WEEKLY PROGRESS REVIEW (WPR)

The purpose of the Weekly Progress Review **(WPR)** is to engage key stakeholders in the process of improving the business. We will agree on the prioritization and scale of core issues, and the opportunities identified and realized. Finally, we will summarize this week's activities, findings, the tools built, and the changes implemented. We will discuss the training conducted, measure our results, and review the direction for next week.

The **WPR** builds on the Consulting Services Agreement and Project Plan between Cogent Analytics and Dunning Industries. This report covers the period from 2025-10-20 to 2025-10-24.

Executive Summary:

Cardinal Transportation has reached a decisive operational phase where acquisition readiness, organizational restructuring, and strategic positioning converge to establish sustainable competitive advantage and multi-market scalability.

Buckeye Acquisition – LOI Development and Legal Coordination
The Buckeye Charters acquisition has advanced into formal LOI drafting following Elliott's October 23 coordination with Cardinal's counsel (Steve Dodd) and Buckeye's attorney (Matthew Huffman). Matthew submitted a revised term sheet on October 24 incorporating all agreed modifications, including First Right of Refusal provisions for Bill's Lima entity interest and confirmation of the 5% seller-financed note interest rate. The LOI will introduce Cardinal's $5.0M total offer ($4.1M operating assets, $900K real estate) structured as $3.8M cash at closing and $1.2M seller note, representing a ≈4.75× EBITDA multiple within industry norms.

The acquisition delivers strategic impact through competitive denial—removing an established regional operator and protecting Cardinal's institutional pricing discipline—while creating geographic expansion and depot density that improve asset utilization. Modeled financial projections demonstrate robust debt service coverage (Year-1 ≈ 2.18×; Years 2-5 ≈ 1.67-1.83×) and strong free cash generation ($569K-$745K annually) under conservative 3% EBITDA growth, producing rapid equity payback and compounding returns. The transaction establishes platform capacity for the optional Lima follow-on, consolidating regional market position.

Organizational Restructuring – Leadership Realignment and Business Development Activation
Cardinal executed organizational restructuring to eliminate structural barriers that had obstructed business development, communication transparency, and growth execution. Kim's elevation into direct management of the Outbound Sales initiative closed a sustained leadership gap, restoring oversight, metric tracking, and CRM adherence within the CSR team. Her demonstrated follow-through activated the previously dormant Sales Evolution framework—including the AIS client classification system and outbound call tracking—converting a funded but inactive program into tangible revenue generation projected at $750K annually.

Maureen's management role was restructured in response to persistent disengagement and communication obstruction. Her transition to Corporate Outreach and Accounts Receivable isolates high-value responsibilities while dismantling communication barriers that had limited interdepartmental collaboration. The removal of restrictive communication protocols directly addresses operational complaints and captures efficiency gains through reduced rework cycles, faster issue escalation, and elimination of information lag.

Focus – **Buckeye** |*Pillar* – **Strategy & Growth** | *Deliverable* – **Acquisition Ready LOI**

Reasoning:

Cardinal Transportation's pursuit of the Buckeye Charters acquisition is guided by a disciplined strategy to move from founder-dependent operations toward enterprise-grade scalability and expanded geographic presence. The preparation for this transaction has focused on credibility, process discipline, and alignment between operational logic and strategic growth targets.

Buckeye offers complementary fleet assets, a steady base of institutional clients, and real estate that could materially improve Cardinal's footprint and service capabilities. More importantly, the acquisition is not merely about asset accumulation: at its core, it is about demonstrating Cardinal's readiness to serve as a capable successor in a trust-based transition, rather than as a simple transaction counterparty.

Both Buckeye owners are motivated by retirement and have expressed willingness to support client relationship handoffs. This adds significant transitional value and reduces risk to Cardinal, as relationship-based contracts have historically been vulnerable to attrition during ownership changes. Recent re-engagement efforts have been structured to overcome the sellers' skepticism that resulted from prior failed sales attempts and to set a professional, respectful process that values efficiency and clarity.

A key negotiation dynamic is also the Lima business complicating direct alignment, requiring Cardinal to secure a first right of refusal in the event of a future sale to ensure ongoing strategic control.

The process is anchored in Cardinal's credibility as a buyer, growth ambitions, and the necessity of maintaining a disciplined approach to deal structure. The acquisition, if completed under the appropriate terms, offers the foundational move to elevate Cardinal's operational tier, establish multi-market resiliency, and capture repeatable, synergy-aligned gains. Each step taken is designed to ensure Cardinal is seen not only as transaction-ready, but as the inevitable next steward of Buckeye, with organizational maturity and strategic clarity at the forefront of execution.

Methods:

Valuation and Financial Analysis
A disciplined dual-method valuation approach established defensible fair-market parameters for Buckeye. Both Market/Income Hybrid and Discounted Cash Flow (DCF) methodologies were used to test assumptions and set negotiation bands.

- Market/Income Hybrid: $2.3M–$3.9M (ex. goodwill and real estate)
- DCF-only: $3.2M–$3.7M
- Combined weighted range (internal position): $2.75M–$3.8M

Supporting work verified asset composition: fleet FMV $2.72M, working capital ~$300K. A discretionary goodwill allowance of $150K (≈5%) was modeled to capture client-relationship value where negotiation demanded. The result: a defensible, conservative price envelope to support LOI positioning and downstream negotiation.

Market multiple context and offer rationale — Industry transaction multiples for comparable regional charter and coach businesses typically range 4.0×–7.0× EBIDA. Using Buckeye's reported 2024 EBIDA of $1,334,642, a $5.0M headline price equates to ≈3.75× EBIDA ($5,000,000 ÷ $1,334,642 ≈ 3.75x) and a $5.2M price equates to ≈3.90× EBIDA ($5,200,000 ÷ $1,334,642 ≈ 3.90x). Both outcomes sit within customary industry multiples and therefore do not represent a market premium.

Cardinal's negotiation posture — presenting an LOI at $5.0M while remaining prepared to bridge toward $5.2M with appropriate commercial adjustments — is supported by transaction-specific risk factors that depress effective market value in an asset purchase: excluded cash and receivables, seller retention of pre-closing liabilities, the Lima carve-out and ROFR complexity, environmental and title contingent risk on the real estate, and conservative working capital assumptions.

Process Management and Communication Discipline
The deal process prioritized clear sequencing, minimal transaction friction, and documentation discipline. Core steps were codified and executed:

- Resubmission of revised term sheet and redline exchange between counsel.
- LOI drafting by Cardinal's counsel (Steve Dodd) and controlled distribution for internal review.
- Formal LOI submission to Buckeye counsel (Matthew Huffman) and scheduled coordination call.
- Parallel financing coordination with Fifth Third for lender diligence and term finalization.

Weekly Progress Reviews captured decision points, open items, and timing, preserving momentum while keeping the leadership team aligned.

Methods Continued:

Due Diligence Documentation and Asset Verification
Due diligence followed a structured, warehouse-style protocol to validate financial and physical assets while limiting seller burden:

- Requested documentation: financial statements (2019–2024), tax returns, depreciation schedules, shareholder schedules, employee census, and litigation disclosures.
- Virtual data room established for secure document exchange and controlled access.
- Physical verification: after-hours facility walkthrough, fleet inspection, and site photos under NDA to avoid operational disruption.
- Title, survey, and Phase I environmental items scheduled as gating conditions for the real estate component.

All diligence tasks were sequenced to deliver confirmatory evidence within the 60-day review window.

Lima Business Complication Resolution
A specific protocol addresses Bill's 50% ownership in the Lima entity (70–75 miles from Dayton). The agreed mechanism is a Right of First Refusal (ROFR):

- Grantor: William Harnishfeger (50% owner).
- Term: 3 years post-closing.
- Process: Written notice of bona fide third-party offer → Buyer has 30 days to match → if not exercised, Seller may proceed on no more favorable terms → if third-party sale fails to close within 180 days, ROFR re-triggers.
- Enforcement: Injunctive relief and specific performance.
- Commercial note: William will approach Frank to explore a parallel ROFR on Frank's 50% interest; if agreed, both ROFRs will be memorialized in a standalone agreement.

This provides Cardinal optionality and mitigates territorial/competitive risk while preserving the agreed Lima carve-out mechanics.

Financial Infrastructure and Funding Coordination
Financing was modeled to align with the $5.0MM LOI and to preserve near-term liquidity for integration. The capital plan used in diligence is summarized below and was stress-tested at a conservative 3% EBITDA growth path.

Transaction summary (LOI basis)

- Total Purchase Price: $5,000,000 (Operating assets $4,100,000; Real estate $900,000)
- Total Amount Financed: $3,790,500
- Cash to Closing: $459,500 (equity + transaction costs)

Methods Continued:

Capital composition (modeled):

- 5th Third LOC (IO Year 1): $2,000,000 @ 7.50% — working capital / acquisition facility.
- Real Estate Loan: $790,500 @ 6.80% — secured on 8240 Expansion Way.
- Seller Financing: $1,000,000 @ 5.00% — 5-year amortizing note, secured by fleet and real estate.
- 5th Third Term Loan: $750,000 @ 7.50% — equipment/term tranche.

Modeled debt service & operating coverage (3% EBITDA growth):

- Annual debt service: Year 1 = $629,207; Years 2–5 = $847,325 (stabilized)
- EBITDA: Year 1 = $1,374,681 → Year 5 = $1,547,216
- Modeled net cash flow (post-debt service): Year 1 = $745,475 → Year 5 = $699,891
- ROI (equity-focused, modeled): Year 1 = 162.24% → Year 5 = 713.79%

The structure preserves an interest-only initial year to provide integration headroom, balances bank exposure with seller participation, and minimizes near-term equity draw. Financing tasks (term sheet finalization with lender, treasury setup, lender diligence package) are scheduled inside the 60-day confirmatory period.

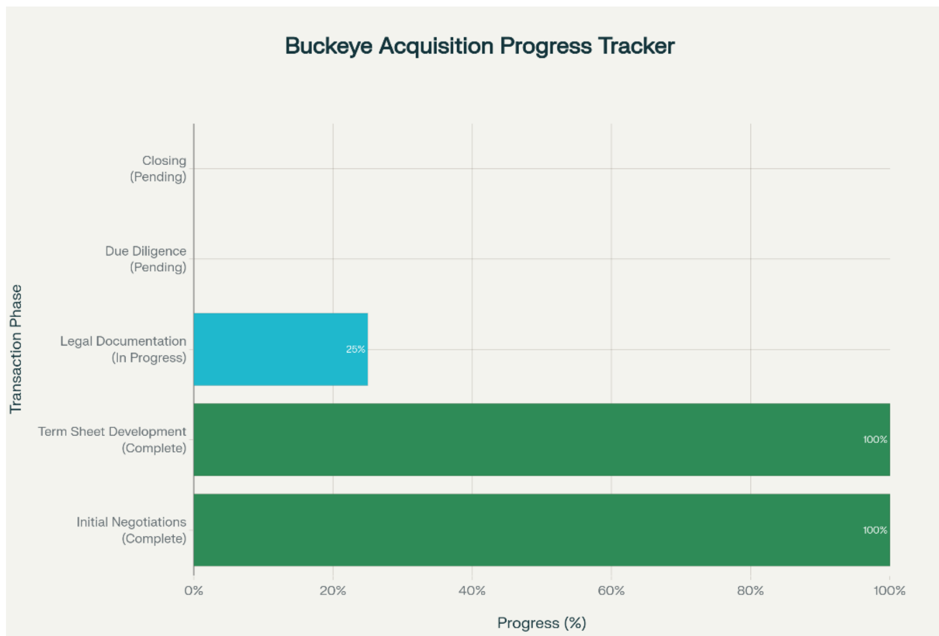
These methods focused on valuation integrity, disciplined process management, targeted due diligence, Lima optionality (ROFR), and a finance plan calibrated to the $5.0MM LOI. The approach is transaction-focused, defensible, and designed to move the LOI to signed agreement and confirmatory diligence with minimal service disruption and clear lender alignment.

Status:

Cardinal and Buckeye have formally advanced into LOI drafting and legal coordination. Following Elliott's October 23 direction to counsel, Buckeye's attorney Matthew Huffman sent an updated term sheet to Steve Dodd on October 24, incorporating all agreed modifications and a redline for transparency. The communication confirms mutual alignment on deal flow—Steve will now prepare the Letter of Intent for Buckeye's review based on the revised term sheet. Matthew has proposed a coordination call within the next week to finalize next steps and confirm logistics.

LOI Drafting and Coordination

Steve Dodd (Cardinal counsel) has acknowledged receipt of the updated term sheet and will prepare the LOI incorporating the agreed terms, while maintaining the buyer's structure, covenants, and protections. All parties have confirmed the transition from negotiation to documentation, signaling active legal drafting underway. The LOI will introduce Cardinal's $5.0MM total offer, which will be the first time that Buckeye or its counsel has seen a price reduction from the $5.2MM assumption carried through recent discussions. Coordination for the next review call will occur once Steve completes the initial LOI draft.



Note: While the LOI will preserve the $3.8MM cash and $1.2MM seller-financed structure, it is reasonable to anticipate that Buckeye could respond to the lower headline price by proposing a proportional reduction in seller financing. Should that occur, the adjustment would likely center on preserving the seller's net proceeds rather than altering the broader structure of the deal.

Deal Structure

Purchase Price: $5,000,000 total

- Operating Assets (Buckeye Dayton): $4,100,000
- Real Estate (Buckeye Charter Leasing Ltd.): $900,000

Payment Terms: $3,800,000 cash at closing, $1,200,000 seller note (secured by fleet and real estate; personal guaranty from Roy Alonso)

Liabilities retained by seller; all pre-closing obligations excluded.

Due diligence and exclusivity remain at 60 days each.

Status Continued:

Updated Key Terms Incorporated

1. Seller Note Interest Rate – Finalized Language
Interest Rate: 5%, subject to upward adjustment to the Applicable Federal Rate (AFR) if the AFR exceeds 5% as of the closing date.
This language provides rate protection for both parties while preserving the originally agreed 5% fixed rate as the base term.

2. Revised Right of First Refusal (ROFR) – Lima Entity
The ROFR has been expanded and refined to address ownership structure and exceptions, as follows:

- Grantor: William Harnishfeger (50% owner of the Lima Entity) grants a Right of First Refusal (ROFR) to Buyer on any sale or transfer of his ownership interest for three (3) years following Closing.
- Exceptions: The ROFR does not apply to redemptions of William's interest or transfers to existing members (specifically his brother, Frank Harnishfeger, who owns the remaining 50%).
- Procedure:
  - William must notify Buyer in writing of any bona fide third-party offer, including material terms and purchase price.
  - Buyer has 30 days to match the offer and elect to purchase on the same terms.
  - If Buyer does not exercise its right, William may proceed with the sale on no more favorable terms.
  - If the third-party transaction fails to close within 180 days, the ROFR resets.
  - Enforcement through injunctive relief and specific performance.
- Extension Option: William will approach Frank regarding extending a parallel ROFR on Frank's 50% interest. If agreed, both ROFR provisions will be captured in a standalone agreement among William, Frank, and the Buyer.

All major economic, legal, and protective terms are now converged between the parties. Matthew and Buckeye are still operating under the $5.2MM assumption reflected in prior communications, while the $5.0MM offer and corresponding structure will be introduced through the LOI being drafted by Cardinal's counsel. The document will reflect all finalized provisions—including the AFR-adjusted interest rate and expanded Lima ROFR—and will serve as the next formal milestone in the acquisition process.

The LOI is expected to be delivered within 7–10 business days, maintaining forward momentum while Elliott remains available for coordination by email and phone. The financing review with Fifth Third Bank (Jeremy Little) continues in parallel using the confirmed capital model.

The Buckeye deal has therefore moved from negotiation alignment to document drafting and cross-counsel coordination, marking the beginning of the formal commitment phase.

Focus – **Buckeye** | *Pillar* – **Strategy & Growth** | *Deliverable* – **Acquisition Ready LOI**

Impact:

The following Impact summary isolates the transaction's measurable financial outcomes and immediate strategic benefits. It focuses on modeled Net Cash Flow and Cash-on-Cash ROI under the $5.0M LOI financing plan and frames those numbers against the strategic priorities of competitive denial, regional expansion, and the optional Lima follow-on.

	Year 1	Year 2	Year 3	Year 4	Year 5
EBITDA @ 3% Growth	$1,374,681	$1,415,922	$1,458,399	$1,502,151	$1,547,216
OG 5th 3rd LOC I/O for 12 Months	$150,000	$368,119	$368,119	$368,119	$368,119
RE	$72,410	$72,410	$72,410	$72,410	$72,410
Seller Fin	$226,455	$226,455	$226,455	$226,455	$226,455
5th 3rd LOC/Loan	$180,342	$180,342	$180,342	$180,342	$180,342
Annual Debt Service	**$629,207**	**$847,325**	**$847,325**	**$847,325**	**$847,325**
Net Cash Flow	$745,475	$568,596	$611,074	$654,826	$699,891
Cumulative ROI (cash-on-cash vs. cash-to-close $459,500)	**162%**	**286%**	**419%**	**561%**	**714%**

First interpretation numbers
Year-1 delivers the strongest single-year post-debt cash ($745,475) driven by the interest-only design on the primary LOC. That creates immediate liquidity for integration tasks, working capital smoothing, and early deleveraging.

Years 2–5 stabilize at materially positive net cash flows ($569k → $700k), demonstrating sustainable free cash generation under a conservative 3% growth assumption.

Cash-on-cash ROI (cumulative, relative to modeled cash-to-close) is highly accretive in the modeled horizon—equity payback is rapid and compounding thereafter under base assumptions.

Debt-service coverage remains healthy throughout (Year-1 ≈ 2.18×; Years-2-5 ≈ 1.67–1.83×), giving lender comfort and protecting downside survivability under modest operating variance.

Strategic impact
Competitive denial (primary strategic value): Acquiring Buckeye removes an established regional operator from the competitive set. That denial preserves Cardinal's pricing discipline on institutional routes and limits competitor access to high-value, recurring accounts (school districts, event contracts), directly protecting margin and future revenue retention.

Geographic expansion & operating leverage: Dayton adds depot density, immediate contract penetration, and cross-market routing optionality that improve asset utilization and per-trip economics. The combined real estate + fleet footprint creates operational advantages (dispatch efficiency, maintenance consolidation) that underlie the modeled margin and cash outcomes.

Platform for Lima follow-on: The modeled net cash flow and demonstrated debt coverage create a near-term funding runway to pursue William's Lima interest (and to exercise the ROFR if required). Securing Buckeye first materially strengthens Cardinal's negotiating leverage and provides the financial capacity and operational lift to absorb Lima as a second phase—removing another local competitor and amplifying scale benefits.

Focus **– Reorganization** |*Pillar* **– Multiple |** *Deliverable* **– Biz Dev and Growth**

Reasoning:

This operational phase marks a major turning point in Cardinal's reorganization, directly addressing leadership accountability and structural dysfunction within sales management and interdepartmental communication. The reassignment of duties between Kim and Maureen represents not only a personnel change but a restoration of operational trust, workflow efficiency, and cultural alignment across teams.

Kim's Role Advancement
Kim's elevation into direct management of the Outbound Sales initiative closes a sustained leadership gap in one of Cardinal's most strategically important functions. Her engagement corrects months of inactivity and restores consistent oversight within the CSR team. By assuming ownership of outbound operations, encompassing daily call management, metric tracking, and CRM adherence, Kim operationalizes the sales strategy and ensures measurable accountability for pipeline growth. Her documented follow-through, technical adoption of CRM protocols, and proactive retraining of underperforming CSRs have already stabilized workflow cadence and improved data consistency. The consulting team continues to align her leadership scope with standardized job descriptions and recruit-to-train planning for the upcoming front desk replacement, guaranteeing a cross-functional continuity that reinforces service and sales integration.

Maureen's Role Reassignment
In contrast, Maureen's management role within business development has been fully restructured in response to persistent disengagement and communication obstruction previously detailed in organizational assessments. The decision to remove her from the CSR management chain eliminates a major operational bottleneck while freeing her capacity to contribute to areas better matched to her skill set. Her focus will now transition to Corporate Outreach and Accounts Receivable management, where defined tasks and measurable goals can be tracked without dependency on cross-department facilitation or team-driven execution. These repositioning isolates high-value responsibilities while dismantling the communication barriers that had limited collaboration among frontline employees, supervisors, and operations leads.

Together, these shifts create a clear leadership boundary that reestablishes order and accountability. Kim's role expansion embeds an active, metrics-driven management layer directly within the sales function, ensuring outbound activities produce tangible business development outcomes. Maureen's reassignment aids cultural realignment, removing passive managerial influence and setting a clear standard for performance expectations across leadership roles. The restructured framework reinforces Cardinal's central principle: management positions are reserved for individuals who proactively contribute to progress, uphold accountability, and model engagement as the foundation of organizational success.

Focus – **Reorganization** |*Pillar* – **Multiple** | *Deliverable* – **Biz Dev and Growth**

Methods:

The reorganization process centered on restructuring leadership functions within Business Development to correct persistent inefficiencies, realign accountability, and restore operational cohesion across departments.

1. Functional Audit and Leadership Selection
Performance reviews, task compliance data, and departmental communication flows were analyzed to determine the capability and engagement of current leadership. The review found that inactive management practices and restricted communication protocols had created major obstacles to progress. Leadership realignment was initiated to ensure active oversight, consistent follow-up, and open information exchange between sales, service, and administrative functions. Kim was selected to assume responsibility for outbound operations based on her sustained reliability, participatory leadership style, and proven ability to meet structured performance expectations.

2. Sales Infrastructure Activation
The foundational systems developed under the earlier Sales Evolution initiative—client classification (Amber, Indigo, Scarlet), outbound call tracking, and CRM integration—were transitioned to Kim's management. Training and process revisions centered on reinforcing daily execution, ensuring CRM accuracy, and formalizing outbound cadence compliance. Reporting cycles were standardized to produce clear KPI visibility tied directly to team goals, conversion metrics, and outbound volume performance.

3. Role Containment and Focus Shift
Maureen's duties were redefined to concentrate on Corporate Outreach and Accounts Receivable. The reassignment isolated transactional and outbound-independent responsibilities, which can be tracked through measurable deliverables rather than broad team management. This containment strategy separated communication-heavy functions from her workflow to prevent future bottlenecks while maintaining her capacity to contribute productively in a controlled scope.

4. Team Integration and Communication Restoration
With management of outbound sales transferred to Kim, the CSR environment was reorganized around collaborative cadence rather than hierarchical gatekeeping. Direct contact between CSRs, supervisors, and drivers was re-enabled to reestablish real-time information flow. Structured check-ins, shared CRM visibility, and routine cross-department updates replaced the previous single-channel dependency model, enabling faster decision-making and more responsive service alignment.

Focus – **Reorganization** |*Pillar* – **Multiple** | *Deliverable* – **Biz Dev and Growth**

Status:

The reorganization and leadership transitions within Cardinal's business development and operations teams remain firmly on target for Q1 2026. Departmental restructuring, staffing initiatives, and deliverable progress are tracking smoothly with no delays to milestone objectives or execution quality.

Maureen – Marketing and Corporate Outreach Development
Maureen has completed and submitted the Q1 2026 Marketing and Corporate Outreach Proposal for preliminary review, meeting the December 3 deadline. The proposal defines clear strategies for brand positioning, institutional engagement, and digital content scheduling to strengthen Cardinal's external visibility and corporate credibility entering the new year. Budget expectations are forthcoming and will determine the final parameters for potential partnership scope on expanded marketing execution and outreach initiatives. The document demonstrates improved structural organization and forward accountability, marking a noticeable shift from reactive communication management to professionalized strategic planning and performance-driven marketing design.

Kim – Outbound Sales Leadership and Team Development
Kim continues to oversee and stabilize outbound operations through focused team restructuring and process alignment. Consideration is being given to transitioning Steve Shaffer into the front desk role—a move that aligns with both his professional goals and his extensive operational knowledge of Cardinal's service model. This change would enhance continuity, improve client experience, and help reduce administrative congestion in operational coordination. Steve's familiarity with company systems and culture positions him as a strong fit for the role and presents minimal onboarding risk.

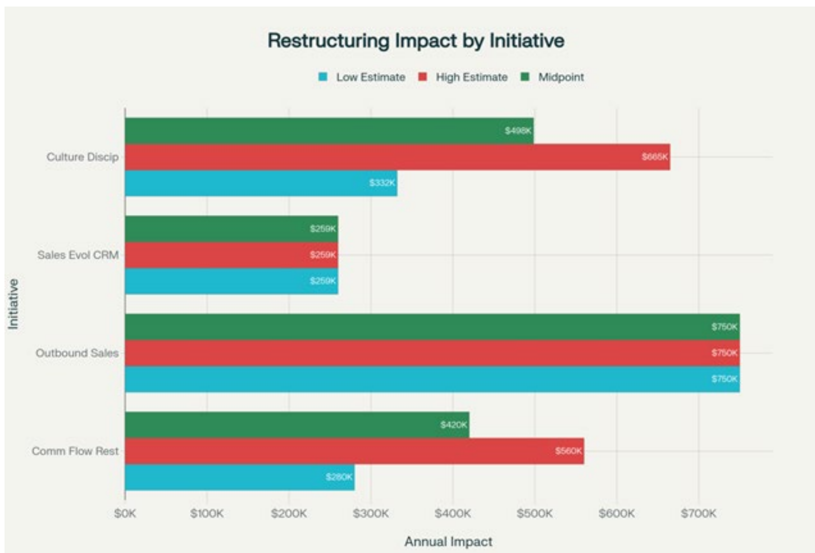
Recruitment remains underway for two additional CSR positions to strengthen the outbound sales infrastructure. One candidate will be selected internally to preserve institutional knowledge and ensure seamless integration within existing processes, while the second will be an external hire emphasizing prior sales experience and comfort with CRM-based accountability. This combination will deliver balance between operational consistency and fresh sales capability. Parallel to these efforts, the finalized front desk job description is guiding recruitment and training for Kim's replacement in her earlier role, maintaining operational service continuity during leadership shifts.

All leadership transitions, staff realignments, and departmental objectives remain in active progress and are projected to reach full operational implementation at the start of Q1 2026. The combined impact of these initiatives strengthens accountability, promotes communication transparency, and ensures Cardinal enters the next quarter with a stable, growth-ready leadership and development structure.

Impact:

The organizational restructuring between Kim and Maureen generates measurable financial and operational returns while removing structural barriers that had consistently obstructed business development, communication transparency, and growth execution.

Communication Flow Restoration and Organizational Efficiency
The elimination of Maureen's restrictive communication protocols directly addresses the single largest operational complaint across Cardinal's departments. The previous requirement that all interdepartmental communication flow exclusively through Maureen created systematic delays, prevented real-time problem resolution, and damaged cross-functional collaboration between CSRs, supervisors, drivers, and dispatch. By removing this bottleneck and restoring direct communication channels, Cardinal captures immediate efficiency gains through reduced rework cycles, faster issue escalation, and elimination of information lag. Applied conservatively to Cardinal's operational base, restoring communication flow captures $280,000-$560,000 annually in productivity value through eliminated delays, faster turnaround on service requests, and improved operational responsiveness.



Annualized financial impact breakdown

Business Development Activation and Revenue Recovery
Kim's assumption of outbound sales leadership directly restores functionality to Cardinal's dormant business development infrastructure. The Sales Evolution framework—including the AIS client classification system, outbound call tracking, and CRM integration—had been designed, funded, and delivered but remained completely inactive under Maureen's management. This vacuum required Kim to conduct remedial training for three CSRs, while two additional CSRs never logged into the system and all entered deals remained overdue. Kim's active management reinstates the outbound calling program, establishes accountability for call volume and follow-up compliance, and converts the business development plan from dormant concept into active revenue generation. The Outbound Sales Initiative projects $750,000 in incremental annual revenue at a conservative 5% growth rate applied to Cardinal's existing client base through systematic upselling, contract expansion, and dormant account reactivation.

Impact Continued:

Sales Evolution and CRM-Driven Performance Gains

The activation of the Sales Evolution framework under Kim's oversight enables Cardinal to capture previously identified but unrealized value from client segmentation and CSR ownership accountability. With proper CRM implementation and tracking discipline now in place, Cardinal achieves measurable improvements in client retention, deal velocity, and conversion metrics. The Sales Evolution initiative delivers a combined $259,860 in net income impact annually, comprising $161,226 from client segmentation and CSR ownership and $98,634 from CRM implementation and data-driven accountability.

Cultural Foundation and Feedback Loop Discipline

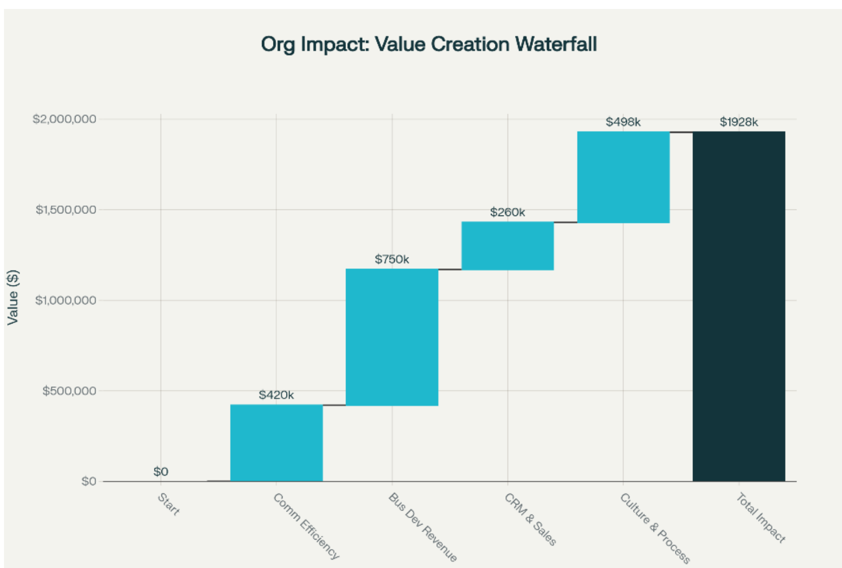
The broader organizational impact of removing passive management influence and embedding accountability-driven leadership reinforces Cardinal's cultural transformation work. The establishment of dependable follow-up as a cultural expectation and the reduction of rework through stronger accountability capture $332,000-$665,000 in recurring annual value. This range reflects a 2% productivity lift worth $280,000-$560,000 and a 1% reduction in SGA tied to rework worth $52,000-$105,000. These behavioral-driven levers translate cultural alignment into hard financial results without dependency on external market conditions or new sales.

Risk Mitigation and Scalability Enablement

The role realignment eliminates structural risk that threatened Cardinal's growth trajectory and acquisition readiness. Removing this constraint restores organizational momentum and positions Cardinal to scale operations in preparation for the Buckeye acquisition and multi-location expansion. The restructuring ensures that leadership positions are occupied by individuals committed to proactive engagement and measurable performance—a non-negotiable requirement for enterprise-grade operations.

Total Organizational Value Capture

The combined financial impact of these organizational changes delivers $1.37M-$1.73M in annualized value through communication efficiency restoration, outbound sales activation, CRM-driven performance improvements, and cultural discipline reinforcement. This represents a 10-12% improvement in Cardinal's operational performance without requiring external market growth, new capital investment, or expansion into new service lines.



Waterfall chart showing cumulative value

LOOKING FORWARD: Next Lifecycle Visit Weeks of November 17th

Buckeye Acquisition – LOI Execution & Integration Readiness

- LOI review coordination and negotiation closure
- Due diligence preparation with 60-day window initiation, inventory report
- Buckeye employee integration planning including insight interview sessions
- Operational systems integration mapping

Organizational Restructuring – Execution & Accountability

- Kim's outbound sales leadership completion (CSR recruitment, Steve Shaffer transition, CRM metrics)
- Maureen's marketing proposal finalization and accountability check

Leadership Training & Cultural Transformation

- Cultural stewardship follow-up with Dennis
- Initiative Tracker continuation with second-cycle meetings
- Leadership training program assessment and Q1 2026 planning

Cardinal Way Training & Operational Standards

- Jess's training framework progress review (December 3rd deadline)
- Derek's 24-hour dispatch implementation
- Second-floor training center evaluation

This week's progress and achievements are represented by 45 billable project hours, totaling *$ 18,915.37*

As outlined in the associated Invoice, all 45 of those hours represent my time, Elliott J. Culp.

Examined and approved by:

Elliott J. Culp
Project Director
Cogent Analytics

Roy Alonso
President/Owner
Cardinal Transportation