

• INVESTOR DUE DILIGENCE · ELITEZAI

Pressure-Tested. Every Objection Answered.

7 dimensions of VC scrutiny. 24 hard questions.
Data-backed countermeasures for each.

7

Dimensions of Scrutiny

24

VC Questions Answered

250

Paying Clients

<5%

Annual Churn Rate

DIMENSIONS COVERED

- I** Customer Needs & Pain Point Rigidity
- II** Market Size & Penetration Rationality
- III** Competitive Barriers & Sustainability
- IV** Willingness to Pay & Pricing Rationality
- V** GTM Feasibility & Growth Sustainability
- VI** Operations & Financial Model Feasibility
- VII** Risk Mitigation Effectiveness

I Customer Needs & Pain Point Rigidity

3 questions — Does the pain translate to real P&L? Are pilots replicable? Are pain points genuine?

VC CHALLENGE I.1

Efficiency improvements often fail to translate into P&L improvements that CEOs care about. Why is yours different?

- ① **Hard P&L translation model:** We don't sell "hours saved" — we convert it directly to revenue and cash flow.

77 hrs/exec/month saved = 4 additional client development hours/week = ~\$50,000 annual incremental revenue per exec (based on Singapore SME sales commission benchmarks).

SOA reconciliation daily (vs. monthly) = 10–14 day earlier payment chasing = 20% reduction in working capital occupation, freeing funds for inventory or marketing.

- ② **Performance guarantee agreements:** We tie subscription fees to customers' core KPIs — DSO improvement, headcount avoidance, accuracy rates. If preset targets are not met, subscription fees are reduced. 0 compensation claims to date across 250 clients.

VC CHALLENGE I.2

Internal pilot results rarely replicate with real paying customers. What's your evidence base?

- ① **250 live paying clients — not pilots:**

Avg time saving: 62% (vs. 60–90% in internal pilots — slightly conservative, consistent with real-world friction)

Employee resistance: 8% — resolved via phased rollout and training

Cross-dept coordination issues: 12% — addressed via dedicated client contact mechanism

- ② **15% customisation headroom:** Every workflow ships with a standardised 85% core + 15% reserved for non-standard needs in real scenarios, preventing performance degradation without materially increasing implementation cost.

VC CHALLENGE I.3

Many SMEs resist standardised AI processes. Are your pain points real or confirmation-biased?

- ① **120 SME interviews across Tier 1–3 industries** (Singapore + regional) before product build:

83% of Tier 1 (Professional Services, Retail, F&B) — rigid, high-frequency pain points

71% of Tier 2 (Manufacturing) — clear needs driven by skilled-labour shortage

45% of Tier 3 (people-oriented small retail) — weak signal → classified as secondary expansion targets

- ② **Lightweight pilot programme for sceptics:** 1-month free pilot activating 1–2 core workflows. Reduces resistance by letting results speak. Pilot → paid conversion: 68% across 20,000 A/B tested leads.

II Market Size & Penetration Rationality

3 questions — Regional digital gaps, TAM/SAM/SOM rigour, excluding non-addressable customers.

VC CHALLENGE II.1

SEA digital infrastructure is uneven. Your 15% penetration target looks uniform. Isn't that naive?

- ① **Differentiated penetration targets by market:**

 Singapore: 18% — highest digital infrastructure, strongest payment capacity

 Vietnam / Malaysia: 12% — mid-tier digital readiness

 Indonesia: 8% — urban-rural digital divide acknowledged

Weighted average: ~15% — arithmetic is correct, the assumption is not uniform.

- ② **Regionally graded product tiers:** Full-feature (SG) → Standard (VN/MY, high-end customisation removed) → Basic (ID, core workflows only), with pricing scaled accordingly to match local willingness to pay.

You haven't split TAM/SAM/SOM. Your 15,000 client Year 5 target feels like it came from a spreadsheet formula.

Market	SMEs (50–200 HC)	Filter Criteria
TAM	~100,000	All 50–200 HC SMEs across SEA + HK
SAM	~65,000	Has software budget + basic digital tools
SOM	~40,000	Reachable via GTM channels + product fit

15,000 clients in Year 5 = 37.5% of SOM = 15% of TAM. Industry split: 70% Tier 1, 25% Tier 2, 5% Tier 3.

Your TAM includes family-run SMEs without software budgets. That inflates your numbers.

- ① **Explicit exclusion criteria:** Family-run SMEs with no software budget, no basic digital tools, and annual revenue <\$5M are excluded. Only include those with basic tools + revenue ≥\$5M + clear efficiency needs — approximately 28% of regional family-run SMEs, all with demonstrated payment potential.
- ② **"Pay-first, upgrade-later" entry model:** Basic subscription (\$297–500/month) builds their standardised processes first. Gradual upsell to advanced tier as their digital maturity grows. Reduces initial barrier to entry without subsidising non-viable customers.



Competitive Barriers & Sustainability

3 questions — Giant risk, no-code replication, and tech moat durability.

Microsoft, Google, and SAP will eventually build localised SME AI. What's your 18-month runway?

- ① **Niche defensibility over head-on competition:** Giants build for "full-industry, full-process" general solutions. We own "SEA SMEs (50–200 HC) + local compliance + cross-departmental workflow orchestration" — a niche they won't serve profitably.
- ② **First-mover compliance barriers:** MOM + MAS rules embedded in Year 1. VN/MY/ID local compliance integrated in Year 2. **Giants need 18 months minimum** (6M compliance research + 8M dev + 4M marketing) to replicate. We will have 400+ clients and strong switching costs before they ship.
- ③ **Co-opetition strategy:** Rather than only defending, we're exploring complementary partnerships — e.g., providing specialised SEA SME workflow capabilities inside Microsoft M365 ecosystem for customers giants can't cost-effectively serve directly. **Exploratory discussions underway with Microsoft SEA team.**

A local consultant + n8n/Zapier replicates this in 2 months. Why would anyone pay your prices?

Metric	ElitezAI	n8n + Local Consultant
Implementation time	3 weeks	8 weeks
Error rate	<0.1%	6–8%
Annual comprehensive cost	\$22,000	\$31,000
MOM / MAS compliance	Built-in	Manual / extra cost

- ② **One-stop closed loop:** product + implementation + operations + compliance maintenance. Eliminates coordination cost of managing 2–3 separate vendors for equivalent coverage.

Fine-tuning LLMs is becoming commoditised. Your tech differentiation could vanish within 12 months.

- ① **Proprietary scenario data is the real moat — not fine-tuning:** We are collecting **3,000+ real SEA SME business scenario data points** (SG HR contract templates, Indonesian reconciliation processes, Malaysian GST formats). Imitators cannot replicate this dataset without equivalent client deployments. Data compounds with each new client.
- ② **Continuous product velocity:** 1-2 new workflows per quarter + 1 core function upgrade annually (multilingual adaption Year 2, AI anomaly auto-alerting Year 3). The gap widens, not narrows, as we accumulate domain data and client feedback loops.

IV

Willingness to Pay & Pricing Rationality

3 questions — Budget conflicts, regional ROI dilution, and compliance liability.

VC CHALLENGE IV.1

At \$1,000/month you're consuming the entire software budget of a 75-person SME. They won't cancel Xero for you.

- ① **Software linkage discounts:** Cooperation agreements with core SME software (Xero, inventory tools, CRMs). Bundle subscribers receive 15-20% combined discount — net software spend goes down, not up. **89% of clients choose core package or linkage plan.** Zero churn attributable to budget conflict to date.
- ② **Modular subscription design:** Basic Core Package (\$297-800/month) covers HR + Finance only — doesn't require displacing other tools. On-demand expansion as ROI is proven in-situ.

VC CHALLENGE IV.2

Indonesian and Vietnamese labour is cheap. Your ROI story collapses in those markets.

- ① **Regional pricing adjustment:** VN/ID: implementation fees reduced 40% (\$800-12,000), monthly subscriptions reduced 30% (\$208-3,500). ROI payback period maintained at 6-9 months across all markets.
- ② **Value reframe for low-labour-cost markets:** Lead with **cash flow optimisation and compliance risk** — not labour savings. Indonesian SMEs shorten payment collection by 8-10 days via daily SOA reconciliation = direct working capital improvement. This is the #1 pain point for growth-stage businesses in those markets regardless of labour cost.

Revised ARPU model: SG: S\$22K/year · VN/MY: S\$12K/year · ID: S\$8K/year → **Weighted avg: S\$15K/year.** Year 5 revenue revised to S\$225M (still high-growth, more defensible).

A single compliance error in an AI-generated HR contract could be catastrophic. Who bears that liability?

- ① **5% risk reserve in pricing:** Compliance error compensation budget built into every subscription. High-risk outputs (HR contracts, financial reconciliation) require mandatory human-in-the-loop review before execution. Compliance error rate: <0.05% across current deployments.
- ② **Legal partnership for compliance guarantee:** Partnership with Singapore law firm providing free compliance consulting. If compliance issues arise from our AI, legal assistance is covered — capped at 3× annual subscription fee. Reduces client risk perception to near-zero. **Zero compliance errors or compensation cases to date.**

V GTM Feasibility & Growth Sustainability

4 questions — PSG dependency, WhatsApp coverage, dealer control, and deployment cycles.

PSG grant is a policy risk. If Enterprise Singapore changes the rules, your GTM collapses.

- ① **Dedicated 3-person grant docking team:** Maintains direct ESG relationships. Locked in ≥ 10 monthly subsidy quotas. PSG application acceptance rate: 98% (vs. 85% industry average).
- ② **Fallback GTM covers 60% of Year 1 target independently:**
 - Industry association partnerships (SBF + SGTech): 8 salons/year for batch acquisition
 - Referral programme: existing clients get 1 month free per referral; new client gets 10% off setup
 PSG is an accelerant, not the foundation.

WhatsApp live demos only work for deployment-heavy businesses. You're excluding whole sectors.

- ① **Industry-specific demo routing:**
 - Professional Services → HR contract automation demo
 - Manufacturing → Attendance & working hours calculation demo
 - F&B / Retail → Intelligent deployment scheduling demo
 - Finance/Admin → SOA reconciliation demo
 Customers self-select via WhatsApp menu. 10-minute demo, no sales rep required. **Avg conversion: 42% across all industries** — no significant industry gap.

Regional resellers will cut corners on implementation. You'll own the reputation risk but not the control.

- ① **3-metric dealer KPI system:** Implementation acceptance rate $\geq 95\%$ · Customer satisfaction ≥ 85 · Client retention $\geq 80\%$. Qualified dealers earn +5% commission bonus; underperformers are docked or terminated.
- ② 1 regional supervisor per market; quarterly on-site compliance and quality reviews.
- ③ **Contractual bite:** If client churn is caused by dealer service failure, dealer bears 50% of client's annual subscription fee as compensation. This creates genuine skin-in-the-game alignment.

Customisation creep will blow your 3-week deployment promise. Enterprise projects always balloon.

- ① **85/15 standardisation rule:** 85% of every workflow is a certified standard module. 15% is a controlled customisation zone handled by a dedicated implementation team. Max cycle: 4 weeks (3 standard + 1 custom).
- ② **Pre-contract scoping:** 1-2 day requirements discovery before signing. Non-standard needs are scoped, priced, and locked in writing before implementation begins. **92% of clients deploy within 3-4 weeks. Zero deployments have exceeded 6 weeks.**

Operations & Financial Model Feasibility

VC CHALLENGE VI.1

API pricing from OpenAI, Google, and Anthropic could double overnight. Your 60% gross margin assumption will blow up.

- ① **Multi-LLM hedging architecture:** 3-year agreements with OpenAI, Google (Gemini), and Anthropic (Claude) locking annual price increases at $\leq 5\%$. Multi-provider routing enables instant switching if one provider's pricing moves adversely.
- ② **Year 3 fine-tuned model strategy:** Develop a lightweight, domain-specific fine-tuned model covering 80% of core workflow inference needs, reducing third-party API dependency. Target: API costs $< 15\%$ of revenue by Year 3, protecting $\geq 60\%$ gross margin structurally.




VC CHALLENGE VI.2

Regional expansion will require rebuilding workflows from scratch for each country. Your "40% cost decline" assumption doesn't hold.

- ① **Regional Workflow Library (Year 3 target):** Localised templates for each country's compliance framework — Indonesian labour law HR, Malaysian GST reconciliation, Vietnamese tax reporting. Target workflow reuse rate: $> 70\%$ by Year 3.
- ② **HQ-standardised + regional-localised delivery model:** Core workflow logic built centrally; regional teams handle only localisation layer. Per-capita implementation efficiency improves 30% with scale. Confirms 40% implementation cost reduction from Year 1 → Year 5.

VC CHALLENGE VI.3

Your S\$22K ARPU assumption breaks down in lower-wage SEA markets. Year 5 revenue of S\$330M is not credible.

Market	ARPU / Year	Year 5 Client Mix
 Singapore	S\$22,000	35%
 Vietnam / Malaysia	S\$12,000	40%
 Indonesia	S\$8,000	25%
Weighted Average	S\$15,000	→ Year 5 Rev: S\$225M

S\$225M (15K clients × S\$15K) replaces the S\$330M figure. Still a strong growth story — and far more defensible to investors.

VC CHALLENGE VI.4

B2B sales cycles are long. Your Month 10 break-even assumes clean, fast payments that won't materialise.

- ① **Compressed sales cycle:** "3-week AI Discovery + WhatsApp demo + PSG subsidy docking" reduces average cycle to 4–5 weeks. 100 clients targeted within first 10 months of Year 1. Prepayment discount (10% off for 3-month upfront) accelerates cash flow.
- ② **Cash flow model on realistic payment terms:** 30–60 day payment terms modelled (not instant). Accounts receivable factoring available via bank partnership for early cash recovery. 78% of current clients pay within 45 days or prepay. Break-even remains Month 10 on conservative cash-flow basis.

Still have questions?

Schedule a 30-minute deep-dive with our founding team. We'll walk you through live client data, workflow demos, and our full financial model.

[Request Investor Meeting →](#)

