

PERFORMANCEOPS.AI

The 5-Phase BPM Methodology

Closing the AI Value Gap for SMB Manufacturers and B2B
Professional Services Companies

This document outlines the PerformanceOps.ai 5-phase Business Process Mapping methodology — the operational framework we use to close the AI Value Gap in \$8M–\$30M businesses. Every phase connects to measurable KPI improvement. Implementation is partner-delivered. Outcomes are independently verified.

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OVERVIEW

The AI Value Gap — and how to close it

Research confirms that up to 94% of computer-based tasks could be accelerated by AI — yet only about 33% of those tasks are being implemented today. This 3x capability-adoption gap exists at the organizational level, not the technology level. The gap isn't the software. It's the operational foundation that was never built beneath it.

"Whether you've invested in AI and aren't seeing the returns, or you know you need to start but can't identify where — the answer is the same. Build the operational foundation first. Everything else follows."

Why technology investments underperform

64%

of SMB processes lack written documentation — AI automation applied to undocumented workflows automates chaos.

58%

of SMB KPIs have no single accountable owner — dashboards without accountability produce no action.

\$340K+

average annual cost of underutilized enterprise software for a \$20M SMB — technology that was never implemented on a ready foundation.

The PerformanceOps approach

PerformanceOps.ai does not lead with software. We build the documented processes, clear KPI ownership, and reliable data that technology requires — then advise on the right implementation partner for the work, and return independently to verify the outcome.

Positioning: PerformanceOps designs for implementation, advises on the right partner for the work, and returns independently to verify the outcome.

The three-layer operating system — build in this sequence

**0
1**

Process foundation

SOPs · workflow maps · process owners

START HERE

0
2

Data-driven leadership

KPIs · dashboards · RACI ownership

↓ enables ↓

0
3

Technology enablement

ERP · CRM · AI automation · automation

Most companies start here — without the foundation

PHASE 1 OF 5

01 KPI Baseline & Process Discovery

"Understand what you track, who owns it, and how the work actually gets done."

KPI connection: KPIs drive prioritization — the highest-impact gaps determine which processes to redesign first.

Duration: 1–3 days on-site

Most operational problems are invisible until someone maps the actual process — not the assumed one. Phase 1 establishes the current-state baseline: what data exists, how reliable it is, who owns each metric, and where the biggest gaps between tracking and acting are concentrated.

Key activities

- Interview leadership, operations managers, and frontline staff — discover the actual process, not the documented one
- Conduct a data inventory: what is tracked, where it lives, how it is collected, and how often it is used
- Score every tracked KPI on three dimensions: data reliability (1–5), ownership clarity (1–5), and strategic impact (1–5)
- Produce the KPI diagnostic report — each metric ranked by priority gap score
- Map current-state workflows using swim-lane and SIPOC formats for the three highest-impact processes
- Identify the six most common waste types embedded in existing workflows

KPI connections

KPI dimension	What is assessed	Why it matters
Data reliability	Is the KPI measured consistently, with a single source of truth?	Unreliable data produces unreliable recommendations — technology deployment on top of it fails.
Ownership clarity	Is there one named person accountable for each metric?	KPIs without owners are data points. KPIs with owners are management tools.
Strategic impact	Does this KPI directly connect to revenue, cost, or customer outcome?	Not all metrics are equal. Phase 1 focuses on the ones that move the business.

Deliverables

■ Current-state process maps (swim-lane + SIPOC) ■ KPI diagnostic report (7 KPIs scored) ■ Data source inventory ■ Waste identification register

The Phase 1 readiness score determines everything that follows. A score below 3.0/5.0 on process documentation or data reliability means technology deployment would fail — the foundation is not ready.

PHASE 2 OF 5

02 Value & KPI Gap Analysis

"Quantify the cost of broken processes in real business terms."

KPI connection: Every process gap is given a financial proxy — the dollar cost of the gap anchors every subsequent recommendation.

Duration: 1–2 days analysis

Phase 2 converts the qualitative findings from Phase 1 into quantified financial impact. Stock-out events become revenue lost plus emergency order premiums. DSO above industry standard becomes working capital trapped. Slow-mover inventory becomes capital tied up in zero-velocity SKUs. The gap analysis is the business case for everything that follows.

Key activities

- Pull historical data from QuickBooks, ERP, or available data sources — typically 12–18 months
- Build a financial proxy for each identified gap: what does it cost the business annually?
- Produce a value stream map of the ordering, fulfillment, or primary revenue-generating workflow
- Rank process gaps by financial impact — the highest-cost gaps define Phase 3 scope
- Identify go/no-go criteria: does the financial opportunity justify proceeding to Phase 3?

KPI connections

KPI dimension	What is assessed	Why it matters
Revenue impact	Lost sales, missed orders, or unfulfilled demand from process gaps	Quantifies the top-line cost of operational failure in terms leadership can act on.
Cost impact	Emergency orders, rework, manual processing, and labor inefficiency	Reveals the hidden cost structure that never appears on a P&L; in one line.
Working capital	Cash tied up in excess inventory, slow AR, or inefficient procurement	Often the highest-impact finding for fund-backed companies approaching a capital event.

Deliverables

- Value stream map — primary workflow
- Gap quantification report (\$ annual impact)
- Process prioritization matrix
- Phase 3 go/no-go recommendation

Phase 2 is where PerformanceOps earns the right to make recommendations. Every Phase 3 Blueprint element is anchored to a quantified gap — not a best practice or a vendor brochure.

03

Ownership & Accountability Blueprint

"Assign a named owner to every KPI before selecting a single tool."

KPI connection: Accountability determines whether KPI improvements get executed and sustained — technology cannot substitute for it.

Duration: Half-day workshop + documentation

The most common reason process improvement fails is not poor process design — it is the absence of ownership after the consultant leaves. Phase 3 builds the Blueprint: the future-state process design, KPI targets, ownership assignments, and tool specifications written at operator level. This is the document handed to the implementation partner in Phase 4.

Key activities

- Facilitate a RACI workshop with the leadership team — assign a named owner to every KPI identified in Phase 1
- Set KPI improvement targets: specific, measurable, and tied to the financial proxy from Phase 2
- Design the future-state workflow using lean principles: eliminate → simplify → automate
- Define minimum data requirements each redesigned process must produce to track its target KPI
- Build the Phase 3 Blueprint: process maps, owner assignments, tool specifications, and success metrics written for operator-level execution — not board presentation
- Establish escalation protocol: what triggers a review, who is notified, and within what timeframe

KPI connections

KPI dimension	What is assessed	Why it matters
RACI clarity	Responsible, Accountable, Consulted, Informed — for every KPI and process step	The single most impactful structural change an SMB can make. Ownership makes everything else work.
KPI targets	Specific improvement targets with a 90-day measurement window	Targets create urgency. Vague goals produce vague results. The Blueprint names the number.
Blueprint fidelity	Operator-ready documentation that can be handed to a partner without translation	The Blueprint is the test. If it requires a consultant to explain it, it is not ready.

Deliverables

■ RACI matrix — all KPIs with named owners ■ KPI ownership register with review cadences ■ Future-state process maps with KPI checkpoints ■ Phase 3 Blueprint (operator-ready) ■ Escalation protocol document

The Phase 3 Blueprint is written for operator-level execution — it includes owner assignments, tool specifications, and success metrics built to be handed to an operator, not presented to a board.

04 Enablement (Partner-Delivered)

"Design for implementation. Advise on the right partner for the work."

KPI connection: The Blueprint produced in Phase 3 is handed to a qualified implementation partner. PerformanceOps governs fidelity — not execution.

Duration: 30- and 60-day fidelity check-ins post-deployment

Phase 4 is deliberately partner-delivered. PerformanceOps advises on the right implementation partner for the technology and process scope, conducts a structured partner briefing using the Phase 3 Blueprint, and then governs deployment through 30- and 60-day fidelity check-ins. PerformanceOps does not carry implementation liability — this is consistent with the firm's advisory-layer operating model and E&O; coverage scope.

Key activities

- Advise on the right implementation partner — using the five-criterion partner selection scorecard (SMB specialization, industry experience, reference quality, no conflict of interest, secure implementation practices)
- Brief the selected partner on the Blueprint: process maps, KPI targets, ownership assignments, and technology readiness scores
- Confirm partner agreement terms: referral fee structure, scope boundaries, and 90-day KPI update commitment
- 30-day fidelity check-in: is the partner deploying against the Blueprint or deviating from the process design?
- 60-day fidelity check-in: are early KPI signals tracking as expected? Are there scope or adoption issues requiring escalation?

KPI connections

KPI dimension	What is assessed	Why it matters
Partner fit	Five-criterion scorecard: SMB specialization, industry experience, references, no conflict, secure practices	A misaligned partner hands the problem back to the client — and by association to PerformanceOps.
Blueprint fidelity	Is the partner deploying against the Phase 3 design, or substituting their own approach?	Partners optimize for their own delivery methodology. The check-in exists to protect the client's investment.
KPI signals	Are early outcome indicators trending toward the Phase 3 targets at 30 and 60 days?	Early signals predict final outcomes. Problems caught at 30 days cost a fraction of those caught at 90.

Deliverables

■ Partner qualification scorecard ■ Partner briefing document (from Phase 3 Blueprint) ■ 30-day fidelity check-in report ■ 60-day fidelity check-in report

PerformanceOps does not carry implementation liability for Phase 4 work. The firm advises on partner selection and conducts Blueprint fidelity check-ins at 30 and 60 days. Implementation is partner-executed.

PHASE 5 OF 5

05 ROI Verification (Independent)

"Return independently to verify the outcome against the baseline."

KPI connection: Outcomes are measured against the Phase 1 baseline — producing a verified EBITDA impact report the client can take to a board or fund manager.

Duration: 1–2 days measurement + report

Phase 5 is conducted independently — separate from the implementation partner who executed Phase 4. The independence is deliberate: the implementation partner cannot objectively self-report their own results. PerformanceOps can, and does. The output is a verified EBITDA impact report comparing actual outcomes against the Phase 1 baseline and Phase 3 targets.

Key activities

- Return to the client independently — no implementation partner involvement in Phase 5
- Pull current operational data from the same sources used in Phase 1 — QuickBooks, ERP, operational records
- Score each KPI against the improvement targets set in Phase 3: achieved, partially achieved, or not achieved
- Quantify financial impact: actual EBITDA improvement against the Phase 2 gap quantification
- Identify any KPI targets not yet achieved and recommend whether additional process or technology work is warranted
- Produce the verified EBITDA impact report — formatted for board, fund manager, or M&A; advisor presentation

KPI connections

KPI dimension	What is assessed	Why it matters
Outcome vs. baseline	Actual KPI performance compared to the Phase 1 baseline measurement	The only credible measurement is against a documented baseline — not anecdotal improvement claims.
Target achievement	Each Phase 3 KPI target scored: achieved / partially achieved / not achieved	Partial achievement is still valuable. The report distinguishes effort from outcome.
EBITDA impact	Financial improvement quantified using the same proxy methodology as Phase 2	A verified EBITDA impact figure is the most valuable output for fund sponsors, acquirers, and boards.

Deliverables

■ Verified EBITDA impact report ■ Before/after KPI comparison table ■ Achievement scorecard (Phase 3 targets vs. actual) ■ Recommendations for Phase 2 gaps not yet closed

The independence of Phase 5 is the point. The implementation partner cannot objectively self-report their own results. PerformanceOps returns independently to verify the outcome — producing a report that carries more credibility with boards and fund sponsors than any self-reported implementation metric.

GETTING STARTED

The free diagnostic is the front door

Every PerformanceOps engagement begins with a free 30-minute diagnostic conversation. We run the requirements intake live, score your operational readiness across five dimensions, and identify your three most critical gaps. No pitch. No obligation. You receive a one-page readiness summary at the end of the call.

Two types of leader. One conversation.

If you've already invested in AI

We'll diagnose why the returns aren't there and build the operational foundation that

If you haven't started yet

We'll show you exactly where AI will create the most value in your business — and



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