

ILLUSTRATIVE SAMPLE / 120 SYNTHETIC REPAIR ORDERS

The acquisition closed. Can you explain the margin?

A fictional U.S. collision-repair acquisition leaves open jobs crossing the cutoff. The buyer completes and invoices the work afterward. This readout separates the inherited position from subsequent completion performance.

Executive finding

The 65% completion-only extract cannot establish buyer performance without the inherited-value bridge. In this model, whole-job contribution is 25%; buyer completion contribution is 30% of the remaining completion value. Each view answers a different question.

Wind-down / wind-up margin bridge

Economic measure	Predecessor wind-down	Buyer wind-up	Whole job
Value attributed	\$600,000	\$600,000	\$1,200,000
Costs of the work	\$480,000	\$420,000	\$900,000
Contribution	\$120,000	\$180,000	\$300,000
Margin on each column's value	20%	30%	25%

Buyer remaining completion value = \$1,200,000 final invoices - \$600,000 agreed handoff value = \$600,000. The buyer's 30% uses this remaining value as its denominator.

Read the three views correctly

Completion-only extract: $(\$1,200,000 - \$420,000) / \$1,200,000 = 65\%$. It omits the inherited-value bridge and cannot explain buyer performance.

Whole job: $(\$1,200,000 - \$480,000 - \$420,000) / \$1,200,000 = 25\%$. It measures contribution across both economic periods.

Buyer wind-up: $(\$600,000 - \$420,000) / \$600,000 = 30\%$. It measures completion contribution against the remaining attributed value.

Decision implication: The difference between these percentages reflects scope and attribution. It is not a margin improvement or cash saving.

SAMPLE DELIVERABLE / EXECUTIVE EXPLANATION

What the bridge supports. What still needs evidence.

Seller handoff of \$600,000 equals buyer opening of \$600,000 in this model. Historical predecessor cost is \$480,000; the agreed handoff basis is a separate management-attribution assumption. Keeping these measures distinct makes the contribution explanation inspectable.

Evidence and review priorities

01 / Freeze and reconcile the open-work population

Match the predecessor's closing WIP snapshot to the buyer's opening orders at one agreed cutoff. Reconcile differences or retain them as documented exceptions.

02 / Establish the agreed handoff basis

Retain the valuation and allocation rationale, basis version, and review decision. Distinguish historical cost from the value used to attribute completion economics.

03 / Trace the work that follows

Connect subsequent labor, parts, and invoices to the selected jobs. Use effective work dates and document adjustments that affect the chosen measurement period.

04 / Review the measure before relying on it

Finance and Operations should agree the question, population, calculation basis, and unresolved exceptions before using the result to assess post-acquisition performance.

A defined next step

A focused 3-4 week Decision Integrity Diagnostic can examine one acquisition, one cutoff, and an agreed cohort of open orders. Deliverables include an evidence-backed margin bridge, documented exceptions and assumptions, an executive explanation, and prioritized actions. Scope is agreed before work begins.

Model boundaries

All orders, costs, values, and approvals are fictional. These management contribution measures do not prescribe ledger entries, statutory gross margin, purchase accounting, or revenue recognition. Deposits, receivables, supplements, credits, tax, rework, acquisition adjustments, and financing are excluded. This is not a reconstruction of Abra or Caliber records or a Saimatics customer result.

Discuss your acquisition context

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