TICKETS (SAMPLE)
463
in the sample window

AVG TICKET CLOSURE
1.77 d
from 6.42 d (−72%)

MEASUREMENT BASIS
36 mo
Jan 2022–Feb 2025, median

Read together: a 19% Year-1 compression on this engagement sits within the portfolio picture — the median across all measured engagements lands at −8% in Year 1, easing the curve toward −30% by Year 3. Average ticket closure fell from 6.42 days to 1.77 days (−72%), the single resolution metric defined in Section 9.

This roll-up points to the Sample Monthly Statement — the same OpenBook® reconciliation a client reads each month. Composite figures shown here are for illustration; the live ledger is the system of record.

Where prior materials read "methodology available on request / under NDA," that phrase now resolves to this published document.