

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 2025-07-28 to 2025-08-01.

Executive Summary:

Cardinal is entering a coordinated phase of operational alignment and strategic execution across Operations, Sales, and Human Resources. This current momentum reflects integrated efforts to resolve internal inefficiencies, unlock capacity, and reposition the team for measurable growth—while establishing clearer expectations, accountability, and role structure.

The **Operations Optimization Blueprint** is being finalized to shift ticket ownership from CSRs to Operations. This change—designed through collaborative process mapping sessions and structured cross-functional input—is expected to free 15–20% of CSR time previously consumed by administrative tasks. That time is now being redirected toward outbound sales activity under the **Business Development Plan**, with a three-day outbound sprint scheduled for August 18–20. The timing will align with an on-site visit from Cogent (Mike Veach), creating a tightly synchronized effort to reengage the market through both phone outreach and field meetings.

Meanwhile, the **Personnel Management & Functional Realignment** effort has surfaced critical HR and staffing concerns. One operations team member (Lyle) has been identified through multi-source supervisory feedback as a source of persistent disruption. Leadership has proposed a coordinated transition plan, contingent on either Will securing his CDL or the hiring of a replacement, to avoid disruption. Additionally, a formal **Fleet Dispatcher role** is being defined and will be staffed to support real-time coordination, escalation handling, and operational continuity—reinforcing the structural improvements made through the operations redesign.

Leadership and management training has contributed directly to surfacing these issues and accelerating resolution pathways by improving team communication, surfacing structural gaps, and equipping key managers with tools for performance oversight. These sessions have created the clarity and dialogue necessary to progress on sensitive but essential personnel and operational improvements.

Each of these initiatives—operations redesign, sales activation, and personnel alignment—is interlinked. Together, they form the foundation of a performance-focused operating model that translates reclaimed time and clarified responsibilities into service reliability, cultural accountability, and profitable growth. Cardinal is not merely adjusting workflows—it is actively preparing to deploy them with clarity and execution confidence.

Focus – Reliability & Growth | Pillar – Operations | Deliverable- Optimization Blueprint

Reasoning:

The Business Development Plan has been fully developed and documented, transitioning from a strategic framework into a clearly defined, actionable outbound sales initiative. With the finalized operational shift of ticket-handling responsibilities from the CSRs to Operations, the estimated 15–20% of CSR capacity previously allocated to administrative tasks is now reliably free and ready for focused sales efforts. This newly available time aligns precisely with the structured outbound calling campaigns, segmented customer targets, tailored call scripts, and email templates previously defined within the plan, creating immediate potential for revenue generation without additional hiring.

To capitalize fully on these operational efficiencies, the next critical milestone is the confirmed scheduling of Mike Veach’s on-site visit, which is anticipated to occur either August 11–12 or August 18–20. His visit will be leveraged as a strategic anchor, directly tying together both outbound calling activity and face-to-face client interactions. To ensure maximum impact, a strategic alignment session involving Mike Veach, James, and Maureen is already scheduled prior to the visit. This session will equip James and Maureen with the insights, key objectives, and necessary supporting materials to thoroughly brief the CSR team in advance of the on-site engagement, ensuring consistent messaging and effective preparation.

Upon confirming the exact timing of Mike Veach’s visit, the outbound calling lists, CSR outreach schedules, and specific daily objectives will be finalized and communicated clearly to all team members involved. Aligning calling activities with the timing of the Cogent site visit ensures prospects are actively engaged both before and immediately following the meeting, maximizing lead responsiveness and accelerating pipeline opportunities. All operational preparations are complete, positioning Cardinal to launch this coordinated, focused sales initiative seamlessly, and enabling immediate translation of CSR capacity into targeted, measurable growth outcomes.

Reliable Operations

Efficient and reliable operations are essential for meeting Cardinal’s service commitments and delivering dependable transportation solutions.



Optimizing processes in Operations and Customer Service enhances daily performance and ensures scalability for sustainable growth.

Transferring ticket responsibilities to Operations streamlines roles and immediately frees up 15–20% of CSR capacity.



Focused improvements drive better communication, improve service consistency, and reinforce competitive advantage.



Efficient and reliable operations are essential for meeting Cardinal’s service commitments and delivering dependable transportation solutions.

Focus – Reliability & Growth | Pillar – Operations | Deliverable- Optimization Blueprint

Methods:

1. CSR Activity Analysis

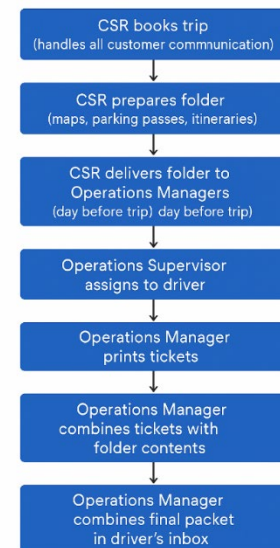
- Interview each CSR to list and describe the administrative tasks they perform daily.
- Identify which tasks they consider most burdensome in terms of time and error risk.

2. Current-State & Future-State Mapping

- Have Kim take the “Old Process” flowchart and produce a granular, step-by-step map of how tickets and hand-offs currently flow.
- Ask Kim to overlay her suggested improvements onto that same map, creating a draft “New Process” that removes redundancies and clarifies ownership.

3. Collaborative Working Session

- Convene Derek, Kim, Maureen, and James around the whiteboard.
- Walk through Kim’s annotated current-state map and her preliminary new-process suggestions.
- Use the whiteboard to refine each step, agree on hand-off points, and finalize the high-level workflow.



The approach to optimizing Cardinal’s Operations and Customer Service began with an in-depth analysis of Customer Service Representative (CSR) activities. Each CSR was individually interviewed to document the full range of administrative tasks they perform on a daily basis. This analysis included identifying which specific tasks the CSRs found most burdensome, especially regarding the amount of time required and the risk of errors inherent in those tasks.

Building on this analysis, current-state and future-state process mapping was undertaken. Kim was tasked with taking the existing “Old Process” flowchart and developing a detailed, step-by-step map illustrating how tickets are currently managed and handed off between teams. Kim then overlaid her proposed improvements onto this map, resulting in a draft “New Process” design aimed at eliminating redundancies and clarifying responsibility and ownership throughout the workflow.

To ensure alignment and collaborative input, a working session was convened with key stakeholders Derek, Kim, Maureen, and James. During this session, the team reviewed the current-state process map annotated by Kim and evaluated her preliminary new-process recommendations. Using a whiteboard as a visual tool, the group refined each workflow step, agreed upon hand-off points between roles, and finalized the high-level workflow for implementation.

This structured, fact-based methodology ensured that process changes are grounded in firsthand CSR insights, clear visual documentation, and consensus-driven refinement by key operational leaders.

Focus – Reliability & Growth | Pillar – Operations | Deliverable- Optimization Blueprint

Status:

Process mapping has been completed successfully. During the collaborative working session, Derek, Kim, Maureen, and James thoroughly mapped both the current-state and draft new-state workflows on the whiteboard, ensuring a clear visual representation of the processes and proposed improvements.

A communication plan has been established to support the transition. Derek will brief all Operations Managers on the finalized workflow to secure leadership alignment. Kim and Maureen will be responsible for training the Customer Service Representative (CSR) team on the updated process to ensure a smooth adoption.

The new process is scheduled to go live on Monday, August 4, 2025, marking the official start of the optimized workflow.

The workshop also identified the need for clearer role definitions within Operations. As part of this, one Operations Supervisor will carry a dedicated on-site cell phone specifically for driver issues, eliminating the need to route these concerns through CSRs. This responsibility will rotate daily among Operations Managers to maintain consistent coverage.

Regarding Dispatch operations, Elliott has drafted a Fleet Dispatcher job description. Jamie will further refine this document, and James, Dennis, and Derek will collaborate closely to post the position and oversee the hiring process.

This progress reflects a coordinated effort to finalize, communicate, and implement process improvements along with clarified responsibilities to enhance operational efficiency and support frontline staff.



FLEET DISPATCHER

PURPOSE OF THE ROLE

Monitor, coordinate, and support active fleet operations. Provide real-time communication, troubleshooting, and ensure documentation compliance for all driver activities.

KEY RESPONSIBILITIES

- Serve as the main point of contact and support for drivers during their active shifts.
- Monitor status and progress of routes using dispatch software and GPS tools.
- Provide drivers with updates, reroutes, and problem-solving support as operational issues, arise (e.g. delays, emergencies, or equipment issues).
- Track and log driver activities, incidents, and operational events in real time
- Ensure all compliance records and documentation are accurate and up to date.
- Support drivers by answering questions and providing resources regarding safety, regulations, equipment, or delivery challenges.
- Assist with emergency responses on-road issues, equipment failures, or service disruptions.
- Promote a safety-first, team-focused culture in all interactions.

Reports to: Operations Manager

REQUIRED QUALIFICATIONS

- High school diploma or equivalent; associate's degree preferred.
- Valid driver's license: CDL (or willingness to obtain) preferred
- Minimum 2 years experience in dispatch, fleet operations, transportation; or related field
- Proficiency with dispatch/fleet management software and Microsoft Office suite
- Knowledge of DOT and transportation safety regulations

DESIRED SKILLS AND ATTRIBUTES

- Calm, clear-headed decision maker under pressure.
- Proactive, organized, and detail-oriented
- Excellent collaboration and a strong focus on supporting driver success.
- Commitment to safety and compliance.

WORK ENVIRONMENT:

Office-based with extensive computer and phone use; may occasionally include on-sited work.

Focus – Reliability & Growth | Pillar – Operations | Deliverable- Optimization Blueprint

Impact:

By transferring ticket management fully to Operations, Cardinal unlocks a substantial new growth engine without the need to increase headcount. This operational shift liberates 15–20% of Customer Service Representatives' (CSRs) weekly capacity, as they are relieved from the labor-intensive daily tasks of logging, routing, and resolving tickets. The reclaimed time empowers CSRs to focus on high-value activities such as proactive outreach, account development, and upselling, directly contributing to revenue growth.

This change also enhances Cardinal's overall service reliability. Faster ticket turnaround times reduce customer friction and contribute to improved on-time performance—an essential metric in transportation. Drivers benefit from clearer escalation pathways thanks to dedicated on-site supervisor support, which strengthens confidence and operational effectiveness. Clear role definitions established through this transition mitigate operational bottlenecks and reduce risk exposure. With CSRs freed to concentrate on revenue-generating activities, Cardinal maximizes the productivity and impact of its existing workforce.

Annual Revenue Capacity

Assumption: 4 CSRs × 2,080 hrs/year each = 8,320 hrs total

Freed Capacity: 15% × 8,320 hrs = 1,248 hrs/year

Blended Revenue per CSR Hour: \$8,451,077 Total Income ÷ 8,320 hrs ≈ \$1,015/hr

Potential Incremental Revenue: 1,248 hrs × \$1.015/hr ≈ \$1.27 million

Revenue Uplift: \$1.27 M ÷ \$8.45 M = 15.0 %

Gross Profit Uplift Current GP Margin: \$3,495,435 ÷ \$8,451,077 = 41.4 %

Incremental Gross Profit: \$1.27 M × 41.4 % = \$525,000

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Gross Profit Uplift Current GP Margin: \$3,495,435 ÷ \$8,451,077 = 41.4 %

Financially, the impact of these changes is considerable. Assuming four CSRs working a standard 2,080 hours annually, Cardinal frees up approximately 1,248 hours per year. With a blended revenue contribution of about \$1,015 per CSR hour, this translates into an incremental revenue potential of approximately \$1.27 million annually, representing a 15% uplift over current income levels.

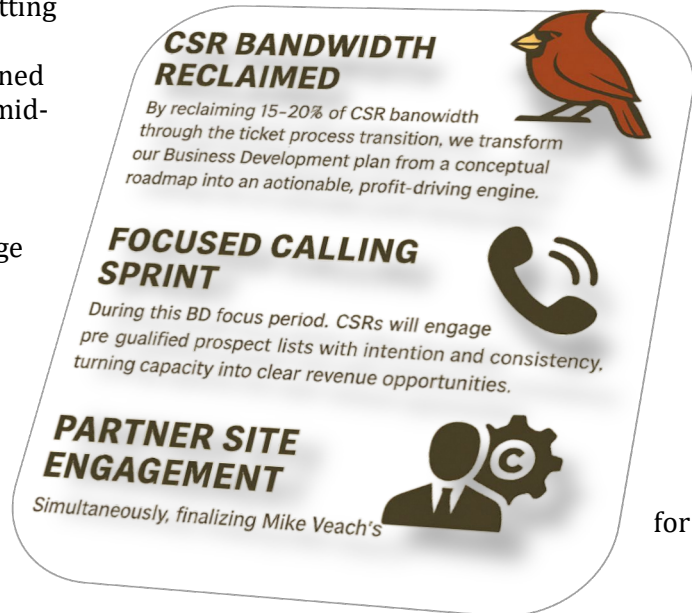
Gross profit benefits proportionally from the 41.4% margin, yielding an estimated incremental gross profit of about \$525,000. These enhancements position Cardinal not only to drive top-line growth but also to scale efficiently and sustainably as operational volumes increase.

Focus – Biz Dev Plan | Pillar – Business Development | Deliverable- Outside Sales

Reasoning:

By reclaiming 15–20 % of CSR bandwidth through the ticket process transition, we transform our Business Development plan from a conceptual roadmap into an actionable, profit-driving engine. Rather than simply allocating call lists or setting targets, we are now deploying dedicated, uninterrupted selling capacity during a defined window—August 18–20—that aligns with mid-month decision cycles and maximizes conversion potential.

During this BD focus period, CSRs will engage pre-qualified prospect lists with intention and consistency, turning capacity into clear revenue opportunities. Armed with dedicated time, standardized call scripts, and real-time coaching, they'll drive deeper conversations, secure meetings, and capture incremental bookings. This sprint not only jump-starts our pipeline the second half of Q3 but also embeds a repeatable, time-boxed model for future outreach campaigns.



Simultaneously, finalizing Mike Veach's on-site Cogent visit (either August 11–12 or August 18–20) anchors our field and phone efforts within the same timeframe. By warming leads in advance of in-person meetings, we boost attendance and engagement, while post-visit follow-up calls capitalize on freshly generated interest. This synchronized approach—coupling reclaimed CSR capacity, focused calling sprints, and partner-led site engagements—creates a cohesive, profit-driving cycle that accelerates pipeline velocity, amplifies partner ROI, and positions Cardinal for scalable growth.

Focus – Biz Dev Plan | Pillar – Business Development | Deliverable- Outside Sales

Methods:

This initiative combines three foundational workstreams—capacity estimation, operations process optimization, and the outbound Business Development Plan—into a cohesive launch sequence. By aligning data-driven analysis with cross-functional design and targeted sales activation, we turn internal efficiency gains into immediate revenue action.

1. Capacity Estimation

Ticket Volume Analysis: Extracted daily ticket counts (~120/day) from FastTrak and applied the new Operations Blueprint's handling times to quantify how much CSR time is reclaimed.

Bandwidth Calculation: Conservatively estimated a 15 % recovery—approximately 1,248 selling hours per year—to define precise outbound call capacity.

2. Process Mapping & Optimization

Whiteboard Workshop: Derek, Kim, Maureen, and James overlaid the “Old” and “New” workflows, documenting every hand-off where ticket tasks moved fully into Operations.

Blueprint Finalization: From that session, we codified role definitions (Fleet Dispatcher, on-site supervisor phone rotation) and standardized hand-off criteria—guaranteeing uninterrupted CSR selling windows.

3. Business Development Plan Integration

Reclaimed-Time Deployment: Mapped the 1,248 selling hours into our phased outbound campaign structure, defining seven target segments and drafting tailored call scripts and email templates.

Sales Funnel Design: Built a structured outreach funnel—from cold calls through qualification and booking—with clear performance metrics (calls/day, meetings booked, conversion rate) directly aligned to the newly available capacity.

4. Pilot Sprint Scheduling & Pre-Visit Alignment

Sprint Planning: Locked in our initial outbound calling sprint for August 18–20, ensuring CSRs focus exclusively on prospect engagement during that window.

Pre-Arrival Briefing: Held a strategic meeting between Mike Veach, James, and Maureen to equip them with insights and materials needed to prepare CSRs for Mike's on-site visit, maximizing the impact of both phone outreach and in-person engagement.

By sequencing capacity modeling, process redesign, BD plan integration, and sprint scheduling—anchored by a targeted pre-visit alignment—we ensure every reclaimed minute powers a repeatable, measurable outbound sales engine

Focus – Biz Dev Plan / Pillar – Business Development | Deliverable- Outside Sales

Status:

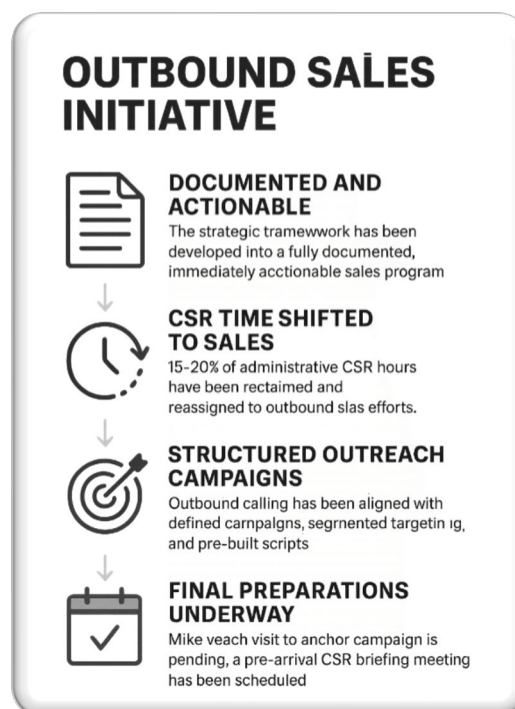
The Business Development Plan has evolved into a fully documented, actionable sales initiative. Following the operational shift of ticket-handling from CSRs to Operations, 15–20% of CSR time previously spent on administrative tasks is now available for proactive outbound sales. This aligns directly with established outbound campaigns, targeted customer segments, and detailed outreach templates, allowing Cardinal to drive revenue growth without increasing headcount.

Preparations have ensured a smooth transition for CSRs into revenue-focused roles. Reclaimed hours, quantified through ticket analysis, are mapped into phased outreach campaigns designed for minimal disruption and maximum productivity. The outbound sales process—from initial contact to booking—is clearly defined with measurable metrics for tracking and improvement.

The next key step is confirming Mike Veach’s on-site visit, planned for August 11–12 or August 18–20. This event will anchor coordinated outbound calling and field interactions. A pre-arrival briefing with Mike Veach, James, and Maureen will prepare the CSR team with clear objectives and strategies.

Once visit dates are confirmed, CSR calling schedules, outreach targets, and objectives will be finalized and shared, maximizing impact by engaging prospects before Mike’s arrival and facilitating warm lead interactions. Post-visit outreach will leverage increased engagement for rapid pipeline advancement.

All planning steps are complete. Roles and responsibilities are clear, and operational barriers limiting CSR sales capacity have been removed. Cardinal is positioned for seamless, effective execution, with imminent CSR briefing and site visit marking final preparations before launch. This integrated approach aims to boost customer engagement, develop the pipeline, and increase revenue.



Focus – Biz Dev Plan | Pillar – Business Development | Deliverable- Outside Sales

Impact:

The Business Development initiative transforms previously untapped CSR bandwidth into an active revenue-generating channel, directly supported by the operational shift of ticket responsibilities to Operations. With approximately 15–20% of CSR time now redirected toward proactive outbound sales, Cardinal moves from reactive service to structured outreach—converting what was once administrative overhead into profitable growth.

Financially, this initiative is highly impactful. The reclaimed CSR capacity—approximately 1,248 hours annually across the team—translates directly into measurable sales potential. Using Cardinal’s existing blended hourly revenue rate of roughly \$1,015 per CSR hour, this newly available selling time represents a realistic incremental revenue opportunity of approximately \$1.27 million per year, a 15% increase against current annual revenue levels. Applying Cardinal’s current gross profit margin of 41.4%, this translates into incremental gross profit of roughly \$525,000 per year, directly contributing to bottom-line improvement.

Impact Overview



- TRANSFORMATION**
CSR bandwidth repurposed for outbound sales, driving revenue growth
- FINANCIAL**
\$1.27M incremental revenue (15%) and \$525K in incremental gross profit
- OPERATIONAL**
Synchronized outbound calls with site visits for greater client engagement
- ROLE CLARITY**
Clear dispatcher role eliminates service delays

Operationally, this approach significantly enhances the efficiency and effectiveness of Cardinal’s customer-facing activities. By coordinating outbound calling with Mike Veach’s scheduled site visit, Cardinal ensures optimal timing and maximum effectiveness of client interactions. Prospects contacted during the outbound sprint are primed ahead of the visit, creating heightened receptivity and driving higher conversion rates during in-person discussions. Likewise, post-visit follow-up calls conducted by CSRs leverage increased client engagement, moving warm leads quickly toward booking commitments.

The newly clarified roles, particularly the defined Fleet Dispatcher function and the dedicated on-site supervisor phone, eliminate confusion and service delays previously caused by unclear escalation pathways. This ensures that CSRs can maintain uninterrupted focus during critical outbound selling windows, further amplifying the impact of the reclaimed time.

This initiative requires no incremental headcount, meaning all additional revenue generated flows directly to profit, substantially improving overall operational leverage. By pairing precise operational realignment with targeted selling activities, Cardinal achieves immediate returns while establishing a scalable outbound sales engine.

In total, the measurable annual financial returns include approximately \$1.27 million in incremental revenue (15% uplift) and \$525,000 in incremental gross profit. More broadly, this structured and integrated approach positions Cardinal not only to capitalize quickly on existing opportunities but also to continue building profitable growth well into the future.

FOCUS – Personnel Management | Pillar – People | Deliverable-Functional Realignment

Reasoning:

Cardinal's operational realignment underscores the importance of process clarity and personnel alignment. Finalizing key role definitions and assessing staff capabilities is essential, especially as longstanding human resource challenges impede progress. Job descriptions for the new Dispatch role and James's direct reports are in development to establish accountability and structure for scaling. Confirming Will's CDL status remains a priority, with a follow-up pending with Maureen to verify progress and determine next steps.

Persistent personnel issues must be addressed directly to protect operational execution and team integrity. Lyle's ongoing teamwork issues, communication failures, and belittling behavior have been addressed with coaching and feedback without sustained improvement. There is agreement among supervisors and operations managers that the situation is untenable; Lyle's continued presence undermines morale, disrupts cohesion, and threatens key initiatives such as the Operations Optimization Blueprint and CSR redeployment.



Leadership should consider coordinating Lyle's planned departure with the reinforcement of operational capacity, either by confirming Will's CDL status for greater flexibility or hiring a suitable replacement. Both options are being actively pursued. Achieving either milestone will provide sufficient resources to continue without risking frontline disruption.

Will has been directly engaged regarding his CDL status, with a planned check-in with Maureen to confirm progress and establish a timeline. Recruitment for replacements is also underway, both internally and externally.

Completing job descriptions for the Dispatch position and James's team is critical for onboarding, clarity, accountability, and performance standards within the streamlined structure. With these personnel actions in progress, Cardinal is positioned to stabilize team dynamics and maintain momentum in operations and growth.

FOCUS – Personnel Management / Pillar – People | Deliverable-Functional Realignment

Methods:

This personnel-focused initiative was developed through direct observation, leadership sessions, and targeted follow-up with key stakeholders at Cardinal. Lyle's behavioral issues emerged during leadership and management training, with repeated concerns about his conduct.

Interviews with three supervisors and managers confirmed a pattern of poor communication, belittling behavior, and resistance to collaboration, which negatively affected team morale and cohesion.

Will's CDL status, linked to an operational bottleneck, was raised in leadership discussions and followed up by Roy. After personal discussions, leadership clarified expectations and next steps. A check-in with Maureen will confirm progress and support coordinated planning.

The need for a formal Dispatch role came from leadership workshops highlighting workflow and personnel gaps. The absence of a dispatch function caused fragmentation. A new Fleet Dispatcher position to handle driver support, issue triage, compliance tracking, and equipment coordination. This role is being finalized with James and Derek, addressing a key operational gap.

All actions—addressing behavior, verifying licensing, and defining roles—are based on real-time feedback and leadership dialogue, ensuring alignment with Cardinal's operational goals.

ORIGIN OF KEY ACTIONS

This personnel focused initiative was informed through structured leadership sessions, direct engagement, and stakeholder follow up.



LYLE'S BEHAVIORAL ISSUES

Surfaced during leadership and management training discussions, validated through direct engagement by Roy and supervisor interviews



WILL'S CDL STATUS

Connection to operational bottleneck raised in leadership sessions, elevated via direct conversations and a scheduled check in



FORMAL DISPATCH ROLE

Lack of dedicated function highlighted in leadership workshops, recommendation issued and shaped into new position

Focus – Personnel Management | Pillar – People | Deliverable-Functional Realignment

Status:

Over recent weeks, leadership working sessions and operational planning meetings have surfaced critical personnel issues requiring immediate action, further validated through follow-up conversations with managers and supervisors.

Lyle's performance has become a consistent issue across teams. In management training, his behavior was repeatedly cited for causing dysfunction—specifically poor teamwork, communication breakdowns, and belittling conduct. Three additional supervisory follow-ups confirmed the environment around Lyle is no longer sustainable or functional. His presence is undermining morale, creating friction, and blocking initiatives such as the Operations Optimization Blueprint.

A recommendation has been made to coordinate Lyle's termination with the first reinforcement of operational capacity—either confirming Will's CDL certification for more scheduling flexibility, or hiring a qualified replacement. Whichever is secured first will provide needed coverage so operations are not disrupted.

Will has been directly spoken to regarding his CDL progress and the operational strain from delays. A follow-up with Maureen is planned to verify his status, after which a coordination plan will be finalized. Will's certification remains vital for resource alignment and back-end coverage during the transition.

Development of a formal Dispatch role is also underway. Both management sessions and daily observation revealed gaps in real-time fleet oversight and driver support. As ticket responsibilities moved to Operations and CSR roles were clarified, the need for a true dispatcher—for live coordination, compliance tracking, and issue escalation—became clear. The job description is drafted and under refinement by Jamie.

James will work with Dennis and Derek to move the role into posting and staffing. Altogether, personnel realignment is advancing to address behavior concerns, clarify job responsibilities, and align operational capacity—essential steps for continuity and ensuring team dynamics and standards match Cardinal's operational and strategic direction.

FOCUS – Personnel Management | Pillar – People | Deliverable-Functional Realignment

Impact:

Cardinal's personnel alignment strategy targets redundant scheduling, behavioral issues, and role formalization, creating significant returns. Eliminating the overlap between Will Young and Steven Shaffer saves \$64,973 annually as Will nears CDL certification, enabling a one-person-per-shift model that removes Steve's deployment.

Lyle Jennings' ongoing behavioral challenges disrupt team cohesion and productivity. Assuming a 10% productivity drag over six frontline staff results in 1,248 lost hours and \$39,936 in annual productivity loss at \$32/hour.

Replacing Lyle aims to restore leadership and morale. Hiring a cultural and operational fit at 10% less than Lyle's \$73,577 cost, plus onboarding costs, results in a year-one net benefit of \$33,050 considering recovered productivity.

Labor cost modeling was normalized for overtime for accurate comparison.

Personnel Alignment Efficiency Gains

Scheduling redundancy eliminated with single coverage model

\$64,973/year

Recovered productivity from replacing disruptive employee

\$39,936/year

Return from new Fleet Dispatcher role

\$7,800/year

Net Year 1 impact of **\$105,823**, with ongoing annual benefit of **\$112,709**

Net Year 1 impact of **\$105,823**, with ongoing annual benefit of **\$112,709**

Cardinal is also implementing a Fleet Dispatcher role, formed via operational workshops to cover real-time issue response, driver escalation, and compliance tracking. Avoiding one weekly service disruption valued at \$150 yields \$7,800 annually.

Item	Year-One Impact
Eliminated redundant coverage (Steve)	\$64,973
Productivity regained from Lyle's replacement	\$39,936
Dispatcher role ROI	\$7,800
Replacement onboarding cost	-\$6,886
Net Year-One Benefit	\$105,823
Ongoing Annual Benefit	\$112,709

This realignment stabilizes frontline operations, boosts morale, reduces waste, and strengthens Cardinal's ability to grow efficiently.

ON GOING ACTIONS

Strategic Initiatives – Buckeye Update

The Buckeye acquisition continues progressing as planned. An appraisal has been ordered, and all diligence documents—including contracts, maintenance logs, and trial balance—have been submitted to Jody. Cardinal leadership maintains open communication with Bill to keep momentum and relationship strength intact. The next milestone will be review of appraisal findings and confirmatory diligence planning.

Abacus Review – Accounting System Enhancements

Addison's ASR (Accounting System Review) has identified several structural improvements needed across Cardinal's financial system:

- **Revenue and COGS by Vehicle Type:** Segmentation has been identified as a critical path item to improve visibility into service line profitability. Implementation is pending.
- **Expense Consolidation:** A roll-up of similar expenses into parent categories has been recommended to enhance clarity in managerial reporting and differentiate operational vs. tax views.
- **Line Item Classification Reviews:** Line 60600 (Contracted Services), Line 18800 (Investment Harrison and the "CAT expense" category require clarification to ensure they are categorized correctly for financial and operational tracking.
- **Balance Sheet Clean-Up:**
 - Line 11300 (Employee Advances), 12000 (New Vehicle Deposits), 13000 (Inventory), and 13200 (Fleet Fuel Inventory) have been flagged as static or outdated and are slated for monthly update processes.

Financial Review – 2025 YTD vs. 2024 Full-Year

Metric	2025 YTD (Run-Rate)	2024 Full-Year	Change
Revenue	\$14.84M	\$13.92M	+6.6%
Gross Profit Margin	41.3%	46.7%	-5.4 pts
Quick Ratio	32.3×	29.1×	+3.2 pt
Cash Conversion Cycle (CCC)	7.0 days	10.7 days	-3.7 days

Additional 2025-Only Highlights (no 2024 comparison available):

- EBIDA (ex-Cogent fee): **\$2.33M** (~15.7%)
- Days Cash on Hand (Overhead): **450 days**
- Days Cash on Hand (Full Burn): **128 days**

Summary: Revenue and liquidity are trending positively. The margin compression observed requires continued focus on pricing accuracy, cost control, and fleet deployment efficiency. Liquidity strength and faster working capital cycling position Cardinal to act on strategic initiatives with confidence.

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