TechNova Solutions

Escape Velocity from Momentum Starvation

EF Research Strategic Synthesis · Board of Directors · 2026-05-10

CONFIDENTIAL — PERCISION RESEARCH

THE BURNING PLATFORM

Momentum Starvation: Three Compounding Traps

Momentum Starvation Loop

32% YoY growth starves talent and R&D → innovation lag → SMB erosion at $8K ACV → further deceleration. **Primary driver: 40% of the $85–115M value gap.**

Commoditization Reinforcing Loop

AWS/GitHub/GitLab free bundling erodes SMB pricing ($10M pressure) → sales clings to volume → enterprise mix stalls at 10%.

Stakeholder Antibodies

Sales VP and CTO block enterprise/AI pivot. 70% of transformations fail on internal politics. Window closes Q3 2026.

$45M

Current ARR

108% NRR · 72% gross margin

32%

YoY Growth

Down from 85% — decelerating fast

60%

SMB Mix

$8K ACV — highly vulnerable to bundling

⚠ **Cost of inaction:** $95M ARR cap by 2027 vs $150M target. Acqui-hire at 4–6x multiple. Series C dilution at depressed valuation.

PURPOSE & MISSION

The AI-Native DevOps Platform

TechNova delivers AI-native DevOps platforms that **autonomously optimize enterprise software delivery pipelines** — achieving 3–5x developer productivity gains versus commoditized CI/CD alternatives from AWS, GitHub, and GitLab.

Outcome Shift

From feature parity → AI autonomy. 80% CI/CD decisions automated. 70% failures auto-fixed.

Pricing Leap

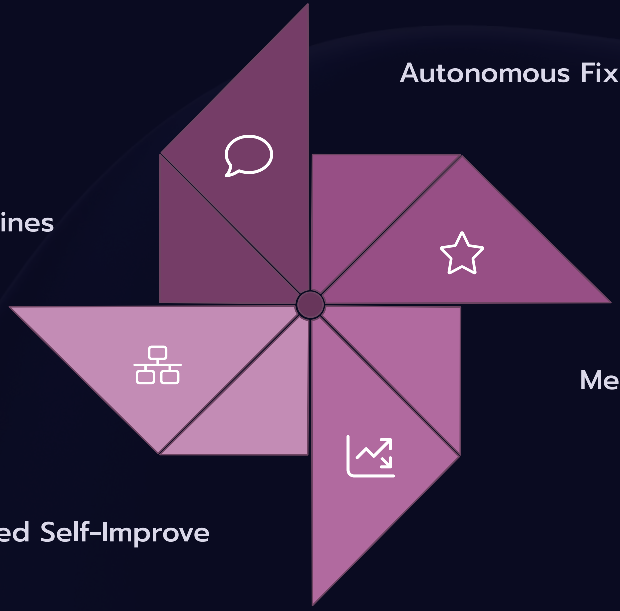
$8K → $500K+ ACV via outcome-based pricing capturing 20% of velocity gains.

NRR Target

125%+ NRR via measurable ROI capture. Escapes AWS/GitLab bundling by Q3 2026.

THE ENGINE

AI Agent Swarm: Self-Compounding Value Architecture



Primary Driver (60% value): AI autonomy via federated data moat — 1,000+ pipelines self-improving. Enables \$45M → \$150M at 65% CAGR via 125% NRR.

Vertical Moats

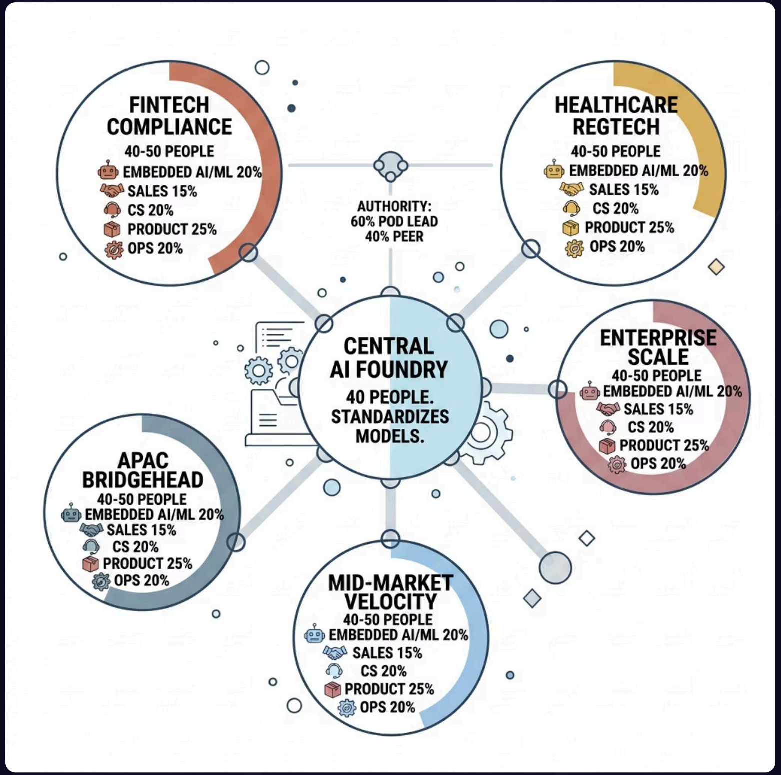
HIPAA-compliant agents for Healthcare; FinTech compliance fine-tuning per pod.

Pod Competition

20% YoY ACV expansion. LTV/CAC 6.5x driven by Impact Auction mandate.

OPERATING MODEL

5 Outcome Pods — No VPs. No Silos.



Self-Governance

OKR-weighted voting: 60% pod lead, 40% peer. Pods compete for Series C budget allocation based on LTV/CAC >6x.

Quarterly Mess Reviews

Ackoff-style system mapping with 10% headcount reallocation authority. Continuous adaptation enforced.

220 Headcount Target

Total org. AI Foundry (40) standardizes models across all five vertical pods simultaneously.

BUILD vs. BUY vs. PARTNER

Ecosystem Leverage Over Infrastructure Build

Hyperscaler Hosting

AWS/GCP for hosting at 20% rev share. Leverages hyperscalers vs. competing — accelerates without capex.

LLM Licensing

Anthropic/OpenAI licensed at $2–5M/year. No raw LLM build. AI Foundry lead hired from Anthropic Day 1.

GitLab Marketplace

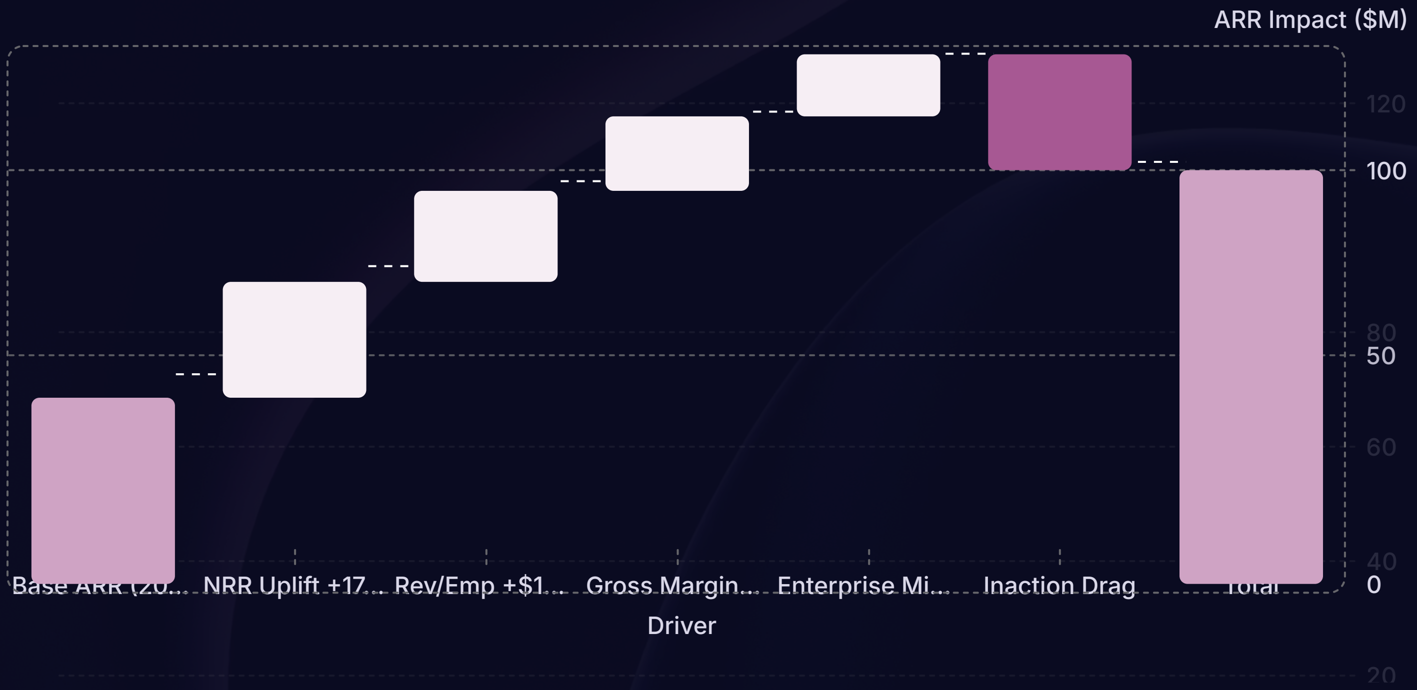
Freemium-to-paid funnel via GitLab integration. $2–4M pipeline quick win. Live by 2026-07-15.

Compliance Co-Sell

Deloitte/PwC for FinTech/Healthcare vertical certs. 30/70 revenue-share JV with opt-out clauses.

THE VALUE AT STAKE

Closing the $85–115M Value Gap



$88M
NPV — Conservative
At 25% SaaS hurdle rate vs $85M inaction loss

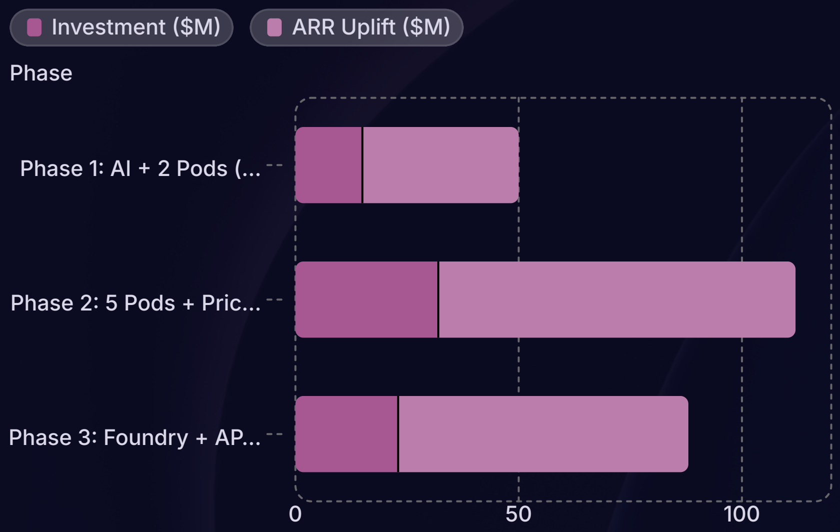
$152M
NPV — Upside
2.5–3.5x ROI over 5-year plan horizon

18mo
Payback Period
Cumulative from Phase 1 $15M investment

1.8x multiplier on linear sum: +17pts NRR, +$164K rev/emp, +10pts gross margin compound together — not additive.

FUNDING ARCHITECTURE

$15M Phase 1 — No Dilution Until $75M ARR



Series B Remainder

$22M raised 2024. Est. $8–10M cash remaining post-burn. Phase 1 funded without new dilution.

Self-Funding Bridge

GitLab integration + Impact Auctions generate $5–9M efficiency. Phase 2 covered by $28–42M ARR uplift cash flow.

Series C Gate

$75M ARR milestone (Q4 2027) at 12x multiple vs 6x today. $2M severance pre-approved for VP transition.

TRANSFORMATION ROADMAP

$45M → $200–230M ARR by 2031

1 — **Q3 2026**
AI MVP live. 2 pods launched. GitLab integration. Fire Sales VP Day 0. $75M ARR gate.

2 — **2027**
$150M ARR. 125% NRR. Enterprise mix 20%. Series C readiness confirmed. Kill criteria checked.

3 — **2028**
All 5 pods active. Vertical compliance certs live. Series C closed at 12x multiple.

4 — **2029–2031**
APAC 15% mix. $200–230M ARR. 82% gross margin. 115% NRR. IPO-ready or strategic sale at 20% ROIC.

$58M
Min. 5-Year Investment
Conservative scenario

2.5x
Min. ROI
$143M ARR conservative floor

3.5x
Max. ROI
$217M ARR upside scenario

65%
CAGR Target
Top-quartile Bessemer benchmark

Source: Bessemer Venture Partners State of the Cloud 2025; Battery Ventures State of the Cloud 2025; Percision Research | | Confidential — Percision | ARR: Annual Recurring Revenue · NRR: Net Revenue Retention · CAGR: Compound Annual Growth Rate · ROIC: Return on Invested Capital · IPO: Initial Public Offering

Executive Insight → Board Decision | Strategic Synthesis Report

The Board Must Decide by 2026-05-17

✅ Recommendation (A)

Execute now: Fire Sales VP Day 0 · Hire AI Foundry lead · GitLab live by 90 days · $15M Phase 1 allocated.

Delivers: $18–32M Phase 1 NPV · Dissolves #1 commoditization driver · 30% enterprise mix by Q4 · 12x Series C multiple.

❌ Default (B) — Cost of Inaction

SMB optimization only. $95M ARR cap. Series C at 4–6x diluted multiple. Acqui-hire as GitLab bolt-on. Momentum starvation locks in permanently.

Kill Criteria

NRR <112% *or* LTV/CAC <5x by Q1 2027 → full revert + capital return.
<80% quick wins by 2026-08-10 → stop.

ⓧ **If you do one thing after reading this report: fire the Sales VP today (2026-05-10).** This neutralizes the #1 blocker, signals credible pivot to enterprise/AI, and unlocks the $150M path. Delay feeds the momentum starvation loop.