

Codewave Launches ImpactIndex™, An Outcome-Based Billing Framework That Ties Fees to Business Performance

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BENGALURU, KARNATAKA, INDIA, March 3, 2026 /EINPresswire.com/ -- Codewave introduces a three-tier pricing model in which a significant portion of fees is linked to user adoption and predefined business KPIs.

The \$2.3 Trillion Problem Worth Solving

Many digital transformation initiatives fail to meet their stated objectives. Research from McKinsey and BCG estimates failure rates near 70 percent, while Bain's 2024 study places the number higher. In many cases, vendor compensation remains structured around delivery milestones rather than long-term adoption or measurable business performance. This can concentrate risk on the client while vendor payments are largely secured through delivery.

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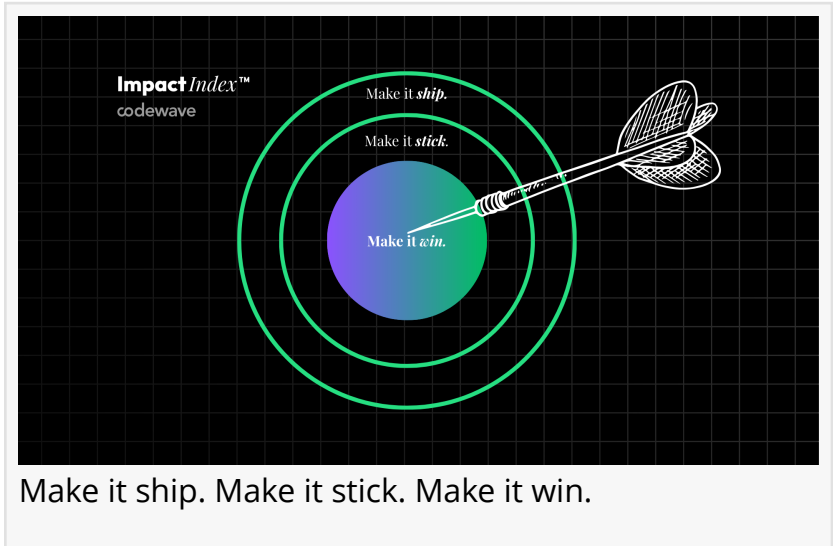
ImpactIndex™ links compensation to the proportion of change achieved against agreed metrics, rather than solely to effort.”

Vidhya Abhijith, Founder & Head of Design, Codewave.com

ImpactIndex™ is designed to address this gap by linking a majority of fees to measurable business outcomes such as adoption, productivity improvements, cost efficiency, or revenue impact.

“The industry has historically structured billing around

effort and delivery. We believe compensation should align more closely with measurable outcomes,” said Abhijith HK, Founder and Head of AI at Codewave. “With ImpactIndex™, clients commit a defined upfront portion, with the remaining fees linked to adoption and agreed



performance metrics. Our responsibility extends beyond deployment to demonstrated business impact.”

From Input and Output to Outcomes

Input-based billing models compensate for time and resources allocated. As AI reduces execution timelines and team sizes, organisations are reassessing how effort-based pricing reflects delivered value.

Output-based billing focuses on features delivered or milestones completed, but delivery velocity does not necessarily translate into measurable return.

Outcome-linked billing aims to align compensation with realised value. Under ImpactIndex™, measurable adoption among target users is prioritised, followed by predefined business KPIs such as productivity, revenue, or cost efficiency.

How ImpactIndex™ Structures Engagements

Each engagement structures fees across three defined levels, with a portion released at deployment and the remainder linked to adoption and performance milestones.

Level 1 — Deployment: Make it ship

Functional software is delivered and meets agreed acceptance criteria, including performance, stability, and security benchmarks.

Level 2 — Adoption: Make it stick

Fees at this stage are linked to measurable usage metrics such as active user rates, workflow integration, and activation milestones.

Level 3 — Outcomes: Make it win

Compensation is tied to predefined KPIs including productivity improvements, cost reductions, revenue impact, or operational efficiency gains. In some cases, gain-share mechanisms may be defined in advance.

KPIs for Levels 2 and 3 are defined during a structured [Blueprinting Workshop](#) that maps users, journeys, workflows, gaps, and projected ROI. Metrics are tracked through shared dashboards accessible to both parties.

Foundations of the Framework

ImpactIndex™ reflects operating principles Codewave has applied across engagements over the past decade. The model may involve greater upfront investment, with financial returns more closely aligned to client performance over time.

The framework has been informed by work across startups, SMEs, enterprises, and public sector organisations in sectors including healthcare, finance, education, retail, and SaaS.

Culture and change management are also considered, recognising that adoption depends on behavioural alignment as well as technical delivery.

“Strategy must translate into measurable outcomes,” said Vidhya Abhijith, Founder and Head of Design at Codewave. “ImpactIndex™ links compensation to the proportion of change achieved against agreed metrics, rather than solely to effort.”

Why ImpactIndex™ Matters

For clients:

A portion of fees is committed upfront, with the remainder linked to measurable adoption and agreed business outcomes.

For delivery partners:

Compensation is partially tied to results, creating shared accountability for performance.

For AI transformation initiatives:

The model is suited to programs where bridging the gap between deployment and business impact is critical, enabling value to build over successive cycles.

Availability

ImpactIndex™ is now being applied to new engagements. Organisations may begin with a Blueprinting Workshop, a structured discovery session designed to map challenges, potential solutions, and projected ROI. Further information is available at codewave.com.

About Codewave Technologies

Founded in 2013 and headquartered in Bengaluru, Codewave is an AI-focused engineering company working across digital products, intelligent systems, and enterprise transformation initiatives. The firm partners with startups, enterprises, and public sector organisations in India and internationally.

Codewave operates with a zero-distance collaboration model (ZeroDX), enabling direct engagement between clients and delivery teams. Its methodologies include ImpactIndex™ for outcome-linked pricing, [QuantumAgile](#) for parallel execution, and structured Blueprinting Workshops for discovery and alignment.

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