

## ArcVale Security

CONFIDENCE: MODERATE — EVIDENCE GAPS REMAIN

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Firm name: NorthBridge Ventures

### 01 EXECUTIVE DIAGNOSIS

Would move to High if Q2 ARR and NRR are confirmed and a direct conversation with Olivia Trent occurs outside Marcus's presence. Would move to Preliminary if those metrics prove stable and the Q2 deck shift is explained by deliberate audience calibration.

- The Q2 board deck removed all primary business health metrics — ARR, NRR, new logo count, deal cycle days — without explanation. Every Q1 operational commitment was either dissolved or reframed as intentional strategy.
- The accountability structure around Q1 commitments was dissolved rather than revised. Q2 did not report against any of them and in at least two cases reframed them as intentional choices rather than unresolved execution items.
- Functional leaders — Darren Pike, Benji Kwon, and Olivia Trent — are surfacing operational constraints in board settings, then withdrawing after founder reframe. The pattern is consistent and independent across three individuals.
- The founder's narrative frame has become the operating logic of board meetings, board materials, and leadership communication. The frame resolves every concern without requiring resolution of the underlying mechanics.
- The diagnostic question is not whether a pattern exists — it is what is causing it. Intentional narrative management, genuine founder conviction, and normal high-growth turbulence all remain live explanations.

### 02 EVIDENCE

A — Metric and Commitment Delta: Q1 vs Q2

Metric or Section	Q1 FY2026	Q2 FY2026	What Changed
ARR	\$34.2M (+82% YoY)	Absent	Primary metric removed without explanation
NRR	>120% (enterprise cohort)	Absent	Retention metric removed without explanation
New enterprise logos	7 accounts >\$250K ACV	"5 strategic expansions"	Unit redefined; direct comparison impossible
Deal cycle	94→117 days (named)	"Elongated cycles" (no number)	Quantification removed; trend tracking severed
Operational Priorities slide	Four named commitments	Absent	Section eliminated; no plan-vs-actual reporting
Key Risks slide	Present — four named risks	Absent	Entire section eliminated with no equivalent in Q2

B — Verbal vs. Documentary Observations

Observation	Source	Confidence
Darren Pike began answering operational question; Marcus interrupted; original question never returned to	VC direct observation, Q2 board meeting	High
Benji Kwon flagged engineering bandwidth; Marcus reframed; Benji disengaged for remainder of meeting	VC direct observation	High
Olivia Trent: "The organisation is carrying more simultaneous priority paths than its coordination systems were designed for" — immediately softened	VC account — direct quote, specific setting	High
Olivia's effective authority described as diminished; operational readiness section compressed in Q2	VC observation over time	Moderate
Maya Feld (CFO) — no signal of any kind	Absent from conversation entirely	Gap

C — Linguistic Drift (Vocabulary Observation — corroborating evidence only)

Vocabulary Shift	Period	Operational Signal Corroborated
"Deployment variability" → "deployment complexity reflects embeddedness"	Q1 → Q2	Deployment variability commitment dissolved; no plan-vs-actual reporting in Q2
"Exception discipline" → "strategic customer partnership"	Q1 → Q2	Exception protection commitment dissolved; corroborates Benji Kwon's engineering strain signal
"Forecast consistency" → "methodology updated to reflect strategic account dynamics"	Q1 → Q2	Forecast commitment dissolved; removes accountability frame for improvement

Each vocabulary shift above is paired with the operational signal it corroborates. No shift is weighted independently as a primary finding.

03 THE PATTERN

The Q1-to-Q2 transition follows a recognisable shape: operational risk areas are surfaced with specificity, then — without evidence of resolution — reabsorbed into strategic narrative at a higher conceptual altitude where the original accountability questions are no longer legible. Five named risk areas, primary business metrics, and the commitment reporting structure simply do not appear in Q2 in any form — not resolved, not reframed, not carried forward.

Before treating this as a diagnosis, two alternative explanations must be held open: the entire Q2 shift may reflect a deliberate and reasonable communication decision at a different stage of the company's life, with no intent to conceal; or the shift may reflect normal disorganisation under scaling pressure. The current evidence cannot rule out either. The pattern is clear. The mechanism is not.

04 HYPOTHESES

**H1 — Founder-mediated coordination has become structurally load-bearing**

PROBABLE

*Mechanism:* Escalation routing through the founder has become the default resolution path rather than an exception, creating a structural dependency the board cannot currently see.

*If correct:* Implementation variability correlates with founder availability; cross-functional decisions slow without his involvement; Olivia Trent's governance systems have stalled or been bypassed.

*Closes when:* Escalation volume data by account and resolution path; direct conversation with Olivia Trent outside Marcus's presence.

## H2 — One or more underlying metrics are under pressure and were not surfaced in Q2

POSSIBLE

*Mechanism:* ARR growth, NRR, and new logo count were removed from Q2 at the same time the forecast methodology was recast as intentional and deal cycle data was de-quantified.

*If correct:* Q2 ARR, NRR, and new logo data — if obtained — would show deceleration or deterioration relative to Q1 trajectory.

*Closes when:* Q2 financial data from Maya Feld directly, or from the cap table data room. This is the single highest-priority evidence gap.

## H3 — Operational reporting deteriorated due to organisational slippage, not coordinated narrative management

POSSIBLE

*Mechanism:* A founder-led company at this growth rate may simply lose bandwidth to maintain rigorous board reporting. The strategic narrative expands because it is easier to produce under stress than updated operational data.

*If correct:* Equivalent gaps would appear in internal operating materials — no clean internal reporting Marcus chose not to include, simply no clean internal reporting at all.

*Closes when:* Review of internal operating cadence materials. Clean internal data strengthens H1; absent internal data strengthens H3.

## H4 — The founder genuinely believes the strategic infrastructure narrative and is not concealing a different truth

POSSIBLE

*Mechanism:* Marcus may interpret operational strain as evidence of strategic positioning rather than coordination failure. The board reporting shift follows from that worldview rather than from a decision to manage optics.

*If correct:* A direct conversation about Q1 commitments and Q2 reporting would produce genuine engagement with the strategic logic rather than deflection.

*Closes when:* A direct board-level request for Q1 commitment tracking as governance hygiene. Substantive engagement supports H4; re-execution of the strategic reframe without operational engagement supports H1.

H1 and H3 are distinguishable: H1 requires that operational data exists internally and is being translated upward before reaching the board; H3 requires that the data does not exist in rigorous form. The same initial request produces different results and therefore different implications. H4 is independently falsifiable through direct conversation about what Alex perceives. H2 and H4 can be closed simultaneously by a single metric request.

### 05 QUESTIONS

#### In the board setting

1. Q1 materials named four operational commitments. Q2 materials do not report against any of them. Can we take fifteen minutes to close those out specifically — what did we commit to measure, what did we measure, and what do the numbers show?

A non-answer or pivot to strategic narrative is itself diagnostic. Deflection is visible if the question is structured this way.

2. What is ArcVale's current NRR, by cohort, and how is the enterprise cohort defined?

NRR above 120% was a headline Q1 metric. Its absence in Q2 requires a direct explanation. A question that cannot be answered with a number is itself a finding.

3. What is Q2 ARR and the growth rate versus Q1?

Basic revenue performance is missing from the board materials. Ask plainly.

4. How many customer issues required founder or C-suite involvement in Q2, and what is the trend versus Q1?

Asking for a threshold — what should route to executive, not just what does — makes it harder to present high escalation volume as evidence of strategic engagement.

In a separate conversation

1. Olivia Trent — without Marcus present

What is the current operational scope she is responsible for, and which of the planning cadences and governance reviews she introduced 18 months ago are still running as designed?

Requires a private setting. The intake establishes with high confidence that Olivia does not elaborate on operational concerns when Marcus is present.

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2. Maya Feld (CFO) — direct one-on-one

What does Q2 financial performance actually look like — ARR, NRR, and win rate on new logos?

Maya has not appeared in any board or leadership context. If she exhibits the same deference pattern as other functional leaders, that is itself diagnostic.

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3. Sandra Liu (co-investor) — bilateral without Marcus

Whether she is prepared to formally request Q2 ARR and NRR from the board, and whether she believes Rachel Kim's position is moveable.

Any governance escalation requiring board-level action requires Sandra's alignment. Her position needs to be understood before Daniel considers whether to move.

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06 EVIDENCE GAPS

**Gap 1 — Q2 ARR and NRR**

*Missing:* Current ARR, NRR by cohort, and new logo count.

*Why critical:* The entire framing of whether this is narrative management or a genuine performance problem depends on this data. The diagnostic conclusion could materially reverse.

*How to close:* Direct board request, framed as Question 1 above. Closeable before the next board meeting.

Closing this gap could materially change the diagnostic conclusion.

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**Gap 2 — Maya Feld (CFO) — no signal**

*Missing:* Any signal on CFO behaviour, financial reporting cadence, or whether metric disappearances are mirrored in internal reporting.

*Why critical:* The CFO's function requires accurate financial data regardless of narrative. If she exhibits the same deference pattern, the pattern is more systemic than current evidence confirms.

*How to close:* Direct one-on-one, framed as routine board-member engagement. Should occur before the next board meeting.

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**Gap 3 — Status of Olivia Trent's operational governance initiatives**

*Missing:* Whether planning cadences, implementation governance, and cross-functional accountability reviews are still running as designed.

*Why critical:* If these systems are functioning, the coordination problems described externally need a different explanation. If stalled or superseded by founder routing, H1 gains significant probability.

*How to close:* Direct conversation with Olivia Trent without Marcus present. Requires a private setting.

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**Gap 4 — Comparative benchmark — coordination load at comparable stage**

*Missing:* Baseline data on what escalation load, implementation complexity, and founder involvement look like at comparable enterprise security companies at \$34M ARR.

*Why critical:* If these patterns are common at this stage, the diagnostic weight is substantially lower than if ArcVale is an outlier. The finding's severity depends on this comparison.

*How to close:* NorthBridge portfolio comparables or peer investor conversation. Can begin in parallel.

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## 07 WHAT WOULD CHANGE THIS CONCLUSION

The diagnostic concern would be substantially revised if two things were simultaneously true: first, management produces internal operational metrics — escalation volume, onboarding variance, exception rate, forecast accuracy — promptly and with stable-to-improving trends; and second, a direct conversation with Olivia Trent produces an operational picture consistent with the board framing rather than divergent from it. Either finding alone is reassuring but not falsifying. Both together, with data that holds under scrutiny, would shift hypothesis weight firmly toward H3. What would not stand down the concern: strong Q3 topline metrics without accompanying operational data, or a deck that reintroduces the risks section without reinstating instrumented commitment reporting. Reassuring presentation is not the same as operational transparency.

## 08 WHAT THIS MEANS AND WHAT COMES NEXT

### **What the pattern means**

This is a governance and information architecture problem. The board is receiving reporting structured to be consistent with a strategic thesis rather than structured to enable independent assessment of business health. Whether that is the result of a deliberate choice, executive conviction, or organisational slippage, the practical consequence is the same: the board currently cannot confirm whether the company's operating trajectory supports the Q1 picture or has moved away from it.

### **What this brief cannot tell you**

The single most important unknown is whether Q2 business health metrics support the Q1 trajectory or have deteriorated. The entire diagnostic weight of H2 depends on that data. Closing the Maya Feld gap before the next board meeting is the highest-priority action this brief supports.

### **What a structured investigation would look like**

The immediate step is financial: obtain Q2 ARR, NRR, and new logo data from Maya Feld before the next board meeting. A structured diagnostic — interviews with the three named functional leaders, internal document review, recruiter and customer back-channels — could move the pattern from identified to root-cause confirmed in four to six weeks, depending on access.