

The Manufacturer That Turned Compliance Into an Operating System

Case study: a 12-month conversion from tribal knowledge to operational intelligence at a growing defense electronics manufacturer.

Snapshot

Profile	Details
Company	A U.S. defense electronics manufacturer (name withheld)
Credentials	ITAR-registered; CMMC Level 2 track; AS9100-class quality system
Customers	20+ active programs with Tier-1 prime contractors
Starting point	+30% YoY growth; \$93M backlog; \$250M unweighted pipeline — on manual operations
Engagement	12-month Operational Intelligence platform: compliance foundation, finance and operations automation, BD intelligence

The challenge

The company was growing — 30% year-over-year, a \$93M backlog across more than twenty programs, a \$250M pipeline. The business running behind that growth was not built for it. Clear-to-Build analysis consumed 48 to 72 hours of labor per cycle. Accounts payable ran on email: 200+ vendor messages a day, matched by hand across three filing locations. Month-end close took 11 days. Roughly 65% of proposal labor went to bids the company was unlikely to win. And because nobody could say exactly where the CUI boundary sat, the safest answer to every new technology was no — while Tier-1 primes began writing AI governance requirements into supplier contracts.

The solution

A 12-month engagement built an Operational Intelligence platform in three parallel workstreams:

- **Compliance foundation first.** A complete CUI classification table, a written AI governance policy, and an Azure GovCloud architecture approved by the CISO — before any AI was deployed. Within three weeks of the policy publishing, employee AI experimentation jumped. The barrier was never interest; it was uncertainty.
- **Operations and finance automation.** AP matching automated within 45 days. A Clear-to-Build intelligence layer connected ERP, MES, and procurement data into one always-current readiness view, surfacing supply-chain gaps 18 to 21 days before they reached the floor.
- **Business development intelligence.** A go/no-go scoring model built from historical win/loss data that processes an inbound RFQ in under 20 minutes, with SAM.gov cross-referencing before pursuit labor is committed.

The architecture is deliberately conservative: the platform reads from systems of record and never writes back. AI surfaces. Humans decide. And the AI brain is owned by the company — portable to any compliant environment, not tied to a vendor.

The results

Metric	Before	After
On-time delivery to primes	81%	96% (within two quarters)
EBITDA	7.6%	12.1% (+450 bps)
Win rate on pursued bids	34%	61%
Clear-to-Build analysis	48-72 hours per cycle	Eliminated; gaps surfaced 18-21 days early
AP processing	200+ emails/day, hand-matched	Automated in 45 days; exceptions only
RFQ go/no-go decision	Undocumented, CEO-dependent	Scored in under 20 minutes
Revenue vs. headcount	Growth required	+44% revenue on

	proportional hiring	+8% headcount
Operational scorecard	31 / 100	86 / 100

The company added 44% in revenue with 8% growth in headcount — decoupling revenue growth from proportional labor cost for the first time in its history. On the engagement's operational scorecard, the business moved from 31 to 86 out of 100: from person-dependent and reactive to system-driven and investable.

Why it worked

- Policy before tools. Removing compliance uncertainty unlocked adoption faster than any training program.
- Read-only intelligence. Keeping humans in the decision loop made the platform safe to trust and easy to audit.
- Owned, not rented. The intelligence compounds on the company's own data — a proprietary asset a competitor cannot buy.

Every claim in this case study traces to engagement documentation. For the extended version — including architecture decisions and the M&A dimension — see the detailed case study.