

DEFENSIBILITY ROI CALCULATOR

ALQABBAT ADVISORY · SAUDI INDUSTRIAL EDGE COMPLIANCE SERIES ·
CHAPTER 14 TOOLKIT RESOURCE

PURPOSE

What does this calculator measure?

Waiting is not a neutral act. It is a strategic decision to enter later into a stricter market with a weaker relative position. This calculator quantifies the cost of deferring compliance repositioning vs. the cost of a 90-day sprint — in revenue terms, not risk statements.

The Board Question

“What is the cost of waiting one more tender cycle? Calculate it in commercial terms — not as a risk statement, as a revenue figure.”

PART 1: CURRENT PIPELINE EXPOSURE

INPUT	VALUE
A. Total Saudi pipeline value (next 12 months)	
B. Number of Saudi opportunities in pipeline	
C. Opportunities where compliance is a Stage 2 gate	
D. Pipeline value at compliance-gated opportunities ($A \times C/B$)	

PART 2: HISTORICAL LOSS RATE

INPUT	VALUE
E. Saudi bids submitted (last 24 months)	
F. Bids lost at or before Stage 2 (compliance qualification)	
G. Stage 2 loss rate ($F \div E$)	
H. Revenue value of Stage 2 losses	

PART 3: COST OF INACTION

CALCULATION	VALUE
I. Projected 12-month revenue loss = D × G	
J. Indirect costs (bid preparation wasted on disqualified bids)	
K. Opportunity cost (contracts won by repositioned competitors)	
L. Total cost of inaction = I + J + K	

PART 4: COST OF REPOSITIONING

INPUT	VALUE
M. 90-day compliance repositioning sprint cost	
N. Internal resource allocation (person-days × daily rate)	
O. Total sprint investment = M + N	

PART 5: ROI CALCULATION

Defensibility ROI = (L – O) ÷ O × 100

Payback period: Sprint cost recovered
after ___ won contracts

Break-even: Sprint pays for itself if it
prevents ___ Stage 2 losses

PART 6: COMPOUNDING ADVANTAGE

Early adapters do not just win. They train the market.

COMPOUNDING FACTOR	YOUR ASSESSMENT
Are we building a repeatable governability advantage?	
Are we learning faster than the buyer is hardening expectations?	
Are our Saudi-facing assets becoming more defensible each quarter?	
Are we creating a posture that compounds trust, or one that repeatedly resets doubt?	
If we wait another year, will we be entering a clearer market or a more demanding one?	

A foreign company does not need to be the loudest, largest, or earliest in absolute terms. It needs to become one of the first in its category to be consistently easy to approve. That is achievable. It does not require perfection. It requires discipline.