

THE TRACEABILITY RATIO™ / AN ETEGY INSTRUMENT

Counted, *Not Proven*

Why leaders may be defending a number their operating model cannot trace.

ABSTRACT

Most enterprises can report performance. Far fewer can prove the work that produced it. This paper defines traceability as a proof principle, specifies the Traceability Ratio as the metric produced by applying it to detected work, and sets out the origin–flow state read that separates work admitted and converted from work converted without admission, commitments that never converted, and operating capacity carrying cost with neither.

It specifies what qualifies as a governed origin, how detected work is found, and the four traceability–performance conditions a board should read – including the deceptive one, where performance lands on plan against a population the model cannot follow.

Written for executives, boards, and value-creation leaders accountable for converting transformation investment into governed execution and measurable enterprise value. The proof companion to *Transform the Core*.

DOCUMENT

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METHOD
Zero-Based Transformation™

LIFECYCLE
GSDPI™

EDITION
2026 Edition

COMPANION
Transform the Core

ACCESS
Published in full, no gate

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EXECUTIVE SUMMARY

In Brief

Most enterprises can report performance. Far fewer can prove the work that produced it.

Beneath every reported number sits a working operating model – the live system through which demand enters, becomes governable work, gets executed, produces evidence, and creates value. Most leaders can see the number. Far fewer can follow the work behind it.

The *Traceability Ratio* measures the share of detected work exposure that reconciles to a governed origin – work the model can follow from governed entry to current or final state, giving proof and correction analysis a governed work population to test. It is the prior question beneath finance, delivery, and process analytics: how much of the work that produces the number entered the operating model where it could be seen at all.

A high ratio lets leaders defend the work population behind performance. It does not prove causation, but it gives finance, delivery, process, and governance analysis a population sturdy enough to interrogate. A low ratio means the enterprise is running on work it sees only after the fact – side-door demand, hidden capacity, expert heroics – without knowing which part of the result is reproducible and which part was borrowed from work the model never formally admitted.

Boundary. Traceability Ratio intentionally answers one question: of the work exposure the enterprise later detects, how much reconciles to a governed origin? It does not claim to measure every condition inside the operating model – a distinction that matters once the same ledgers are read in the opposite direction.

THE TERMS

1:1

Work entered through a governed origin and can be followed to a current or final state.

0:1

Work detected downstream, with no governed origin behind it.

SIGNAL

A number you can report is a claim. A number you can trace is a defense.

THE ARGUMENT IN SIX MOVES

The reading → The proof principle → The ratio → *The deceptive case* → The forward read → The standard

01

The reading that should worry a board

Most enterprises can report performance. Far fewer can prove the work that produced it.

Revenue lands on plan. Utilization looks healthy. The transformation dashboard is green. An AI pilot reports hours saved. None of it proves the operating model converted strategy into governed value. It proves that outcomes were reported. And reported is not the same as proven.

A number you can report is a claim. A number you can trace to the work that produced it is a defense. The difference is becoming harder to ignore as work moves faster across systems, platforms, and AI-enabled workflows.

Banking learned the same principle through failure. After the financial crisis, the Basel Committee concluded that many institutions could not aggregate risk exposures fully, quickly, and accurately enough to support timely decisions. BCBS 239 made risk-data aggregation a control issue, not a data-quality nicety.

Transformation has rarely been held to that standard at the level of the work itself. Traceability Ratio proposes that standard for transformation work.

88%

of business transformations fail to achieve their original ambitions — even when companies invest heavily and call the work strategic.

— Bain & Company, 2024

SIGNAL

Reported is not the same as proven.

02

Traceability as the proof principle

Beneath every transformation sits a working operating model: not the org chart, the platform, or the target-state deck, but the live conversion system through which demand enters, becomes governable work, gets executed, produces evidence, and creates value.

Transform The Core calls this system the Core. It is not one function's process map. It is the operating model's value-conversion surface: the place where strategy becomes work and work becomes evidence.

To make that surface legible, the work uses *Get. Sort. Do. Prove. Improve.*® (GSDPI™) as an operating-model taxonomy – not a process map, but a shared language for classifying where value-producing work sits in the operating cycle. That matters because operating work rarely moves through one clean linear path. One team's output becomes another team's input; the enterprise is a chain of nested operating cycles, not one straight line.

From that comes the principle.

THE PROOF PRINCIPLE

Value-producing work should be followable from governed origin to current or final state, proof, and correction.

Proof principle does not mean traceability proves causation or value realization. It means traceability creates the operating condition required to test and defend a transformation claim. Leaders cannot prove the operating model changed if they cannot follow the work the model is supposed to govern.

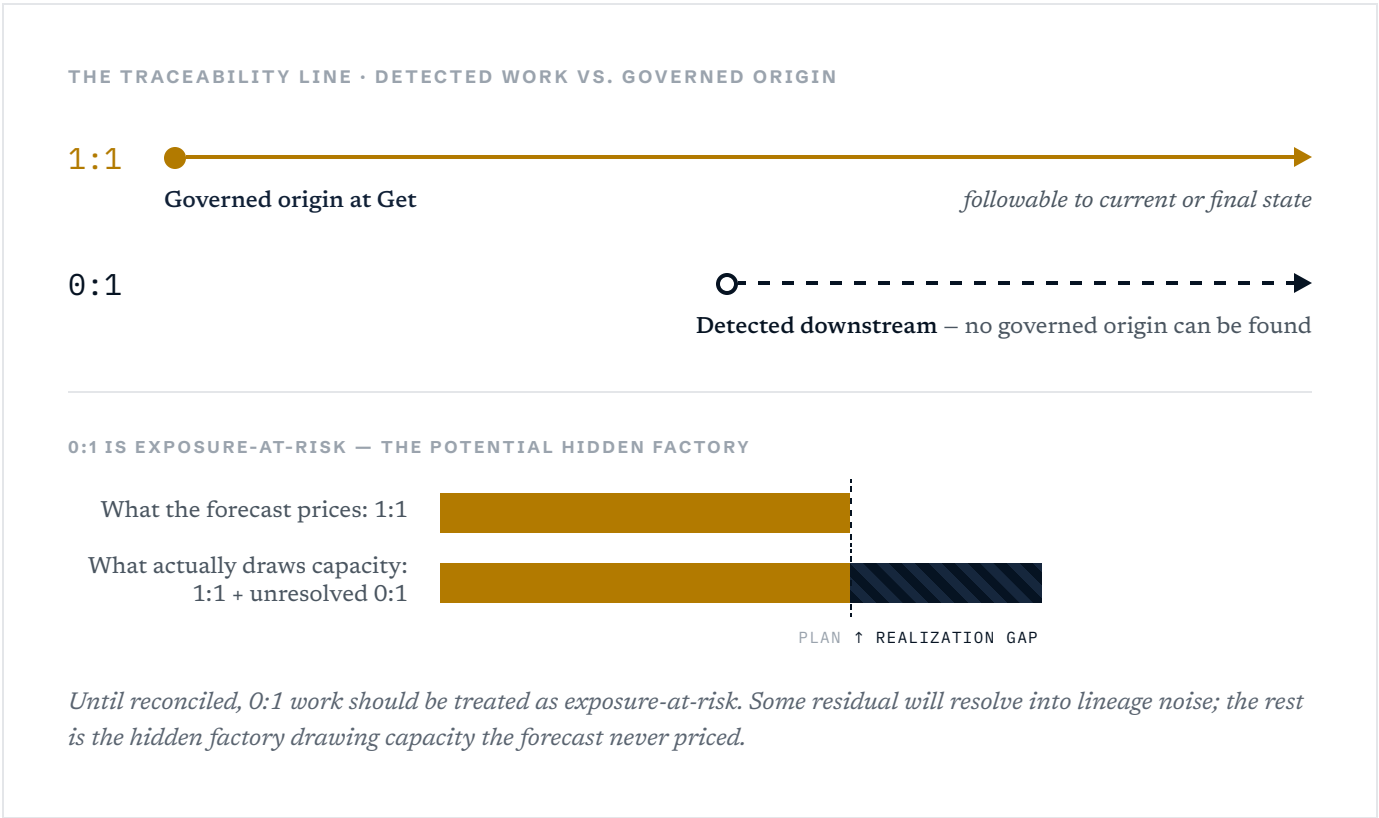
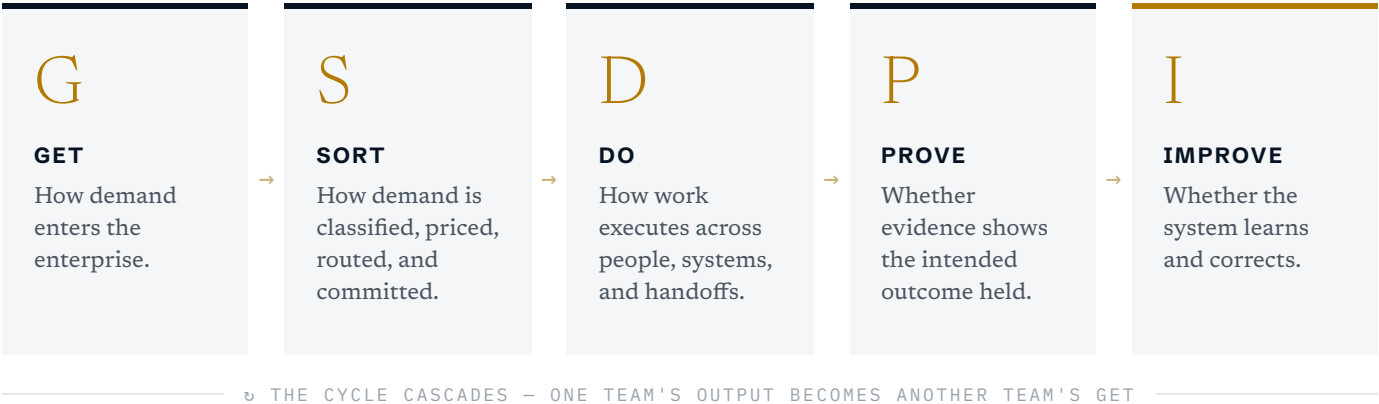
Not reported. Not completed. Not counted.

Followable.

FIGURE 1 • THE OPERATING CYCLE

The GSDPI™ taxonomy and the traceability line

Where value-producing work sits in the operating cycle – and what it means to follow it.

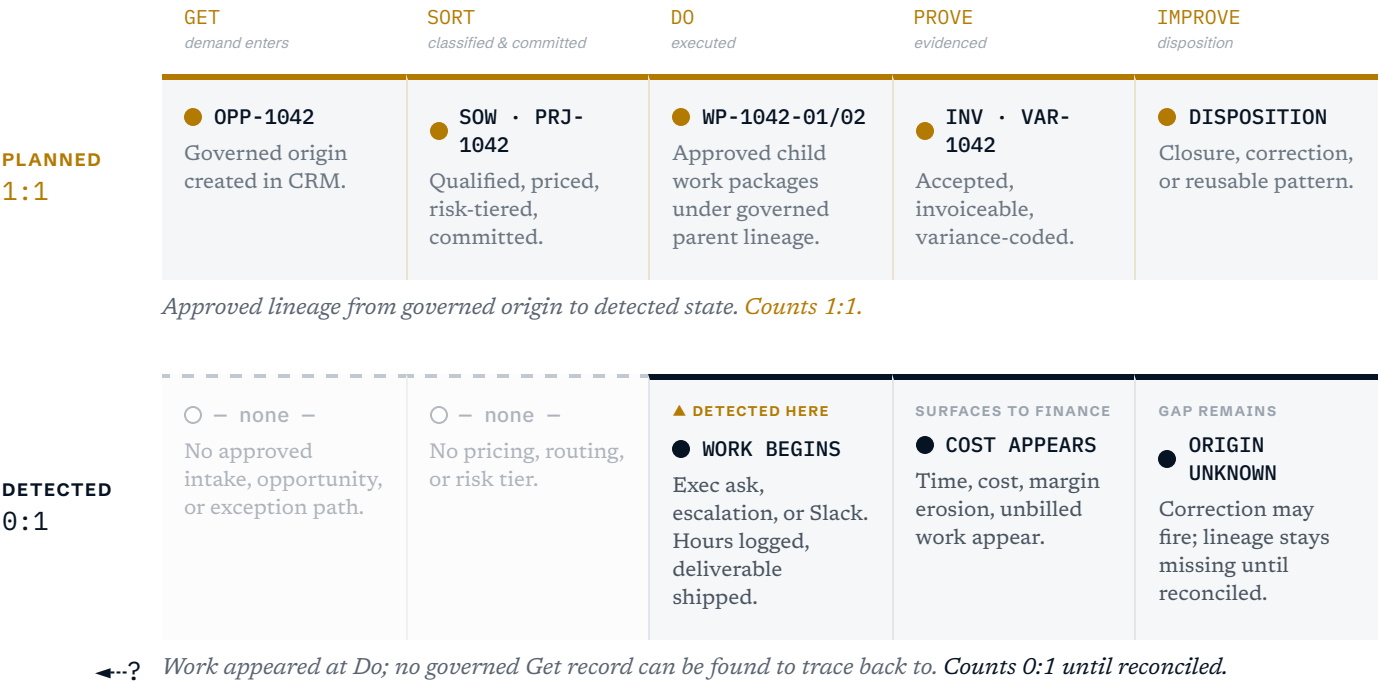


The Traceability Ratio measures how often the 1:1 holds across detected work – the detected population only, $1:1 \div (1:1 + 0:1)$, so governed work with no detectable downstream state sits outside that denominator. GSDPI is a taxonomy for classifying where work sits, not a workflow every function runs the same way.

FIGURE 2 · THE OPERATING CYCLE, FOLLOWED

How a unit travels — and how detected work doesn't

The same five stages as Figure 1, walked by two units: one governed end to end, one the model never admitted.



LINEAGE, NOT A LITERAL ID

1:1 does not require one identical ID everywhere — only approved lineage from governed origin to detected state: OPP-1042 → SOW-1042 → PRJ-1042 → WP-1042-01 → INV-1042 → VAR-1042

One contrast looks harmless. Multiply it across a quarter and the 0:1 column becomes forecast exposure the enterprise cannot defend — Exhibit 2 scales it.

RULE

Lineage-normalized $Get \geq Sort \geq governed\ Do$; every Do carries a Prove record and an Improve disposition. Break the first and you have a side door; break the second, Work-at-Risk.

EXHIBIT 2

Reading the model in counts

A directional screening read – reconcile output ledgers against governance ledgers, by function and stage.

Illustrative · one business unit · one quarter · opportunity-to-cash · unit = one work item · counts are directional; record-level IDs prove the ratio.

WHAT IT SHOWS

Where governed demand narrows, where execution exceeds origin, and where proof falls short.

HOW TO USE IT

Read each row's deltas – Do vs Sort for origin risk, Do vs Prove for proof gap – then confirm with record-level lineage.

WHAT IT GUARDS AGAINST

Treating totals as proof, or summing the two risk pools without reconciliation.

FUNCTION	GET	SORT	DO	PROVE	IMPROVE	0:1 SIGNAL	GOV. DO	PROOF-GAP WaR
Sales	40	36	36	34	32	0	36	2
Delivery	24	24	41	18	14	17	24	23
Resourcing	34	33	39	30	26	6	33	9
Finance	30	29	28	27	24	0	28	1
Client Success	32	28	40	21	16	12	28	19
TOTAL	160	150	184	130	112	35	149	54

184

Detected work (Do) — the denominator

149

Governed Do — reconciles to origin

0.81

Directional Traceability Ratio · 149 ÷ 184

35

Origin-risk units (0:1 signal)

54

Proof-gap WaR units

Origin-risk and proof-gap are distinct lenses; their populations may overlap. Record-level reconciliation determines the unique Work-at-Risk population and prevents double-counting.

0:1 signal = max(Do - Sort, 0), lineage-normalized

Governed Do = Do - unresolved 0:1 residual

Directional TR = Governed Do ÷ Do

Proof-gap WaR = Do - Prove

Closure gap = Prove - Improve

Unique WaR = record-level union of the above

SO WHAT · FOR THE BUSINESS

A directional 0.81 reads fine on a dashboard. Here is what it actually means.

WHAT IT MEANS NOW

You are managing 149 units of governed work. You are running 184 detected units. The 35-unit residual is exposure-at-risk: work drawing capacity the model has not yet reconciled to plan or budget.

THE IMPACT

54 units of delivered work sit in the proof gap. Until proved, they are economically at risk: margin, realization, and utilization leak here first, and the forecast is priced on a base it never fully saw.

WHY YOU SHOULD CARE

When the quarter closes, the miss reads as underperformance. The correction falls on headcount, hiring, and investment – not on the invisible work that caused it. Good people absorb a structural gap.

That is the cost of a number you can report but cannot prove.

03

The ratio

Traceability Ratio is the metric produced by applying that principle to detected work. The unit rule is simple.

THE UNIT RULE

Every detected unit of value-producing work should reconcile to a governed Get record, or an explainable lineage back to one.

If an invoice, ticket, case, deliverable, hire, shipment, labor charge, revenue event, or customer commitment exists, there should be a governed origin behind it. Services work can split, merge, expand, stall, cancel, or move across teams – so the rule is not that one request produces one output forever. The rule is that every detected work state should have a followable origin.

The operating pattern is **1:1**: the work entered through a governed origin and can be followed to a current or final state. **0:1** means the work was detected downstream, but no governed origin can be found.

That asymmetry is deliberate. The ratio starts with what happened and reads backward, so its denominator is detected work exposure. A reading of **1.00** means every detected unit reconciles to governed origin. It does not mean every governed commitment converted into work. The mirror condition – **1:0**, governed demand with no qualifying downstream state – sits outside the ratio because there is no detected work state to place in the denominator.

Critically, unresolved 0:1 should be treated as *additive until reconciled*. It may represent bypass work, lineage failure, duplicate records, late admission, or parent-child split. Until the enterprise knows which, the exposure is at risk – one way a low ratio erodes forecast realization: capacity or exposure consumed outside what the forecast priced.

THE BOARD READ

Traceability Ratio =

$$\frac{\text{exposure-weighted 1:1 work states}}{\text{total detected work exposure}}$$
 (1:1 + unresolved 0:1)

IN PLAIN LANGUAGE

The share of detected work exposure that reconciles to a governed origin. A unit-count view is still useful, but only inside a comparable work class – a board should not read a *\$5 million* engagement and a *\$5,000* request as equal units. A high ratio answers the lineage question; it does not by itself answer the conversion or capacity question.

Exposure weighting should preserve actual, committed, and estimated confidence classes; the ratio reports reconciliation confidence separately from exposure confidence.

04

What counts as governed origin

A governed Get record is not any record someone can create after the fact. To qualify as 1:1, the origin must meet a minimum admissibility standard.

Detailed pricing, routing, resource assignment, and execution quality belong downstream in Sort and Do. They should not be smuggled into the admission read. But a hollow or retrofitted Get record is not traceability. It is *cleanup theater*.

This keeps the numerator honest. Thin-but-real admission can count. Backfilled administrative cover cannot.

SIGNAL

A retrofitted record is not traceability – it is cleanup theater.

MINIMUM ADMISSIBILITY STANDARD
A governed origin must –

- 01 exist at or before commitment or first material execution; for approved exceptions, be reconciled within the defined window;
- 02 enter through an approved channel or approved exception path;
- 03 carry an accountable owner;
- 04 identify the work class or commitment;
- 05 include a unique work ID or approved parent-child lineage;
- 06 attach at least a basic economic or risk exposure reference.

APPLIED

Three records, tested against the standard above.

THE RECORD	AGAINST THE STANDARD	STATE
Signed engagement logged at award. Accountable owner named, work class set, unique work ID issued, contract value attached.	Meets 01–06. Admitted before first material execution.	1:1
Urgent client request delivered and invoiced. A Get record is created at month-end close so the invoice reconciles.	Fails 01 – created after execution, outside any approved window. <i>Cleanup theater.</i>	0:1
Scope expansion absorbed into a live engagement. Parent work ID referenced, but exposure never restated.	Meets 01–05, fails 06. Traceable, but its exposure is unpriced.	1:1*

** Counts in the numerator, but carries an exposure-confidence flag.*

05

How detected work is found

The denominator is not theoretical "all work." It is *detected* work. Detection comes from reconciling the output ledger against the governance ledger – what the business billed, shipped, staffed, closed, consumed, delivered, or reported, against what formally entered through Get.

If the work was real, it usually left a shadow: an invoice, time entry, closed ticket, report, shipment, delivered artifact, or customer commitment. Where that shadow exists but no governed Get record sits behind it, the work is detected as suspected ungoverned until reconciliation resolves bypass, mismatch, duplicate, split lineage, or late record.

DETECTION HAS DEGREES OF CONFIDENCE

HARD Output with no governed Get record behind it. <i>An invoice, shipment, hire, or billed milestone with no admitted work unit.</i>	MEDIUM Capacity consumed beyond admitted work. <i>A team logs 1,000 hours while governed work explains only 700.</i>	SOFT Cross-system evidence or accountable attestation. <i>A CRM note, timesheet, or practice leader confirming work outside Get.</i>
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The system may have high confidence the work existed and lower confidence that it is truly orphaned. It could be a bypass – or a key mismatch, parent-child split, duplicate, or late record. A governed Traceability Ratio reports not only the ratio, but the confidence of the reconciliation behind it.

METHOD NOTE • DIRECTIONAL TODAY, GOVERNED AS THE SYSTEM MATURES

A directional ratio identifies suspected 1:1 and 0:1 work, estimates the exposure attached to each, and reports reconciliation confidence. A governed ratio is the destination: locked population, stable work IDs, approved lineage rules, and confidence narrow enough to survive audit-committee review. In the lowest-maturity environments, the confidence band may be wide. *That is not a footnote. It is the finding.* Only unresolved 0:1 residual should remain in the low-traceability read after approved reconciliation rules are applied.

06

The condition boards should worry about most

Pair traceability with performance and four conditions appear. Three are legible. The fourth is the one that should worry a board.

The most deceptive case is performance on plan with low traceability. The number looks healthy, but the operating model may be running on unresolved low-traceability exposure: side-door work, hidden capacity, expert heroics, and demand the model only sees after the fact.

That is not necessarily bad performance. It may be good performance. But it is *unsupported* performance. Leaders scale it, automate it, staff to it, and forecast from it without knowing which part of the result is reproducible – and which part was borrowed from work the model never formally admitted.

A high Traceability Ratio would not have guaranteed the forecast. It would have made the forecast's exposure legible before it was banked.

EXHIBIT 1 The Traceability–Performance Matrix *Four conditions, one of them deceptive.*

PLAN MISSED ↑ PERFORMANCE VS. PLAN ↑ PLAN ACHIEVED	HIGH PERF · LOW TRACE Unsupported Performance The number looks healthy, but the model may be running on a low-traceability base of unresolved exposure. The most deceptive case. Reproducible – or borrowed?	HIGH PERF · HIGH TRACE Defensible Performance The enterprise can explain the governed work population behind the number and locate the performance drivers with greater confidence.
	LOW PERF · LOW TRACE Opaque Underperformance Find the work model before overdiagnosing execution. The work itself is not yet visible.	LOW PERF · HIGH TRACE Governed Underperformance Painful, but diagnosable. The work is visible, so the failure can be located.
	LOW	HIGH
	EXPOSURE-WEIGHTED TRACEABILITY →	

Board read: exposure-weighted. Operating read: unit-count within comparable work classes.

07

Visibility is not yet control

Professional-services benchmarking illustrates the scale problem. SPI Research's 2026 benchmark finds that as organizations grow, they often

gain operating efficiencies but lose close communication and agility. It frames executive real-time visibility as the ability to see operational information across sales, delivery, marketing, and finance – achieved through application integration.

That supports the operating point, but Traceability Ratio pushes the question one level deeper. Visibility tells leaders they can see across functions. Traceability asks whether the work seen across those functions reconciles to a governed origin.

At small scale, a partner may know the work, a delivery lead may know the workaround, and finance may see the margin. At enterprise scale, local knowing is not control. Until the work resolves into a 1:1 line – governed origin to detected state – the enterprise is still managing fragments.

SPI's data does not measure traceability. It shows the kind of operating contradiction Traceability Ratio is designed to investigate: headline financial improvement beside deteriorating utilization and weak margin-target attainment. The question is whether the operating base behind the number is visible enough to explain the contradiction.

17.2%

of firms achieved 100% or more of their annual margin target.

— SPI Research, 2026

THE DIVERGENCE



— Financial KPIs improved

— Billable utilization → survey low

Headline up, base down – the contradiction a traceability read is built to investigate.

08

Traceability reads backward. Operating health also reads forward.

Traceability Ratio depends on not asking one metric to answer two different questions. It begins with the observed population: of what the enterprise later detected, how much can be followed back to governed origin? That is the right question for traceability.

Reverse the reconciliation and a different question appears: of what the enterprise governed and admitted, how much ever produced a qualifying downstream state? That second read does not change the ratio. It exposes an operating condition the ratio was never designed to count.

FIGURE 3 • THE ORIGIN-FLOW STATE READ

	DOWNSTREAM STATE DETECTED	NO DOWNSTREAM STATE DETECTED
GOVERNED ORIGIN EXISTS	1:1 • TRACEABLE CONVERSION Governed origin exists and the work can be followed to a current or final state. This is the TR numerator.	1:0 • UNRESOLVED CONVERSION Governed origin exists, but no qualifying downstream state exists within the applicable read. Outside the TR denominator.
NO GOVERNED ORIGIN	0:1 • ORIGIN-RISK Work exists downstream but the model cannot reconcile it to governed entry. The potential hidden factory.	0:0† • NO WORK-UNIT POPULATION No work unit exists in either ledger. At the capability level, persistent zero admission and zero throughput may still matter if capacity remains supplied.

† 0:0 is a capability-level condition, not a traceable work-unit condition.

The 1:0 cell is not automatically failure. Work can be legitimately waiting, future-dated, paused, cancelled, or explicitly deferred. The meaningful residual is what remains after approved timing, aging, and disposition rules are applied. When budget, capacity, obligation, or strategic dependency remains attached to that residual, the operating model is carrying a commitment that has not converted.

The 0:0 condition needs another level of analysis. There is no orphan work item to detect, because neither ledger contains one. What can remain is the operating surface itself – specialist capacity, licenses, vendor commitments, platforms, management structure, or facilities that carry cost while meaningful demand and throughput approach zero. A capability may be ramping, intentionally dormant, declining, or stranded. The issue is not inactivity alone. *It is inactivity the enterprise cannot explain or economically justify.*

Neither residual is automatically failure, and neither belongs inside the ratio. What each one points to is set out over the following pages.

08 • CONTINUED

What traceability is not

Traceability does not replace finance, delivery, project governance, process mining, data quality, or capacity economics. It tells leaders whether those instruments are reading a complete enough work population to be trusted. Each view is powerful inside its observed population. The risk is that leaders mistake the observed population for the complete one.

FINANCE	asks what the economics became – realization, margin, utilization, revenue leakage.
DELIVERY	asks how admitted work performed – schedule, cost, quality, service.
THE PMO	sees declared risks.
PROCESS MINING	asks how recorded work moved.
CAPACITY MANAGEMENT	asks what resources were supplied and consumed.

THE PRIOR QUESTION

Of the exposure-bearing work the enterprise later detects, how much entered the operating model in the first place?

That is its boundary, and it should stay intact. Traceability Ratio is not a project-status score, a data-quality score, or a leakage score. It is the origin-to-detection read that determines whether downstream analysis is structurally credible. The forward read and the capability read sit beside it – they do not fold into it.

09

How reconciliation scopes transformation

Traceability Ratio does not replace transformation. It gives leadership the first cut. Reading the same operating model in both directions sharpens what has to change – and each of the four states points somewhere different.

0:1 · ORIGIN-RISK

Points first to Get and lineage

Detected work is bypassing governed channels or failing reconciliation lineage. The requirement is upstream:

intake standardization · demand capture · work-ID design · governed exception paths · finance-to-delivery reconciliation · BI lineage repair.

AGED 1:0 · CONVERSION-RISK

Points to commitment and activation

The enterprise admitted the work, but the expected downstream state never appeared. Reconcile legitimate queue, future-date, pause, and cancellation first. Then inspect what remains:

commitment quality · sequencing · WIP control · capacity release · explicit pause/kill rules · aged-work disposition · forecast correction.

1:1 · WEAK ECONOMICS

Points downstream

The work entered the model and stayed traceable, so the issue is not origin. Inspect conversion:

- SORT** classification, pricing, routing, risk tiering.
- DO** rework, handoff drag, capacity leakage.
- PROVE** weak margin evidence, poor variance coding.
- IMPROVE** no owner for correction; the failure recycles.

PERSISTENT 0:0 · CAPABILITY CARRY

Points to the operating footprint

At the work-unit level there is nothing to trace. At the capability level, the enterprise may still be supplying capacity into a surface receiving little meaningful demand and producing little throughput.

Is this capacity intentionally waiting for demand – or is the enterprise carrying yesterday's operating model? Hold, redeploy, consolidate, resize, or retire.

A low ratio does not mean every ungoverned item was illegitimate. A CEO, partner, or customer may push urgent work directly to the team for good reason. The problem is not urgency. The problem is that urgent work went dark. The requirement is a *governed fast path*. Equally, an aged 1:0 residual is not automatically failed conversion – a new or deliberately buffered capability can rationally remain underused, but a declining one requires an explicit economic defense.

WORK-AT-RISK

Work-at-Risk begins with the unresolved 0:1 residual – detected work the model still cannot reconcile to a governed origin after approved reconciliation rules are applied. It also includes aged 1:0 commitments when economic exposure, capacity reservation, or material dependency remains attached after legitimate waiting states are removed. It extends to 1:1 work when GSDPI shows leakage against cost, quality, service, margin, SLA, or capacity tolerances. Persistent 0:0 is different – no work unit exists to classify, and the exposure sits in unused capacity.

ILLUSTRATIVE

A worked read

What the ratio looks like on a single services unit – and how to run your own first read.

A SINGLE \$50M SERVICES UNIT

A 300-person Product, SaaS, and Services delivery operation across three regional P&Ls. Of \$50M in detected services exposure, \$42M reconciled to a governed origin – intake, pricing, acceptance, resourcing, and PSA records. \$8M could not.

0.84

EXPOSURE-WEIGHTED TRACEABILITY



Evidence class · modeled. Figures from a live engagement, anonymized and rounded. The same discovery surfaced 6–8 billable hours per consultant per week of recoverable capacity – work the model was absorbing but had never formally admitted.

YOUR FIRST DIRECTIONAL READ

Four moves, two directions, one ratio

01

PULL TWO LEDGERS

The output ledger – what was billed, shipped, staffed, or closed – beside the governance ledger of what formally entered through Get.

02

READ BACKWARD

Match every detected work state to governed origin. Whatever will not reconcile is flagged, not deleted. This produces the ratio population: 1:1 versus unresolved 0:1.

03

READ FORWARD

Reverse it. Take governed origins and ask whether each reached its expected state or approved disposition. Reconcile out future work, backlog, pauses, and cancellations. What remains is the aged 1:0 residual.

04

WEIGHT, THEN READ

Weight material states by exposure, keeping actual, committed, and estimated confidence separate. Compute the ratio on detected exposure only – then report both residuals separately.

CAPABILITY NOTE

③: ③ requires a third view – supplied capacity against demand and throughput at the capability level. It cannot be inferred from the ratio.

10

Whose job is this — and the standard it sets

A low Traceability Ratio is often no one's job to fix, which is why it persists. The COO runs the operating model at steady state — cadence, performance, productivity, service. But a structurally low reading says the model itself may be unwell. Work is entering through side doors. Evidence appears downstream.

The work of transformation is to change the health of the operating model, not merely run the current one harder. Whether that discipline sits with a Chief Transformation Officer, an operating partner, or the CEO, someone must own the movement from a model that reports performance to one that can defend it.

SIGNAL

Not a turf claim. A health reading.

The standard does not ask whether the enterprise is busy, whether the transformation office is green, or whether an AI pilot produced a local gain. It asks first whether the work exposure that delivers the number entered the operating model where it could be followed.

That question matters more as AI moves from task assistance into workflow execution. Automation does not create the traceability problem. It increases the consequence of scaling an operating condition leadership cannot explain. *AI raises the cost of not having trace.*

But traceability is the starting condition, not the complete health verdict. Detected work should reconcile to governed origin. Governed commitments should resolve to a current state, final state, or explicit disposition. Capacity receiving neither meaningful demand nor throughput should be intentionally held, ramping, buffered, seasonal, redeployed, or retired — not simply inherited. **That is the wider operating standard**, and a low reading within it remains a health signal rather than a verdict.

Finding the work means more than finding the side door. It means finding what appeared without origin, what was admitted but never moved, and what the operating model still carries after both have gone quiet.

If leadership can trace the work, it has the starting condition for defending the transformation. If it cannot, the first requirement is not another tool, dashboard, or initiative.

It is to find the work.

SOURCES & NOTES

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- [1] Bain & Company, *"88% of Business Transformations Fail to Achieve Their Original Ambitions,"* Transformation & Change practice. April 15, 2024.

Drawing on Bain's 2023 Transformation & Change Survey of more than 400 executives, the firm reports that only about 12 percent of business transformations achieve their original ambition, and that a dedicated Chief Transformation Officer is associated with materially more realized value. Cited as transformation-outcome context, not as causal evidence for Traceability Ratio.

-
- [2] Basel Committee on Banking Supervision, *"Principles for Effective Risk Data Aggregation and Risk Reporting,"* BCBS 239. January 2013.

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- [3] Service Performance Insight, *2026 Professional Services Maturity Benchmark*, 19th annual edition.

A benchmark of 509 firms representing more than 245,000 employees and approximately \$63 billion in services revenue. Reports billable utilization at the lowest point in survey history while several financial KPIs improved, and only 17.2 percent of firms achieving 100 percent or more of their margin target.

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- [7] Kaplan, Robert S., and Steven R. Anderson, “*Time-Driven Activity-Based Costing*,” Harvard Business School Working Paper No. 04-045, November 2003; subsequently *Harvard Business Review*, November 2004.

The approach separates capacity supplied from capacity productively consumed and explicitly surfaces unused resource capacity for management action – which management may retain intentionally, redeploy, or remove. Cited as support for the capacity economics underlying the capability-level 0:0 condition.

A NOTE ON THE NOTATION

Traceability Ratio deliberately measures one column of the origin–flow read: detected work, reconciled backward to governed origin. The forward read and the capability read are separate instruments that share the same ledgers. Combining them into a single number would make each less defensible.

None of the sources above is Traceability Ratio – they establish why the wider operating read matters.

ABOUT THE AUTHOR



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Darrin Devereaux advises executives, boards, and investors on complex transformation. Across more than 60 mandates in services businesses ranging from \$400M to \$20B, his work has centered on a persistent problem: turning strategic intent into an operating model that can actually be governed, changed, and proven.

He is the creator of Zero-Based Transformation™, GSDPI™, and ZBTOS™, and is completing doctoral research in strategic management on the translation of transformation objectives into operating-model requirements.

FROM THE FIELD

“What surprised me was how quickly the picture became undeniable. We had done the blue-chip consulting exercise before; this was different. The transformation finally felt like something we could run — not a deck we were expected to admire.”

SVP, Global Services Operations · Enterprise software company

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Ten signs a transformation moved fast and changed nothing.

ABOUT ETEGY

ETEGY is a transformation advisory for the executives and sponsors who refuse to run change on faith. We exist to make the operating model the subject of the work — and to make its change *provable*. If the operating model didn't change, it wasn't transformation.

ETEGY

BRING ONE NUMBER OR ONE MANDATE YOU WOULD WANT TO GET RIGHT — 45 MINUTES, NO DECK, NO PREP

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