

TO Budget committee, Northfield Software (fictional)
FROM The Value Room
RE FY2027 sales and go-to-market requests: ten requests, one standard
BASIS 3 years at 12% · 2,000 outcomes per request · after the Read and the Diagnostic · PAGE 1 OF 3

Ten requests, \$5.28M. Commit \$2.1M now and the plan is worth 2.4 times as much.

COMMITTED NOW \$2.1M of \$5.28M requested. The rest waits behind a gate or is declined.	VALUE OVER THREE YEARS \$2.3M → \$5.6M Expected net present value, plan as submitted against plan reallocated.	DECLINE 4 Requests asking \$1.18M that lose money in nearly every draw.
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1 Recommendation

Fund two requests now and reshape a third. Stage three behind gates the committee can verify, releasing \$1.84M only on evidence. Decline four.

Each sponsor made a sound case in their own unit. We priced all ten in one: three-year value at 12%, committed now and staged. The gap between the two is what the right to wait is worth.

REQUEST	VERDICT	ASK	COMMITTED NOW	BEHIND A GATE	VALUE AS ASKED	VALUE AS RECOMMENDED	WORST CASE RECOMMENDED
Four CSMs	FUND NOW	\$580K	\$580K	none	\$1.03M	\$1.03M	\$1K
Manager development	FUND NOW	\$180K	\$180K	none	\$1.46M	\$1.46M	\$557K
Six junior AEs AS FOUR EXPERIENCED	RESHAPE	\$990K	\$840K	none	\$1.58M	\$2.23M	\$701K
Pipeline programs PILOT FIRST	STAGE	\$1.20M	\$300K	\$900K	-\$228K	\$469K	-\$324K
Mexico City team PILOT FIRST	STAGE	\$830K	\$160K	\$670K	\$3K	\$267K	-\$147K
Conversation intelligence PILOT FIRST	STAGE	\$320K	\$45K	\$275K	-\$99K	\$122K	-\$43K
Q4 SPIFF	DECLINE	\$420K	none	none	-\$206K	not funded	
Enablement expansion	DECLINE	\$300K	none	none	-\$602K	not funded	
Approval automation	DECLINE	\$240K	none	none	-\$249K	not funded	
Forecasting AI	DECLINE	\$220K	none	none	-\$349K	not funded	
Ten requests		\$5.28M	\$2.10M	\$1.84M	\$2.34M	\$5.57M	

Ask: year-one cash. Value: expected NPV over three years at 12%. Worst case: 5th percentile of 2,000 draws. Staged: only the pilot is committed now.

The two biggest bets are coin tosses

Pipeline programs and Mexico City are 38% of the ask and worth -\$225K together if committed in full. Staged, both turn positive.

Experience wins, for a year

Four experienced AEs beat six juniors by \$575K in year one. By year three the juniors catch up, so keep the option on two more.

Two declines came from the Diagnostic

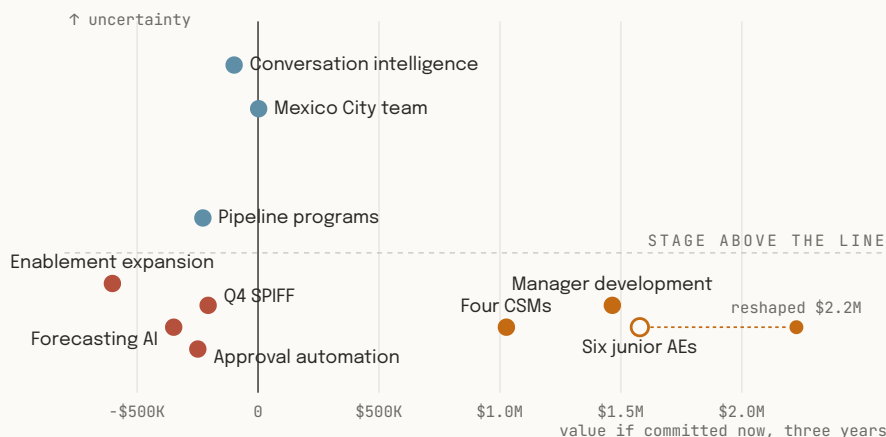
The SPIFF and the enablement expansion failed there first. The other two buy what Northfield already has, or is about to remove.

2 The verdict map

Across: value if committed today. Up: how little anyone knows about the outcome.

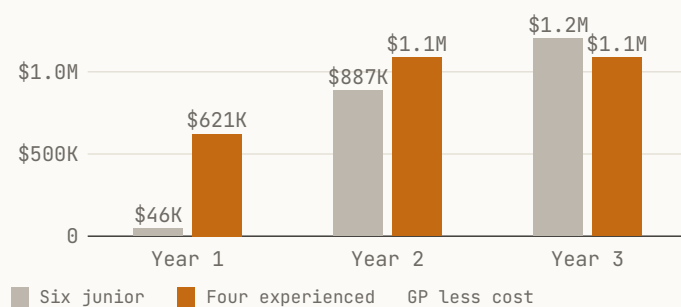
Positive and well understood: fund now. Uncertain, with a cheap way to learn: stage. Negative in nearly every draw: decline.

■ Fund now ■ Reshape ■ Stage
■ Decline



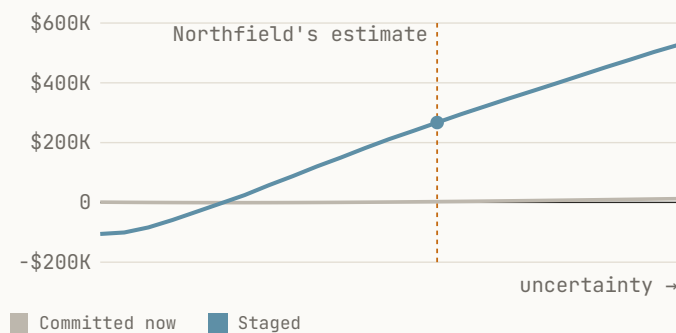
3 Reshape: hiring

Four experienced AEs instead of six juniors are worth **\$575K** more in year one, the Diagnostic's figure, and **\$647K** over three years. By year three the six juniors out-produce the four, so keep the option to add two in the second half.



4 Stage: Mexico City

Committed in full, the team is worth about zero with a 65% chance of losing money. Staged as one AE and a partner for two quarters, it's worth **\$267K** and the worst case shrinks from **-\$1.50M** to **-\$147K**.



5 Decline

Approval workflow automation

Asks \$240K Value **-\$249K** 100% of draws lose
It automates the second deal-desk approval. The Diagnostic's number two removes that approval for \$40K. Automating a step you're about to delete is the most expensive way to keep it.

Forecasting AI tool

Asks \$220K Value **-\$349K** 100% of draws lose
The Read showed a free base rate beats judgment in three of six teams. Buy a tool after the base rate is running and you can see what it misses.

Q4 SPIFF and a larger President's Club

Asks \$420K Value **-\$206K** 99% of draws lose
Motivation is a weak lever for output (0.153 in the research), and last year 70% of SPIFF-window deals were pulled from the next quarter.

Enablement platform expansion

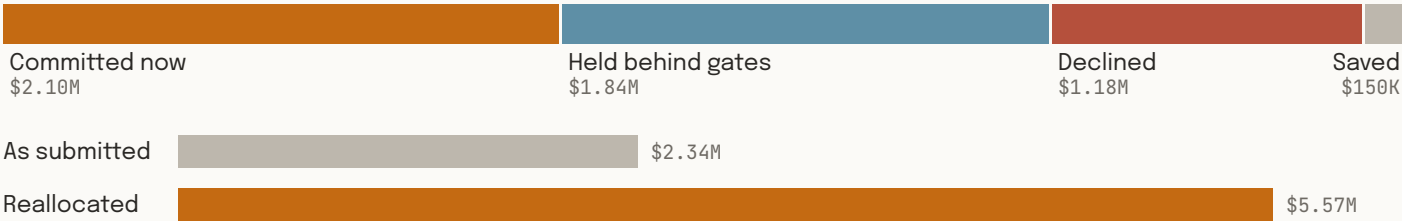
Asks \$300K Value **-\$602K** 100% of draws lose
Enablement did not make motivated sellers more productive in the research, and Northfield already scores 5.4 of 7 on it.

6 The gates

A stage is worth something only if the gate holds. Fund the pilot and scale anyway, and the option was paid for and never used. Holding these three gates is worth **\$1.18M** over three years.

REQUEST	PILOT	PILOT COST	GATE	SCALES IN	GATE WORTH
Conversation intelligence	Two teams, 1 quarter	\$45K	Scale if the coached teams' win-rate gain pays for the licence at full price.	27%	+\$221K
Mexico City team	1 AE and a partner, 2 quarters	\$160K	Build the full team if qualified pipeline and win rate meet the plan's assumptions.	31%	+\$265K
Pipeline programs	Half the programs, 2 quarters	\$300K	Release the rest if cost per qualified opportunity is on target.	44%	+\$697K
Three gates		\$505K	\$1.84M released only on evidence		+\$1.18M

7 Where the ask goes, and what it is worth over three years



We also tested re-splitting selling hours between new logos and expansion every quarter instead of once a year. It adds \$70K of gross profit a year and wins in 72% of draws: worth doing, and small next to the gates.

8 Method

Committed now = $\sum (GP \times outcome - running\ cost) \div 1.12^t - upfront$
Staged = pilot result + scaling, only where the read pays
Option value = staged - committed now

Outcomes are drawn around each sponsor's estimate, with a spread set by how much is known. A pilot reads the outcome with noise (σ 0.25), so a gate can be wrong either way; the model counts both. Cost of capital 12%.

INPUT	VALUE	SOURCE
Average rep, bookings	\$748,722	MEASURED
Bookings an hour, new logos	\$1,028	MEASURED
Bookings an hour, expansion	\$2,400	MEASURED
Experience effect	0.290 SD per SD	RESEARCH
Gross margin	78%	STATED BY YOU
Cost and gross profit	per sponsor	STATED BY YOU
New rep vs average rep	60%	MODELLED BY US
Uncertainty (σ)	0.25 to 0.90	MODELLED BY US

THE COMMITTEE IS ASKED TO APPROVE

- 1 Fund now: four CSMs, manager development, and four experienced AEs in place of six junior. **\$1.60M**.
- 2 Fund three pilots, **\$505K**, with the gates above, reviewed at the end of each quarter.
- 3 Decline four requests, **\$1.18M**, and revisit the forecasting tool once the base rate is running.

NEXT

The Read found the problem. The Diagnostic ranked the decisions. **The Review priced the budget.**

Implementation and advisory installs the plan with your team: the gates, the hiring change, the quarterly review. The open model stays with you.

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