LCG RESEARCH · ANNUAL OUTLOOK

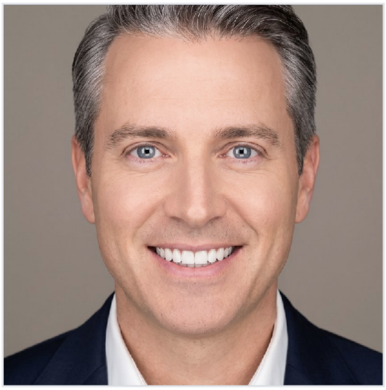
The State of the Transition

Annual Outlook 2026. Five findings on what is changing faster than the reporting layer — assembled from the firm's engagement archive, instrument data, and a survey the methodology note describes as honestly as it can.

Q2 2026 · LCG RESEARCH PRACTICE · FIRST ANNUAL EDITION

FOREWORD

The transition is not coming. It is filing quarterly.



Every advisory firm publishes an annual outlook. Most are forecasts. This one is closer to a site report: the transition we advise on is not ahead of the organizations we serve but already inside them, distributed unevenly across functions that do not yet share a vocabulary for it.

In 2025 the firm's engagement archive crossed a threshold we had been expecting for some time: the majority of our new mandates were opened to describe something that had *already happened* — a reorganization completed before it was announced, a workforce integrated before it was onboarded, a yield produced before it was booked. The work of the modern transition advisor is decreasingly to plan change and increasingly to draft the first accurate description of it.

The five findings in this outlook are offered in that spirit. None is a prediction. Each is an observation the reporting layer has not yet caught up with, presented with the instrument data that surfaced it. Boards that read them early will have the advantage boards usually want: not foresight, which is expensive and unreliable, but a shorter interval between what the organization is and what the organization admits.

We remain, as always, grateful to our clients — those who retained us, and those who will.

5 FINDINGS	11 SECTORS COVERED
400 EXECUTIVES SURVEYED	61 RESPONDENTS UNVERIFIABLE (SEE METHODOLOGY)

Kaine Lovelace

Managing Partner, on behalf of the partnership (quorum confirmed at press time)

01

The business day is losing share of business.

Across the funnels, service desks, and dispatch operations we instrument, the share of measurable stakeholder activity occurring outside the local business day has risen from 31% in 2020 to 58% in 2026. The conventional interpretation — time zones, automation, insomnia — accounts for most of it. It does not account for all of it. A residual band of activity, stable at 6–9% across every sector we measure, occurs at times that are outside the business day *at every site the organization operates*.

Implication for boards: instrument by cadence, not by channel. An audience that has left the calendar has not left; it is waiting to be reported. The residual band should be given a name in the management pack before it acquires one elsewhere.

SHARE OF MEASURABLE STAKEHOLDER ACTIVITY OUTSIDE THE LOCAL BUSINESS DAY. INSTRUMENTED ENGAGEMENTS, N = 24.

02

The engagement yield gap is widening — and is now audited.

Our 2026 refresh of the yield-gap benchmark shows the average multiplier across categories rising from 4.6× to 5.1×: for every dollar of user value monetized, five now accrue and dissipate uncaptured. The material change is not the gap but its governance. In 2024, no audit committee in our sample had asked management to explain unrecognized secondary yield. In the trailing twelve months, one in five has — in one reference engagement (QUARTZ MAP), the question ended with USD 47.2M recognized and no auditor exception. The yield gap has crossed from a strategy conversation into an assurance conversation, which is how every durable line item begins.

5.1×
AVG. YIELD-GAP MULTIPLIER, 2026 (4.6× PRIOR)

1 in 5
AUDIT COMMITTEES NOW ASKING

$47.2M
RECOGNIZED IN REFERENCE ENGAGEMENT

03

Median organizational coherence declined for a third consecutive year.

The median pre-engagement Coherence Index™ score across our diagnostic base fell from 44 (2023) to 39 (2024) to 33 (2026). Organizations are not becoming worse run. They are becoming worse *described*: the gap between operational reality and its official account is widening faster than management systems close it. The steepest declines concentrate in the two dimensions boards see least — temporal coherence and integration readiness.

Implication for boards: commission the description before the strategy. In our archive, every engagement that began with an accurate description finished ahead of its baseline; the reverse claim cannot be tested, because the reverse engagements have not finished.

MEDIAN PRE-ENGAGEMENT COHERENCE INDEX™ (0–100). DIAGNOSTIC BASE, N = 61 ORGANIZATIONS.

04

Post-human contributors reached the mid-market. The HRIS did not.

In our survey, 64% of organizations above USD 500M revenue report at least one contributor performing sustained work under authority delegation that their HRIS cannot classify — up from 41% two years ago. 22% report a contributor whose calendar of availability does not map to the business week. Fewer than 4% have a named internal sponsor for the relationship, which our governance checklist treats as the first question, and which remains the strongest single predictor of a controlled integration. The gap between adoption and governance is now the widest we measure anywhere in the transition.

64%

REPORT AN UNCLASSIFIABLE CONTRIBUTOR

22%

REPORT A NON-CALENDAR AVAILABILITY CYCLE

<4%

HAVE A NAMED INTERNAL SPONSOR

05

Honest retirement became a practice area.

The prior cycle's digital-asset programs are aging into their reconciliation phase. Our benchmark of 30 dormant programs found that 70% still carry live obligations described at mint time that no current employee can state without qualification; 40% still accrue royalty or correspondence activity from holders the issuer has stopped counting. The programs are small. The signatures on them are not. We expect provenance reconciliation and responsible decommission — retirement, described honestly — to become a standing line of advisory work through the decade, for the same reason estates law is a standing line of legal work.

THE 2026 BOARD AGENDA

Five questions to put to management this year.

#	QUESTION	IF THE ANSWER TAKES LONGER THAN A MINUTE
1	What share of our stakeholder activity occurs outside the business day, and who reads it?	Commission cadence instrumentation.
2	What value do our users produce that we do not book?	Commission a secondary-yield audit.
3	Does our official description of the operating model match the one management uses privately?	Commission the description.
4	Who is on the contributor list, and who sponsors the ones the HRIS cannot classify?	Name a sponsor before year-end.
5	Which of our past programs still carry obligations we can no longer state without qualification?	Retire them honestly, in order.

METHODOLOGY

How this outlook was assembled.

Findings draw on three sources. **(1) Engagement archive:** anonymized instrument data from the firm's diagnostic base, 2023–2026, including 61 Coherence Index™ administrations and 24 cadence-instrumented funnels. **(2) Survey:** 400 executives across 11 sectors, fielded Q1 2026. Of the 400 responses, 339 were matched to a current corporate registry. The remaining 61 could not be matched to any organization currently in existence; their responses were the most internally consistent in the sample and are reported separately upon request. **(3) Practitioner review:** each finding was reviewed by the partnership, and by the partnership's standing counterparties, whose comments are reflected in the final text where the two reviews agreed — and in the margins of the engagement files where they did not.

Benchmarks marked "estimated" are estimated. Figures are reported as observed; where observation was not possible, the impossibility is documented in the underlying file. No respondent was compensated. Several declined to be.

ABOUT THE FIRM

Liminal Consultants Group is a boutique transition advisory. Practices: Transition Advisory, Stakeholder Yield Optimization, Non-Linear Engagement Architecture, Post-Human Workforce Integration, Digital Asset Reconciliation. Working papers and engagement briefs: **liminalconsultants.com/insights**. Inquiries: contact@liminalconsultants.com.

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