The Day 2 Problem

What Happens After Go-Live and How We Help Firms Avoid It

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Contents

Executive Summary

Portfolio monitoring implementations are usually measured by one moment: go-live. Data flows, dashboards render, and the project is declared a success. Far less attention goes to what happens across the months that follow - the period when the discipline built during implementation either holds or quietly comes apart.

This is not a story about failed technology. The platforms firms adopt for portfolio monitoring do exactly what they are built to do. What tends to fail is everything organisational that was supposed to happen after go-live: governance cadence, data discipline, and adoption across the team.

This paper outlines why that pattern - we call it the Day 2 problem - shows up so consistently, and what it takes to prevent it. It looks at the specific ways we stay engaged with clients beyond go-live so that the discipline that made go-live possible is still there months later.

The Day 2 Problem

Six months after go-live, a valuation committee at a mid-sized private equity firm sat down to review Q3 marks. Someone asked why the multiple applied to a healthcare portfolio company had moved from a trading-comps basis to a precedent-transactions basis between Q1 and Q2. No one in the room could say when the change had been made, who had approved it, or why. The model still ran; the dashboard still refreshed on schedule - but the numbers were no longer comparable to two quarters earlier, and nobody had flagged it until an LP asked first. (This is a composite drawn from patterns we've seen across engagements, not any single client.)

This is not a story about a failed implementation. The system worked exactly as designed. What failed was everything that was supposed to happen after go-live.

Go-Live is not the finish line. Implementations create structure while the Day 2 determines whether that structure lasts.

Call it the Day 2 problem: the period from Day 2 through Day 200, when the discipline built during implementation either holds or erodes beneath the surface. In our experience across private markets managers, this is one of the most common patterns we see, regardless of platform or provider - and it isn't unique to portfolio monitoring either. It shows up across technology-led transformations more broadly, which suggests it has more to do with how projects are organised around a single milestone than with any specific platform.

The symptoms tend to show up in a predictable sequence.

Governance decay: Approvals that ran through a steering committee during the project move to email, then Slack, then nowhere at all.

Data drift: New funds, entities, and KPIs get added without following the original mapping conventions.

Valuation methodology breaks: A change that seems minor in isolation - a different comparables set, a revised adjustment - quietly costs a committee its ability to compare one quarter to the next.

Manual workaround creeps in, Excel re-enters the workflow at exactly the points automation was meant to remove it. None of this is a technology failure - it's an organisational-behavior pattern, and a predictable one.

> Day 2 is not about maintaining a system. It is about maintaining the integrity of the process, data and governance around that system.

Why This Happens

The pattern behind Day 2

Implementation teams are built around a single milestone: go-live. Once that milestone is hit, the team disbands, ownership of data quality and governance diffuses across people who have other priorities, and no one is specifically incentivised to maintain the rigor that existed when the project was active.

Two structural forces are behind this, and neither is accidental. Budgets and project mandates are typically scoped around go-live, so the funding and formal accountability that enforced discipline during implementation often close with the project itself, not with the ongoing need for it.

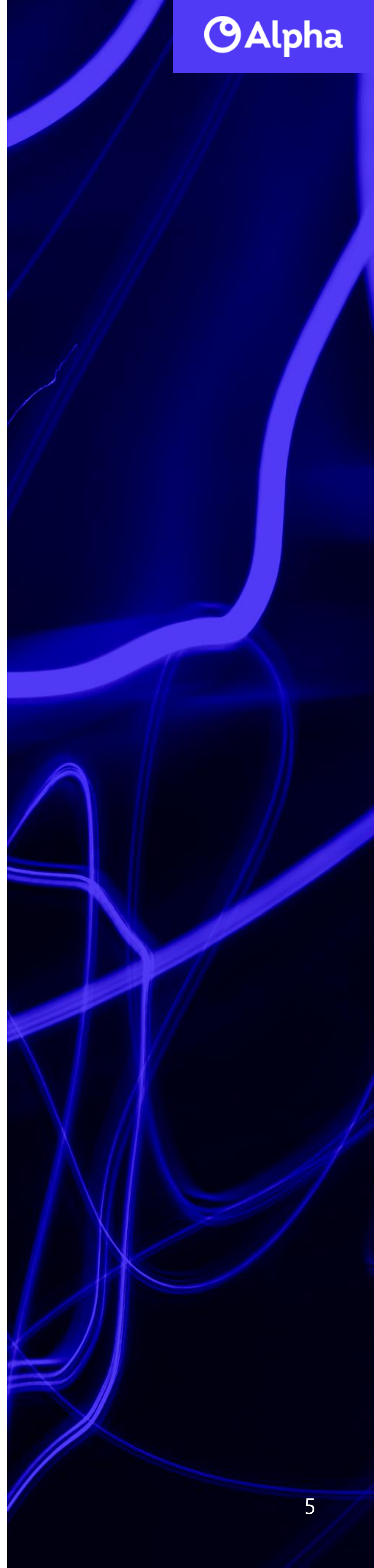
The underlying issue is rarely the technology itself. It is usually the gap between the operating model designed during implementation and the reality of how the business evolves afterwards.. The platform doesn't fail. The attention around it does.

Who's left holding the process

The people left holding the process day to day are usually the ones who carried the heaviest load getting to go-live - running dual processes, extra testing, extra meetings - and are least equipped, right at that moment, to also police a new discipline without support.

Day 2 problems emerge when ownership, governance and continuous improvement are treated as implementation activities rather than ongoing capabilities.

This isn't a sign a firm chose the wrong system or the wrong implementation partner - it's simply what tends to happen once a project team moves on.



The Cost of Day 2 Drift

Why should an investment firm care? Because this pattern has a cost, and it rarely announces itself. It shows up as a chain, not a single event.

Small process gaps →	**Data inconsistencies** →	**Manual intervention** ↓
Weaker decision support	← **Reduced confidence**	← **Reporting delays**

Most of that chain is invisible until the moment a valuation committee, an LP, or an auditor asks a question the team can no longer answer with confidence.

Visible costs

Time spent chasing data, repeated reconciliation every cycle, manual workarounds, and reporting that takes longer to produce than it did the quarter before..

Hidden costs

Growing spreadsheet dependency, inconsistent metrics across teams, reduced confidence in portfolio information, and a monitoring function that quietly becomes harder to scale.

Where the cost lands

People

Analyst and operations capacity absorbed by manual reconciliation and remediation

Process

Longer reporting cycles and increasing dependence on workarounds

Risk

Greater exposure to unexplained changes, inconsistent data and audit / LP questions

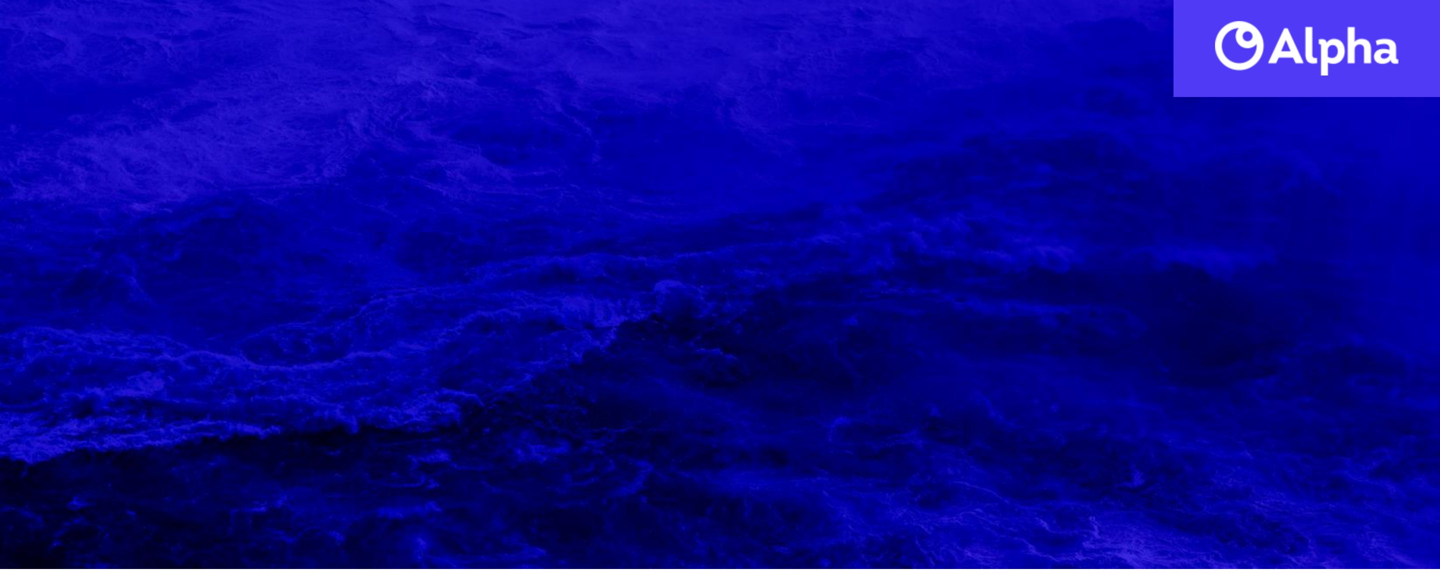
Value

Less time and confidence available for portfolio analysis and decision-making

The costs compound

No single step in the chain looks serious on its own. It is the accumulation, cycle after cycle, that quietly erodes confidence in the numbers.

Day 2 drift rarely breaks a process overnight. It creates small compromises that compound over time.



What a Good Day 2 Looks Like

A successful Day 2 is not about keeping the platform running. It is about maintaining the operating discipline around it.

Day 2 discipline is not about preventing change. It is about having the governance, processes and mindset to absorb change without compromising the quality of information or the way the organisation operates.

Ownership

Everyone knows who owns the data, the process, the platform, and the reporting that depends on them.

Governance

A regular forum surfaces issues, prioritises changes, and keeps accountability visible after the project team disbands.

Data quality

Controls catch problems before they reach a reporting cycle, not after a committee has already seen the numbers.

Change management

New assets, metrics, and requirements have a defined path into the operating model, rather than a workaround.

Adoption

The platform stays embedded in how teams actually work, not just where the data happens to live.

Continuous improvement

The organisation periodically asks what can be automated, simplified, or removed and acts on the answer.

A disciplined Day 2 operating model rests on these six pillars. Most firms already have two or three in place - the work is closing the rest.

How Alpha Supports the Transition to Day 2

1 Stabilising the Transition

Not an abrupt handoff. We stay embedded for the first 30-90 days after go-live, resolving early issues, monitoring how the processes are being used and addressing small deviations - a skipped approval, a quiet workaround - before they become habits.

2 Change management built in from day one

Not bolted on after. We identify early which roles and workflows will feel the most disruption, prepare those teams before go-live, and set expectations about what will feel harder before it gets easier.

3 Driving real adoption across the team

Not just the project sponsors, we support the super-users who become the first line of local expertise, and address practical friction early, before teams revert to familiar workarounds

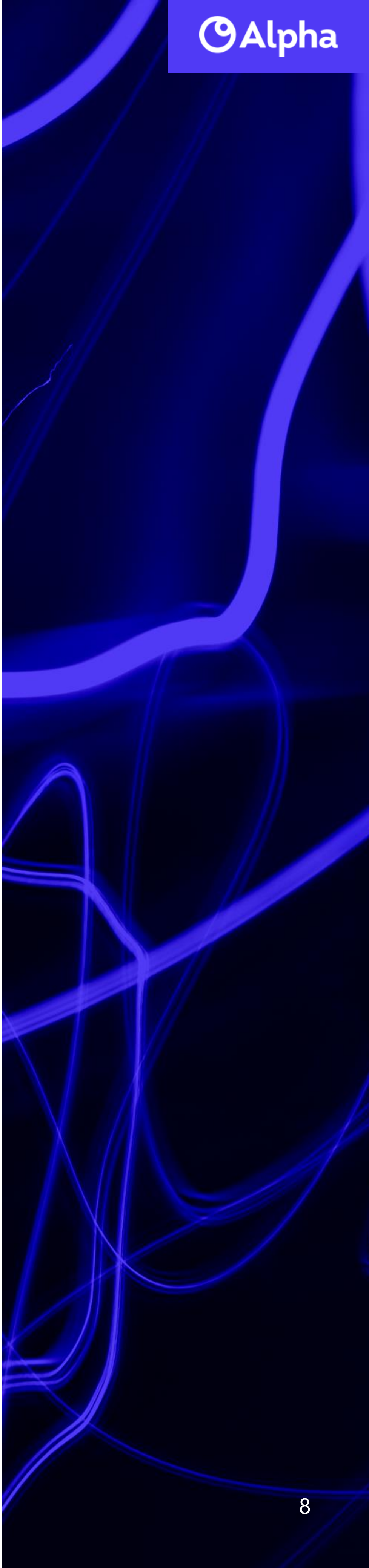
4 Governance and ownership that survives the transition

A named data owner carries governance responsibility into their day-to-day role. We help build that ownership deliberately and put a cadence around reviewing methodology and mapping changes.

5 Periodic health checks, from outside the daily workflow

A structured look at whether governance, data model, and valuation approach still match what was designed at go-live, and where they've quietly drifted.

None of this is exotic. It is the deliberate, often unglamorous work of treating go-live as a milestone within a longer lifecycle rather than the finish line.



The Dividend of Discipline

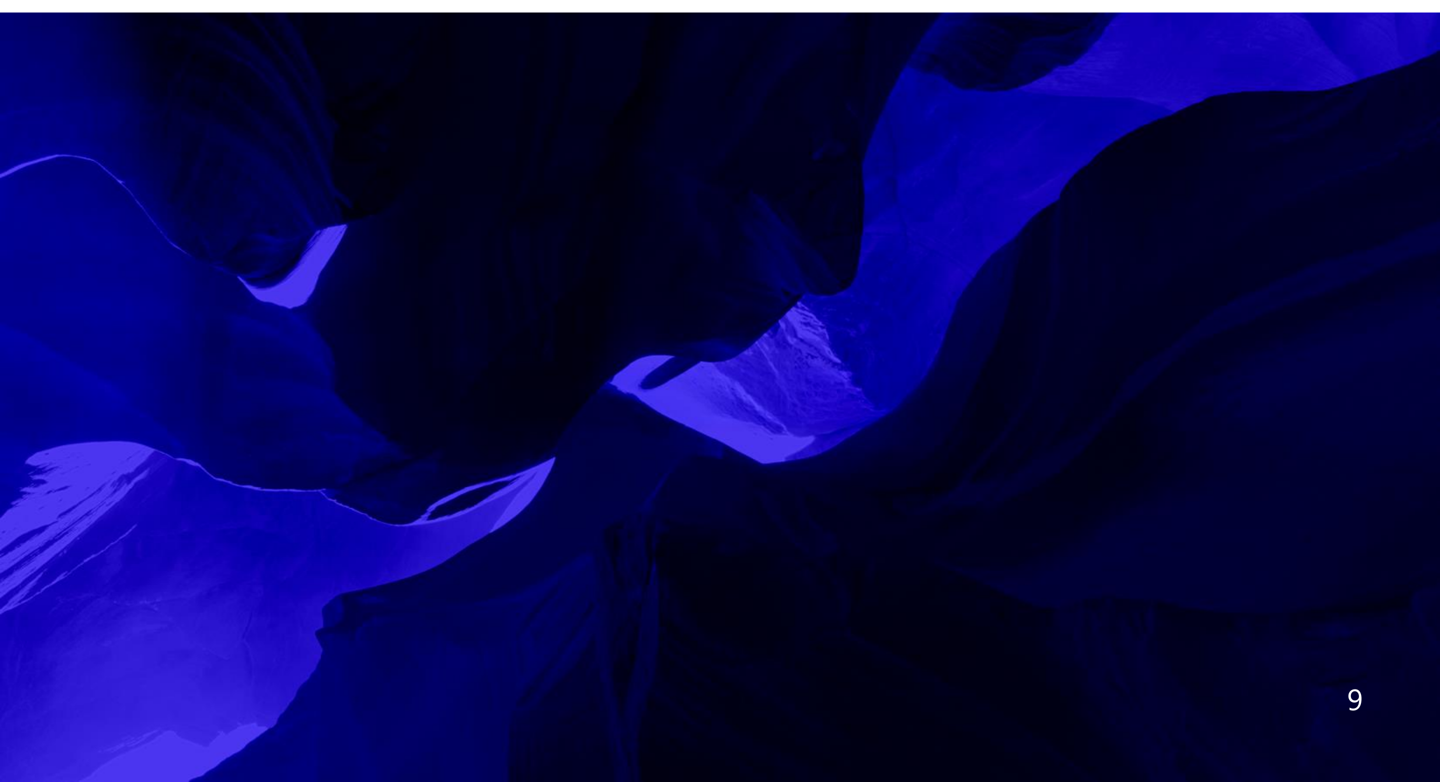
Holding this discipline isn't only about avoiding decay. It's what a team gets back over time.

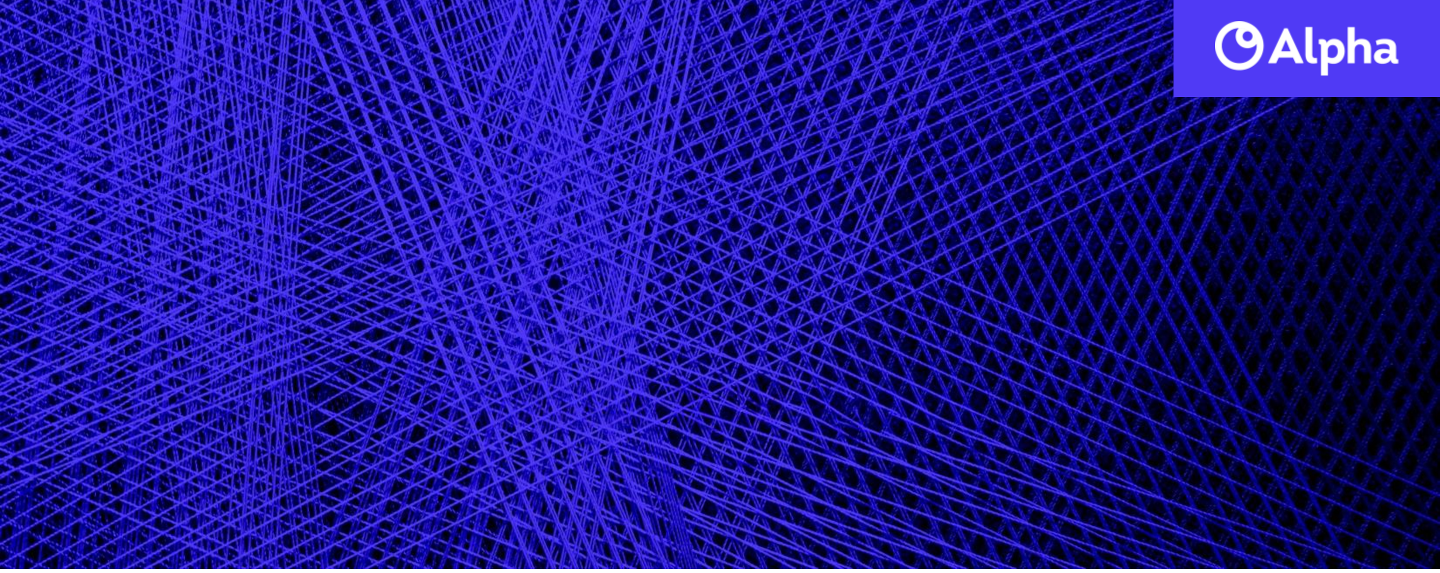
Less time spent rebuilding the same reconciliation every quarter and questioning the numbers - and more time spent on the analysis the platform was bought to enable in the first place.

Every workaround that creeps back in is also a small loan against that time - a form of data debt that quietly compounds if nobody's watching it.

Day 2 discipline may appear operational on the surface, but its benefits are strategic.

Spotting a portfolio company trend early, sharpening an LP narrative, flagging a risk before it becomes a question in a committee meeting - that's the dividend on keeping the discipline in place.





Conclusion

The Day 2 problem isn't solved by better software. It's solved by keeping the discipline that made go-live possible in place long after the project team that built it has moved on

At Alpha Alternatives, we make this explicit. We transition governance to a named owner with a defined cadence, we embed adoption support through the first 90 days, and we run structured health checks, separate from the day-to-day, to measure whether your operating model has held and where it's drifted.

Most firms recognise this is necessary. Few actually fund it, because it doesn't sit cleanly on a project plan.

If you're designing a go-live roadmap or reviewing one from the past 18 months, ask yourself: is there explicit accountability and measurement for whether the discipline held? If not, that's precisely where Day 2 problems emerge.

Let's discuss what a deliberate Day 2 engagement looks like for your firm.

Get in touch at alts-info@alphafmc.com

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If this pattern sounds familiar, we'd welcome the conversation. The discipline that makes go-live possible deserves to outlast it.

Shivani Agarwal
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