THE STRATEGIC FITNESS ADVANTAGE ENGINE

ILLUSTRATIVE SAMPLE · A FICTIONAL COMPANY

Next Strategy Brief

MERIDIAN SOFTWARE

The strategic options open to Meridian Software, evaluated, and the priorities that follow. Built from Meridian Software's assessed position and the forces bearing on its market.

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How to read this report

DISRUPTION IMPACT, OUT OF 100

How hard disruption bears on Meridian Software's market and business model: competitors, pricing, customers, the pace of change, the skills the market demands, and the business model itself. Higher means more pressure.

ADVANTAGE ENGINE FITNESS, OUT OF 100

How well Meridian Software is built to turn that disruption into advantage, measured across six principles. Higher means a stronger engine. Both scores split at 50 and 72: low, moderate and high.

THE NINE POSITIONS

	Advantage Engine Fitness low below 50	Advantage Engine Fitness moderate 50 to 71	Advantage Engine Fitness high 72 and above
Disruption Impact high 72 and above	CRITICAL	EXPOSED	BREAKAWAY
Disruption Impact moderate 50 to 71	VULNERABLE	BUILDING	STRONG
Disruption Impact low below 50	DRIFTING	STEADY	ADVANTAGE

The band is the position on this map, and both scores set it together. A band changes only when a score crosses 50 or 72. Moving right means a stronger engine; moving down means less pressure.

STRATEGIC FITNESS, OUT OF 100

Strategic Fitness combines the two scores into one number. It compares Meridian Software only with companies in the same band. The bands' ranges overlap, so a higher Strategic Fitness in one band never outranks a lower one in another band.

TWO ASSESSMENTS

The internal assessment is the chief executive's own: twenty answers to the diagnostic. The external assessment answers the same twenty questions from public evidence alone, through the Market Research. Where the two differ, the report shows by how much, principle by principle.

HOW EVIDENCE IS COUNTED

Unobservable: public evidence cannot reach the question, so the external assessment leaves it out. Held out of the score: the question is visible from outside, but the evidence fell short of our standard for the score, so it is shown and not counted.

Sources: Tier 1 is Meridian Software's own filings and releases, or a government or court record. Tier 2 and 3 are independent publishers.

WHAT'S THE TAKEAWAY

Meridian Software's strongest response is to deepen the lead it already holds with mid-sized engineering firms. Make Meridian Assist the reason those firms stay, charge for the work it does as seats decline, and decide on evidence each quarter so the response keeps pace with the market.

WHERE THIS DEPARTS FROM YOUR QUESTION

You asked how to keep your lead in project accounting while the seat model weakens. The strategy concentrates on mid-sized engineering firms, where retention stays above 95%, and lets small-firm acquisition shrink in importance, because that is where per-project entrants win on price.

01 *The forces bearing on Meridian Software*

FROM PUBLIC EVIDENCE

Per-project pricing from AI-native entrants

Two AI-native entrants began selling agent-based project controls to engineering firms in June 2026, priced per project, and analysts estimate a quarter of new purchases in 2026 went to AI-native vendors.

Seat decline as AI drafts the planner's work

Paid seats fell 3% in the second quarter of 2026, and an industry survey found engineering firms hiring fewer project planners as AI drafts schedules and cost reports.

Free AI scheduling bundled by a platform vendor

A large platform vendor began bundling AI scheduling with its office suite at no extra charge in July 2026, reaching Meridian Software's core market within a quarter.

Slow decisions on pricing and AI funding

The usage-based pricing pilot began in September 2026, five quarters after the first per-project competitor, and an analyst downgrade in July 2026 cited slow pricing decisions.

02 *Strategic options*

THREE RECOMMENDED, ONE SET ASIDE

Four options, each addressing one force, tested on suitability (does it answer the pressure), acceptability (what it costs and who must agree) and feasibility (can Meridian Software do it inside the time horizon). The recommended options run in the order of the strategy below.

OPTION 1

RECOMMENDED

ADDRESSES: FREE AI SCHEDULING BUNDLED BY A PLATFORM VENDOR

Meridian Software has the strategic option to fund the AI products unit on its own budget and build Meridian Assist into project accounting, cost forecasting and billing.

EXPECTED IMPACT	If taken, retention among mid-sized engineering firms holds above 95% and Meridian Assist becomes the reason they stay.
SUITABILITY	It answers free bundled scheduling by tying Meridian Assist to the accounting work where Meridian Software already leads.
ACCEPTABILITY	It asks the board to protect AI spending when core targets slip; customers in mid-sized engineering firms gain most.
FEASIBILITY	Meridian Assist is in production with 11% of customers, and the January acquisition added scheduling analytics. The weakness is funding: the AI unit draws on the core suite budget.

OPTION 2

RECOMMENDED

ADDRESSES: SEAT DECLINE AS AI DRAFTS THE PLANNER'S WORK

Meridian Software has the strategic option to extend usage-based pricing to every Meridian Assist customer, priced on the schedules and reports it produces.

EXPECTED IMPACT	If taken, revenue follows usage and steadies as seats decline.
SUITABILITY	It ties revenue to the work done as firms hire fewer planners.
ACCEPTABILITY	Finance and the board must accept a less predictable revenue line for a year; some customers will resist a variable bill.
FEASIBILITY	The forty-customer pilot gives a basis to price usage, and a single customer usage view already informs pricing.

OPTION 3

RECOMMENDED

ADDRESSES: SLOW DECISIONS ON PRICING AND AI FUNDING

Meridian Software has the strategic option to replace the annual budget with quarterly reallocation against stated thresholds.

EXPECTED IMPACT	If taken, the first two priorities are funded at the pace the market sets.
SUITABILITY	It answers slow decisions by setting the pace of funding by evidence.

ACCEPTABILITY	Business unit leaders give up the certainty of an annual budget.
FEASIBILITY	The May 2026 restructuring met its cost target within the quarter, which shows the organization can act quickly once it decides.

OPTION 4 SET ASIDE

ADDRESSES: PER-PROJECT PRICING FROM AI-NATIVE ENTRANTS

Meridian Software has the strategic option to match AI-native entrants on per-project price for small firms.

EXPECTED IMPACT	If taken, small-firm wins recover briefly while price falls across the installed base.
SUITABILITY	It meets the price gap head on for new small firms.
ACCEPTABILITY	It asks the board to accept lower prices across the base to win the least loyal buyers.
FEASIBILITY	Pricing could change within a quarter, though small firms show the lowest retention.
WHY SET ASIDE	It chases the buyers least likely to stay and pulls price down across the base the other priorities depend on.

03 *The recommended strategy*

IN SEQUENCE

01

Make Meridian Assist the reason engineering firms stay

ADDRESSES: FREE AI SCHEDULING BUNDLED BY A PLATFORM VENDOR

TIMING	It starts first, because the bundled offer reached your core market within a quarter and every other priority depends on Meridian Assist holding customers.
COMMITS	A protected AI budget, separate from core suite targets, for the full twelve months.
SETS ASIDE	Funding AI from whatever the core suite leaves over is set aside.
PROTECTS	It protects the mid-sized engineering accounts that retain above 95%.

02

Charge for the work Meridian Assist does

ADDRESSES: SEAT DECLINE AS AI DRAFTS THE PLANNER'S WORK

TIMING	It runs second, once the pilot shows how usage maps to value, and reaches the full base within twelve months.
COMMITS	Pricing moves from seats alone to seats plus usage across the installed base.
SETS ASIDE	Defending revenue through per-seat price increases is set aside.
PROTECTS	It protects revenue as seat counts fall in engineering firms.

03

Decide on evidence every quarter

ADDRESSES: SLOW DECISIONS ON PRICING AND AI FUNDING

TIMING	It begins in the first quarter and runs across the full twelve months, so the first two priorities are funded at the pace the market sets.
COMMITS	Leadership reallocates each quarter against published thresholds.
SETS ASIDE	Waiting for the yearly plan to change direction is set aside.
PROTECTS	It protects the pace of the first two priorities against the annual cycle.

> HOW THE THREE REINFORCE EACH OTHER
>
> The three priorities reinforce each other. Meridian Assist built into project accounting gives customers a reason to stay, and the work it does gives the basis for usage pricing as seats decline. Quarterly decisions keep both funded at the pace the market sets.

04 *What to stop*

TO FUND THE PRIORITIES

Funding the field service product at its current level after a 9% revenue fall.

COST OF CONTINUING	It holds engineering capacity on a shrinking line while Meridian Assist waits for budget.
STOPPING FREES	Stopping it frees money and engineers for the Meridian Assist priority.

Chasing new small firms with discounts against per-project entrants.

COST OF CONTINUING	It spends sales effort where retention is lowest and price pressure is highest.
STOPPING FREES	Stopping it frees sales capacity for mid-sized engineering firms.

05 *What must be true*

FOR THE STRATEGY TO HOLD

- The AI products unit needs its own budget line, protected from core suite targets.
- Each major investment needs a stated condition to stop or scale it.
- Finance and product need one usage view, so pricing can follow the work Meridian Assist does.

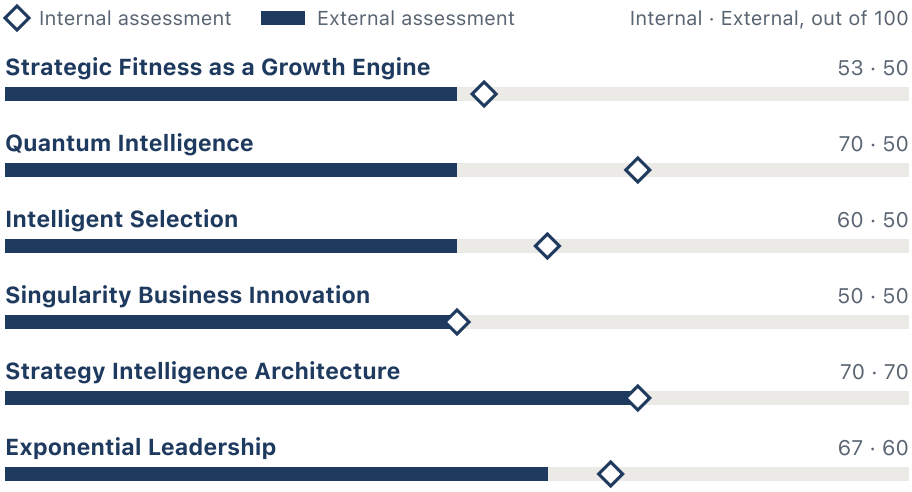
06 *The analysis behind the strategy*

SITUATION · LEADERSHIP · BENCHMARK

ADVANTAGE ENGINE FITNESS, LEFT TO RIGHT →

DISRUPTION IMPACT, TOP TO BOTTOM

CRITICAL	EXPOSED EXTERNAL ASSESSMENT	BREAKAWAY
VULNERABLE	BUILDING INTERNAL ASSESSMENT	STRONG
DRIFTING	STEADY	ADVANTAGE



THE SITUATION

Your position is sound today and under more pressure than your own assessment shows. The internal assessment places you in Building; the external assessment places you in Exposed. Advantage Engine Fitness is moderate in both, at 61 and 55 out of 100, where the Strong band begins at 72. The difference comes from Disruption Impact: your own figure of 65 sits below the high threshold of 72, and public evidence puts it at 75, above it.

Four forces bear on you. AI-native entrants sell project controls priced per project, and they are winning new small and mid-sized engineering firms. Paid seats fell 3% in the second quarter as AI drafts the schedules and cost reports your users once prepared. A large platform vendor now bundles AI scheduling at no extra charge. Your decisions on pricing and AI funding arrive late: the usage-based pilot started five quarters after the first per-project competitor.

You hold real strengths. Retention among mid-sized engineering firms stays above 95%, your exit from general contracting software sharpened the offer, and Meridian Assist is in production with paying customers. Your AI work draws its budget from the core suite, so it slows when core targets slip, and budgets are set once a year.

One question could not be reached by public evidence: how fast you convert intelligence into decisions compared with your closest competitors. Its internal score stands alone.

LEADERSHIP

Leadership runs the core business and builds the next generation of growth at the same time, through separate core and AI units that both report to the chief executive. The arrangement is uneven: the AI unit is funded from the core suite, so its pace depends on core results. Revenue grew 4.8% in the second quarter while margin held at 14%, which gives room to fund the AI unit on its own terms.

THE BENCHMARK

The comparison shows you behind the benchmark group, and the real distance is narrower than the figures suggest. Your Advantage Engine Fitness of 55 sits against a median of 77 across 22 companies in the Information Technology sector. The benchmark is the 2026 edition of the INSTRATE Global 200, and this comparison is indicative while a refresh is in progress. Your own two assessments are the firmer guide: both place Advantage Engine Fitness in the moderate range, below the Strong band at 72.

07 *Your strategy choices*

AS SUBMITTED

THE DECISION YOU FACE	AI-native entrants are winning new engineering firms on per-project pricing. How do we keep our lead in project accounting while the seat model weakens?
TIME HORIZON	Twelve months
PRIMARY CONSTRAINT	Market timing