ILLUSTRATIVE WALKTHROUGH

How I turn AI into portfolio-company margin

A hypothetical walkthrough of how I would approach a portfolio company, using **Acme Technologies**, a faux $40M-ARR SaaS whose gross margin is capped by cost-to-serve that grows with every new customer. Same method, any company.

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THE ENGAGEMENT

01

Diagnose

2 to 3 weeks

Find and rank the AI margin levers against your P&L.

→

02

Ship

90 days

Build one lever and measure it against a holdout, so the number is defensible.

→

03

Compound

ongoing

Sequence the remaining levers toward the number the exit needs.

INSIDE THE 90-DAY SPRINT · ACME TECHNOLOGIES

THE PROBLEM, ON THE P&L

Support
$1.4M/yr · 14 reps · $13/ticket

Onboarding
$720K/yr · 20 hrs/customer · 30-day time-to-value

Gross margin
62%, target 70%+

Both cost lines scale with headcount. That is what caps margin.

→

THE METHOD

1. **Instrument**
Baseline the five metrics; build an eval harness on real resolved tickets. **Their BI + eval layer.**

2. **Agent-assist first**
AI copilot drafts replies for reps, grounded in Acme's docs. Humans stay in the loop. **Helpdesk AI or Claude + retrieval.**

3. **Deflection, bounded**
Self-serve resolution for high-volume, low-risk intents only. Confidence threshold + instant

→

THE RESULT

$650–740K
/yr cost-to-serve removed

+1.5–2 pts
gross margin, most of it to EBITDA

30 → 12
days to first value

escalation. **Billing and security always route to a person.**

4 **Onboarding automation**
Automate config and data migration; AI drafts each setup plan from the customer's own data. **Specialists move to expansion work.**

At exit, that recurring margin is capitalized at your multiple.

$650–740K	**+1.5–2 pts**	**<$5K/mo**	**Several×**
Annual cost-to-serve removed	Gross-margin gain	AI run-cost, engineered in	Enterprise value at exit multiple

WHY IT WORKS WHEN OTHERS DO NOT

Agent-assist before deflection
Prove quality with humans in the loop before anything reaches a customer.

Human-in-the-loop guardrails
The AI never answers billing, security, or contract questions. Under-promise, protect the brand.

Redeploy, don't cut
Freed capacity moves to expansion and retention, not layoffs. Better economics, a team that helps.

AI cost engineered in (97%)
I took my own product's AI cost down 97%. Your run-cost stays a fraction of the savings.

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Illustrative example, not a record of delivered results. The real baseline and forecast come from the diagnostic, measured against a control.