Diagnostic Business Design

Dependency visibility and specification in early commercial configuration

CONCEPTUAL WHITE PAPER · EDITORIAL REVIEW · NOVEMBER 2026

Abstract

New ventures can understand individual activities while remaining unclear about the dependencies required for an early commercial transaction to complete. This paper develops Diagnostic Business Design as a bounded representation of those dependencies before they are converted into consequential commitments or delegated work. Its unit of analysis is the configuration needed for a specified early-trading cycle, not the architecture of a mature enterprise. The paper distinguishes a dependency claim from a verified dependency, an unexamined condition from confirmed absence, and an explicit specification from a commercially adequate requirement. Drawing on activity-system and problem-formulation research, it proposes that the value of representation lies in exposing decision-relevant connections rather than maximising descriptive detail. Particular attention is given to expertise selection: an incompletely formulated problem can lead a founder to seek an inappropriate category of external help. Three propositions concern dependency detection, problem-to-expertise matching and the costs of excessive representation. An evaluation design combines controlled case comparisons with prospective observation of specification changes during early trading. The contribution is a researchable account of how bounded commercial representation might support better-defined decisions. No claim is made that the representation is complete, that it predicts success or that it independently authorises execution.

1. Research problem: from isolated requirements to a connected transaction

A founder can identify a need for a website, a supplier, a delivery process and a means of receiving payment without knowing whether the specific arrangements are mutually compatible. The missing knowledge may not be a business function as such, but a relationship: what the supplier’s minimum quantity means for cash, what a delivery promise means for capacity, or what the customer’s purchasing procedure means for the point at which payment can be collected.

The research question is how to make these connections sufficiently explicit for a present decision without producing a comprehensive description of the future company. Diagnostic Business Design is developed here as the reconstruction of the configuration relevant to an early commercial cycle. That cycle may still be under controlled examination or may already involve real customers. The point is to understand what the current arrangement requires, not to presume that a business must be fully designed before it is allowed to learn.

Its value cannot be inferred from the appearance of a diagram or the number of questions answered. A representation is useful only insofar as it makes a material issue more visible,

clarifies the decision that issue affects, or permits a requirement to be specified more accurately. If it adds detail without changing any relevant understanding, it may be administrative overhead rather than diagnostic work.

2. Foundations and the limits of novelty

Zott and Amit (2010) describe a business model through interdependent activities extending across firm boundaries. That perspective establishes why supplier and customer activities can be part of the commercial system even when the founder does not control them. Baer, Dirks and Nickerson (2013) address how the formulation of a problem can constrain the search for solutions. Together, these ideas provide a foundation for examining connections before commissioning a remedy.

Diagnostic Business Design does not claim to invent business modelling, dependency analysis, systems thinking or requirements specification. Nor does it claim that existing methods treat activities as independent. The potential contribution is a decision-bounded synthesis: representation is restricted to the conditions on which an early-trading commitment depends, and it explicitly distinguishes the status of each condition from the completeness of the document describing it.

The relationship to Trinity is functional. Trinity provides three views through which a commercial mismatch can become visible. Diagnostic Business Design examines the dependencies behind the relevant mismatch in greater detail. Neither automatically produces an execution programme.

Diagnosis Before Commitment then asks whether the available understanding is proportionate to the commitment under consideration. These are related analytical functions, not four alternative names for the same process.

The conceptual method is selective synthesis, definition and examination of boundary cases.

Following the methodological concern identified by Jaakkola (2020), theoretical sources are used for stated roles rather than as decorative citations. There is no claim of exhaustive literature coverage, formal theory verification or empirical evidence that this particular synthesis outperforms another.

3. Definition and scope of a commercial configuration

For this paper, a commercial configuration is a specified arrangement of customer choice, purchase, delivery, resource use and money movement, together with the material conditions on which those arrangements depend. It includes external parties where their actions are necessary to complete the relevant cycle. It does not require the founder to own every resource or internalise every activity. “Specified” does not mean confirmed. A configuration may contain arrangements that are proposed, contractually offered, demonstrated under controlled conditions or observed in genuine trading. These descriptions should remain distinguishable. The representation must not imply that all its elements have the same evidential status simply because they occupy comparable boxes in a diagram.

The focal boundary is the commercial question being examined. For example, an early product seller may need to understand purchasing authority, product availability, minimum order quantity, delivery timing, returns exposure and cash collection. A full future organisational chart may add

nothing to that decision. Conversely, a specialist authorisation or dependency cannot be ignored merely because it falls outside a familiar startup checklist.

The boundary can expand when a newly identified condition is material. It should not expand without a decision-relevant reason. This produces an explicit tension between completeness and parsimony: sufficient coverage to identify consequential dependencies, but not an aspiration to represent everything about the business.

4. Dependencies, evidence and omission

A dependency is a relationship in which the feasibility, meaning, cost or acceptability of one element is affected by another. Four distinctions are useful for research. Informational dependencies concern what must be understood to specify a decision. Operational dependencies concern what must occur for delivery or purchase to complete. Resource dependencies concern capacity, cash and access to capabilities. Commitment dependencies concern obligations created by decisions already made or contemplated. These are analytical descriptions, not proposed additions to the AMS evidence-state vocabulary.

Not all relationships are one-way. Price can influence demand while anticipated volume influences cost and therefore the feasible price. A representation should therefore not assume that the business is a simple sequence without feedback. Iteration may be necessary to refine a configuration. The relevant question is whether an unresolved relationship is being managed as an uncertainty or incorrectly treated as settled.

A dependency map can be represented as elements connected by typed relationships, with source references attached to the material claims. Such a map is descriptive. A central element is not automatically the greatest risk, and counting connections does not establish a probability of failure. The apparent precision of a network representation must not conceal unverified assumptions about the edges.

The phrase “unrecognised gap” also requires restraint. It identifies a condition the founder has not yet articulated that may matter to the commercial arrangement. It does not license a reviewer to treat every unanswered question as a deficiency. An item may be outside the present scope, already resolved but not discussed, unnecessary for the intended cycle or simply not yet evidenced in the record. The reviewer must establish relevance and seek clarification before making an adverse inference.

No finite representation can guarantee discovery of all unknown dependencies. The defensible claim is more limited: structured examination may improve recognition of certain material omissions relative to an appropriate comparator. A diagnostic method that claims to make the entire business visible would exceed what its records could establish.

5. What a specification establishes

The canonical paper places specification between diagnosis and consequential execution.

Academically, that relationship needs a careful distinction between explicitness and adequacy. A specification records what is believed to be required. It does not establish that the commercial problem has been correctly formulated, that every dependency has been found, or that the requested output will create customer value.

An adequate specification for a consequential commitment needs a traceable relationship to the commercial requirement, applicable constraints and a means of determining whether delivery meets the requirement. Even then, acceptance of delivery proves conformity to the specification, not the truth of every commercial assumption behind it. The two tests must not be silently collapsed. This distinction matters for delegation. A supplier can deliver exactly what was ordered while the order fails to address the relevant business condition. Conversely, a supplier may identify an inadequacy in the request and contribute evidence that changes it. The model should preserve that feedback rather than treating the initial document as immune from revision. Material changes remain accountable decisions, not silent substitutions of scope.

The framework can identify objective commercial requirements for creative work, such as what the customer must understand. It does not thereby determine a founder's aesthetic identity. Separating requirement from solution allows multiple ways of fulfilling the commercial purpose without converting diagnosis into creative authorship or preferred-supplier selection.

6. The expertise-selection problem

An early founder may know that something is wrong without being able to locate the underlying decision. A lack of customer purchases could be interpreted as a need for promotional help when the relevant issue is purchasing authority, unsuitable terms or an offer that cannot be delivered at the accepted price. Different problem formulations point towards different evidence and potentially different expertise.

The proposed mechanism is problem-to-expertise matching. Better definition of the unresolved condition may change which kind of knowledge is needed before work is delegated. This is not a claim that the founder lacks intelligence or that an AMS reviewer is universally competent. The reviewer may also formulate the problem incorrectly. The method is valuable only if it makes the formulation open to correction and reveals when specialist judgement is required.

External expertise can contribute verified facts, domain interpretation and competing hypotheses. Its role should be evaluated against the decision, not ranked through a generic hierarchy of advisers. The framework does not infer that a paid specialist is better evidence than a customer's observed behaviour, or that customer feedback settles a technical matter outside the customer's competence. Source relevance varies with the claim.

This argument also creates a control on the diagnostic provider itself. When an organisation benefits from selling a proposed solution, it has an interest that should be visible. A diagnosis should not silently be shaped to favour the provider's own service. Separate evidence, reasoning and authorisation help make that potential conflict inspectable; they do not guarantee its elimination.

7. Worked case. Dependencies in a fixed-price window-display service

The fictional founder introduced in The Trinity Model® sells a £240 design, print and installation package to local retailers, with installation within five working days. Three local jobs were bought through introductions. The founder now considers offering a wider delivery area. The configuration under examination is one order accepted, produced, installed and paid for at the advertised terms. Wider repeatability is a separate question.

A customer-facing order page appears to be the immediate requirement. Working backwards from an installed display reveals conditions that must exist before the order can safely be accepted. The buyer needs authority to approve the scope, artwork and price. The print supplier needs usable artwork and an available production slot. The installer needs confirmed access, dimensions and a time window. Payment terms have to cover printing and travel before customer collection or an identified source of cash must bridge the difference. Each dependency attaches to a consequence, such as rework, a missed appointment or an unaffordable order.

Several evidence states coexist. Paid orders establish some local purchasing behaviour. A printer's quotation establishes the terms offered for that quote, including any deadline or rush fee. The founder's estimate of installation time remains an assumption until supported by delivery records relevant to the wider area. Access terms at a new retailer may be unexamined. Describing them as absent would be premature. Each of these conditions matters only to the extent that another part of the proposed transaction depends on it.

A useful ordering requirement could be to accept an order at the advertised terms only once eligibility for the delivery area, proof approval, print capacity and the installation window can be established. That requirement can be explored with a manual confirmation as well as with software. It makes the acceptance condition observable and helps identify the kind of expertise required. A designer can make the purchasing information clear, a print specialist can examine tolerances, and an operations specialist can help inspect capacity. The founder retains the choice of implementation, creative direction and supplier.

The dependency order runs from a sufficiently clear offer and purchase conditions through production and installation to collection. Some checks can proceed in parallel. This is a diagnostic representation of what the transaction depends on. It conveys neither dates nor delegated authority. Its usefulness depends on whether it exposes conditions material to the next decision without adding detail irrelevant to it.

8. Propositions, counterarguments and empirical tests

B1. Relational visibility

For early-trading decisions involving material cross-functional dependencies, an explicit representation of those dependencies will identify more relevant specification conflicts than a list of activities alone, holding source material and review time constant. The mechanism is recognition of incompatibility between conditions, not the presence of additional document headings.

B2. Expertise matching

Where the presenting concern does not uniquely identify its commercial cause, explicit problem formulation will improve the match between the unresolved decision and the expertise sought. A valid test must allow "no external specialist required" and "insufficient evidence to locate the problem" as possible outcomes. The mere appointment of a specialist is not evidence of better matching.

B3. Contingent detail

The marginal benefit of additional representation will decline once the material dependencies of the focal decision are adequately represented, while burden and the chance of introducing unsupported relationships may increase. Where complexity remains material, more detail may still be justified. The proposition is about relevance, not a universal preference for minimal documentation.

An initial controlled study could assign equivalent early-trading cases to reviewers using a dependency representation, an established business-model representation or a conventional task list. Designed cases could contain known incompatibilities, while real cases would require independent source-based adjudication. Measures would include missed material dependencies, invented constraints, specification adequacy and review burden. A proposed case instrument should be piloted for ambiguity before testing the framework.

A prospective study could then examine whether identified dependencies were relevant when first transactions occurred. It should distinguish discoveries that were genuinely available before commitment from information that only later became knowable. Otherwise hindsight would incorrectly penalise the initial examination. Outcomes might include re-specification attributable to earlier omissions, avoidable supplier correction, or delay introduced by unnecessary scrutiny. No outcome is assumed in advance to favour AMS.

The study must address reviewer expertise, sector knowledge and attention as rival explanations. Blinding outcome adjudicators where possible, retaining disagreements and publishing null or adverse findings would improve credibility. Research records are not authorisation for indefinite retention of operational founder data; consent, lawful basis, access and retention require separately approved arrangements.

9. Policy relevance, limitations and conclusion

For enterprise-support institutions, the framework raises a specific question: can bounded assistance in connecting commercial requirements reduce the gap between a founder’s identified need and the work actually commissioned? The answer should not be assumed from the popularity of business-advice services. Evaluation would need a credible comparator and measures that include participant time, external spending and errors introduced by the intervention.

The framework may fit poorly where the relevant system cannot yet be specified, where the commercial cycle depends on long unresolved research or regulatory processes, or where specialist hazards exceed the reviewer’s competence. Such conditions do not establish that the underlying venture is unattractive. They limit the usefulness of this bounded method and may place the venture outside AMS’s standard scope.

The principal conclusion is that a startup need not be comprehensively designed before it trades, but a consequential early commitment should be understood in relation to its material dependencies. Diagnostic Business Design is a proposed means of making that understanding explicit. Its contribution is neither diagram production nor an exhaustive checklist. It is the possibility of representing the right relationships at the point where they can still alter a decision. That possibility requires comparative evaluation and remains open to rejection or revision.

Research and disclosure

Prepared for Active Mentor® Studio as a conceptual white paper for editorial review. The Studio has a commercial interest in the framework discussed. AI assistance was used in drafting and literature discovery. This paper draws on the Studio's v3.2 Canon and the 5 November 2026 research manuscript. It uses conceptual analysis and fictional illustrations. Human authorship and final responsibility are pending editorial sign-off.

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