INVESTMENT REVIEW

Kingfisher Advisory

Aldercrest Energy Partners

Independent AI Investment Review

Vendor diligence, cost assessment and decision criteria

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Prepared for Aldercrest Energy Partners

Constructed example for demonstration. Aldercrest Energy Partners and the assumptions in this report do not represent an actual client engagement, vendor assessment, or verified results.

INVESTMENT DECISION

Executive recommendation

Aldercrest should approve a purchase only when the new platform demonstrably improves real work and the security and operating conditions are acceptable.

RECOMMENDATION

Do not sign the enterprise platform contract yet. Test selected tasks for six weeks without replacing current systems. Approve a purchase only if the results show measurable value and acceptable controls.

Decision area	Recommended position	Basis
Enterprise AI platform	Defer contract	Current productivity claims have not been demonstrated against actual workflows or full cost.
Document analysis	Controlled pilot	Potential benefit from draft comparison and search, subject to accuracy, privacy and review controls.
Rules-based pricing and scheduling	Retain incumbent	Existing deterministic capability should remain until a material improvement is established.
Department-level AI tools	Inventory and consolidate	Review duplicate licensing, access rights, ownership, contractual terms and overlap.

Leadership decisions

- Approve a bounded evaluation rather than a production deployment.
- Assign a business sponsor, an IT and security owner, and a benefit-measurement owner.
- Require parallel testing, documented acceptance criteria and a reversible rollout.
- Obtain written vendor responses and contractual evidence.

ADVISORY RESPONSIBILITY

Kingfisher reviews the vendor evidence and advises Aldercrest on what to approve. The vendor remains responsible for its claims, implementation and delivery.

BUSINESS AND SYSTEMS

Operating context

Organization, existing systems and business ownership inform the evaluation scope.

Factor	Profile
Organization	165 employees across a five-state renewable-energy development footprint; engineering, land, finance, permitting, project management and corporate functions.
Decision ownership	COO as executive sponsor; CFO for spending approval; IT manager for security and vendor access.
Current systems	Project repository, Microsoft 365, project-tracking platform, ERP, contract database and rules-based scheduling/pricing service.
Proposed platform	80 licensed users; document summarization, project-status narratives and possible replacement of the rules engine.
Constraints	Sensitive source documents and calculations dependent on approved, auditable rules.

Assessment focus

The question is whether the platform solves specific business problems well enough to justify the cost and risk. Security, purchasing and technical teams provide important evidence, but the benefit must still be demonstrated in real workflows.

- Identify the current task, failure mode and measurable cost.
- Distinguish deterministic rules from language interpretation and prediction.
- Check current tools and licensed capabilities before buying another platform.
- Assign acceptance of residual operational and security risk.

SCOPE

The review covers two workflows and one enterprise platform proposal. A company-wide IT audit, implementation and penetration test are outside this investment review.

VENDOR EVIDENCE

Claims and verification requirements

The following vendor assertions require independent evidence before purchase approval.

Vendor assertion	Evidence required
“Every employee saves three hours per week.”	Measured performance by role and task, accounting for adoption, corrections, review time and errors.
“The platform automates document reviews.”	Representative documents, agreed scoring, false-omission rates and original-source traceability.
“The AI pricing engine is more intelligent.”	Parallel comparison with the current rules engine, including exceptions, overrides and rollback criteria.
“Integration is straightforward.”	Connector specifications, API limits, permissions, migration tasks and assigned change costs.
“Your data stays secure.”	Documented data flows, subprocessors, retention terms, training restrictions, isolation and audit events.
“We can scale immediately.”	Load limits, support terms, incident arrangements, business continuity and export/exit procedures.

Evidence standard

Keep three things separate: what the vendor has demonstrated, what it has promised in writing, and what is only planned for a later release. Record open claims and missing evidence for follow-up.

MEETING QUESTION

Ask the vendor to identify the circumstances or evaluation results under which this product would not be suitable for the proposed workflow.

BUYER-SIDE DILIGENCE

Business value and delivery

Ask the vendor to answer these questions with documents, demonstrations or test results. An attractive demo is not enough to approve the purchase.

Question	Required evidence
Which task will be replaced, and how is it completed today?	A workflow baseline covering cycle time, approvals, effort and error rates.
Why use AI rather than rules, search or existing software?	Comparison with simpler alternatives and current license entitlements.
Can the trial use representative internal data and difficult cases?	Evaluation protocol and sample selection agreed before testing.
What are error and exception rates by workflow?	Task-specific accuracy and omission measures, plus known failure modes.
How much human validation remains?	Observed reviewer time, escalation workload and residual responsibility.
Which changes to our systems are required?	Architecture, connectors, identity model, data mapping and project dependencies.
Which features are available versus planned?	Release documentation and contract-specific feature commitments.
What is the complete three-year cost and exit exposure?	Licensing, usage, setup, training, support, migration and termination terms.

DECISION CRITERION

Compare observed results with the incumbent process and translate material vendor claims into written acceptance terms.

BUYER-SIDE DILIGENCE

Security, accountability and exit

Do not give the platform broad access to business information before the vendor explains where data goes, who can use it, what actions the product can take and how the business can shut it down.

Question	Required evidence
What data leaves the environment, and where is it processed?	Data-flow diagram, processing region, subprocessors, retention and deletion terms.
May our content be used for training or product improvement?	Plan-specific settings and contractual restrictions, including change notice.
Which privileges do agents and connectors require?	Service-account scopes, least-privilege design and segregation tests.
Can the product change records or send messages autonomously?	Action inventory, human approval gates and audit records.
How are hallucinations and omitted information detected?	Evaluation set, source links, monitoring and exception handling.
What happens during outages, model changes or price increases?	Fallback plan, SLA exclusions, version notice and usage controls.
Can data, rules, prompts and logs be exported?	Documented export process, formats, costs, limits and deletion proof.
Can the incumbent remain available throughout testing?	Demonstrated parallel operation and rollback without irreversible cutover.

Vendor response register

For each unresolved vendor claim, record who must answer, what evidence is still needed and when the business expects it.

FINANCIAL DILIGENCE

Three-year cost assessment

This is a planning model of licensing and operating costs, not a vendor quote or a confirmed cost estimate.

Assumptions: 80 users at $100 per user per month; $42,000 initial integration; $18,000 annual support; $12,000 first-year training. Metered model use, internal time, legal review and additional connectors are excluded because the amounts are not known.

Expense	Year 1	Year 2	Year 3	Three-year
User licenses	$96,000	$96,000	$96,000	$288,000
Platform support	$18,000	$18,000	$18,000	$54,000
Integration and setup	$42,000	—	—	$42,000
Initial training	$12,000	—	—	$12,000
Total	$168,000	$114,000	$114,000	$396,000

Productivity assumptions

The vendor's example assumes 80 employees save three hours per week over 46 weeks. That is 11,040 hours, which would equal $662,400 of labor capacity at $60 per hour. It is not verified cash savings, increased profit or a reason to reduce staffing.

FIRST-YEAR COST THRESHOLD

At $168,000 first-year cost and $60 per attributable productive hour, 2,800 net hours would be required to match modeled cash outlay—approximately 0.76 net hours per user per week across 46 weeks.

Financial evaluation should separate cash reductions, avoided external spending, additional throughput, retained labor capacity, transition costs and downside risk. Benefits must not be double-counted.

EXISTING CAPABILITIES

Rules-based engine comparison

A functioning deterministic system is the baseline for any proposed replacement.

The vendor proposes an AI decision engine for scheduling and pricing. The existing service produces reproducible outcomes, documented exceptions and predictable costs. Production authority should not transfer without objective superiority and a recovery path.

Dimension	Rules-based service	Proposed AI service
Correctness	Historical outcomes and policy tests	Blind comparison using identical cases
Explainability	Traceable rules and inputs	Evidence for each recommendation or action
Exceptions	Defined error codes and human treatment	Observed novel cases, escalation and overrides
Cost	Known operating expenses	Licensing, usage, review and maintenance
Control	Manual and policy-governed overrides	Permissions, shutdown mechanism and rollback

Decision condition

Do not let the AI system change live scheduling or pricing until it consistently performs better than the current rules-based process, remains auditable, and can be stopped or reversed safely. Keep the existing engine operating until testing and acceptance are complete.

EVALUATION PLAN

Six-week pilot criteria

Test real-world cases in a controlled, read-only trial. Agree on the baseline and success criteria before measuring the new product against the current process.

Workstream	Measure	Proposed acceptance condition
Document assistance	Accuracy, omissions and review time	At least 95% correct extraction on agreed fields; no unflagged critical omissions in the pilot set.
Project narratives	Editing effort and source provenance	At least 25% lower total drafting and verification time; source support for key statements.
Rules-engine option	Output quality and exceptions	Parallel scoring without autonomous updates or material degradation from the incumbent.
Data boundaries	Access control and audit records	No cross-project access; approved data flow and accountable incident owner.
Commercial case	Attributable net value and cost	Demonstrated benefit greater than relevant pilot and operating cost, with sensitivity analysis.

Pilot controls

- Include imperfect documents and known edge cases; document sampling and baselines.
- Require staff approval for consequential outputs; prohibit direct modifications to finance, contract or project records.
- Run new and existing methods in parallel, recording rework and reviewer effort.
- Publish a proceed, revise, defer or decline decision based on the agreed evidence.

Acceptance thresholds are proposed evaluation criteria and must be confirmed with the business owner before the trial.

RISK OVERSIGHT

Risk and control register

Material risks must be tied to an evidence requirement and an accountable owner.

Risk	Business consequence	Required action and owner
Sensitive records sent to provider	Contracts, project finances and third-party information may be restricted.	Approved processing, retention and subprocessors. Legal and IT
Excess connector access	Assistant may retrieve information from unrelated projects.	Least-privilege identity and cross-project denial tests. IT.
Incorrect finance or permit output	Misstatements can affect financing, permits and management decisions.	Source links and reviewer sign-off. Finance / Project lead.
Rules-engine replacement error	Undetected policy, schedule or margin distortions.	Parallel testing, thresholds and revert procedure. Operations and IT
Variable usage or renewal cost	Subscription economics deteriorate unexpectedly.	Usage caps, change controls and exit rights. CFO and Procurement
Unassigned operational owner	Incidents or problems remain unresolved.	Named service owner, monitoring and disable procedure. COO and IT

Risk reporting

For each material risk, explain what could happen to the business, what evidence supports it, who is responsible, and what must be done before approval.

SUBSEQUENT TECHNICAL REVIEW

A separately scoped SafeGuard review may evaluate approved data flows, permissions and access boundaries. This investment decision does not include unrestricted technical testing or certification.

DECISION PROCESS

Management action plan

The plan below identifies the evidence leadership should see at each decision point before making a further commitment.

Period	Management action	Decision evidence
Days 1–10	Sponsor interviews; inventory of processes and licenses; baseline metrics.	Problem statement, available capabilities and decision owner.
Days 11–20	Vendor diligence meetings and document requests.	Response register, preliminary cost model and open claims.
Days 21–45	Bounded document pilot; rules comparison remains read-only.	Results, exceptions, reviewer effort and access-control evidence.
Days 46–60	Cost sensitivity and risk review; contract review by appropriate specialists.	Decision memorandum: proceed, narrow, renegotiate, defer or decline.
Days 61–90	Conditional rollout governance if approved.	Acceptance sign-off, monitoring ownership and tested rollback.

Management deliverables

- Decision memorandum documenting recommendation, assumptions and alternatives.
- Vendor evidence register and outstanding issues.
- Three-year cost scenario and distinction between capacity and cash value.
- Pilot scorecard, risk register and documented implementation gates.

A decision not to purchase may be appropriate where the product does not outperform existing capability or the evidence remains incomplete.

ADVISORY SCOPE

Responsibilities and boundaries

Kingfisher advises Aldercrest on the purchase. The business retains its spending and risk decisions, and the vendor remains responsible for delivery. Legal and procurement responsibilities remain with the appropriate specialists.

Kingfisher challenges product claims, reviews technical prerequisites, participates in vendor meetings and translates the evidence into clear approval conditions. It does not build or operate the proposed platform.

Included in proposed review	Outside this scope
Up to two workflows and one vendor/platform proposal	Enterprise-wide IT or every-department assessment
Two vendor diligence sessions and a written question register	Procurement authority or legal representation
Three-year cost scenario, alternative comparison and decision memorandum	Software implementation or guaranteed savings
Pilot measurement framework and management readout	Penetration testing, certification or regulatory compliance opinion

Boundaries of responsibility

The vendor remains responsible for product accuracy, delivery commitments, service operation and contractual representations. Client leadership decides whether to fund or deploy the product; IT and business owners retain operational authority. Any implementation work or separate SafeGuard assessment requires its own agreed scope.