APT

INVESTOR REJECTION RISK ASSESSMENT

NORTHSTAR ANALYTICS

ILLUSTRATIVE SAMPLE - FICTIONAL COMPANY - 2026

64 /100

MODERATE REJECTION RISK

SIX-DIMENSION READINESS SCORECARD

CLARITY **78/100**

TRACTION **58/100**

MARKET TIMING **76/100**

EXECUTION CAPACITY **70/100**

FINANCIAL CREDIBILITY **54/100**

TRANSACTION READINESS **48/100**

OUTER RING = 100 / INSTITUTIONAL BENCHMARK

This fictional assessment demonstrates APT's review format and analytical depth. It is not based on an actual client, transaction or investment opportunity.

APT INVESTOR REJECTION RISK ASSESSMENT

NORTHSTAR ANALYTICS

Assessment type: ILLUSTRATIVE SAMPLE
Overall score: 64/100

EXECUTIVE SUMMARY

Northstar Analytics is a fictional B2B software company offering AI-assisted maintenance planning for mid-market logistics operators. It reports three completed pilots, one converted annual contract, a qualified pipeline of USD 1.2 million and a proposed USD 4.0 million seed equity round. The case presents a credible operational problem, a clear product and a timely market backdrop. However, the raise remains exposed to avoidable questions about repeatability, evidence behind return-on-investment claims, gross margin after implementation and the relationship between capital and milestones. A score of 64/100 indicates a viable proposition that should be corrected before broad institutional outreach. All company information in this sample is fictional.

DIMENSION SCORES

Dimension	Score
CLARITY	78/100
TRACTION	58/100
MARKET TIMING	76/100
EXECUTION CAPACITY	70/100
FINANCIAL CREDIBILITY	54/100
TRANSACTION READINESS	48/100

FIVE PRINCIPAL REJECTION RISKS

1. Pilot evidence does not yet demonstrate repeatability

Evidence: Three pilots are reported, but only one has converted to an annual paid contract. The materials do not provide pilot-to-contract conversion criteria, customer retention data, implementation duration or a reconciled pipeline schedule.

Impact: Investors may be unable to distinguish emerging product-market fit from a small number of founder-led wins. The commercial forecast may therefore be discounted heavily.

Correction: Provide a pilot conversion table, signed customer evidence, implementation timelines, reference availability, pipeline stages and explicit 12-month conversion targets.

2. The customer value claim is not independently substantiated

Evidence: The proposition claims an 18-25% reduction in maintenance costs. The current evidence is an internal model rather than customer-validated before-and-after results.

Impact: The principal commercial benefit may be treated as promotional rather than decision-grade evidence, weakening pricing and adoption assumptions.

Correction: Document the baseline, measurement period, methodology and result for each pilot. Obtain customer confirmation and present a conservative validated range rather than a single headline claim.

FIVE PRINCIPAL REJECTION RISKS - CONTINUED

3. The round size is not anchored to milestone logic

Evidence: The company seeks USD 4.0 million for approximately 18 months of runway, but the materials do not reconcile the hiring schedule, monthly burn, commercial milestones and the evidence required for the next financing decision.

Impact: Investors cannot determine whether the amount is proportionate to the present stage or whether the round creates sufficient value before further capital is required.

Correction: Build a monthly use-of-funds schedule linked to measurable gates: product release, paid accounts, annual recurring revenue, pilot conversion, gross margin, senior hires and the next-round readiness point. Include base and downside cases.

4. The financial model masks implementation economics

Evidence: The model assumes software gross margins above 80%, while implementation and customer-success effort are not separated from recurring licensing economics. Customer acquisition cost is derived from a very small number of wins and pipeline probability is not applied consistently.

Impact: Gross margin, cash burn and sales efficiency may be overstated. Investors may rebuild the model using materially more conservative assumptions.

Correction: Separate licensing, onboarding, integration and support revenue and costs. Show cohort-level acquisition cost, payback, retention assumptions and pipeline-weighted scenarios, with sensitivities for longer sales cycles and lower conversion.

5. Investor targeting and transaction preparation are too broad

Evidence: The proposed target list includes generalist venture funds, family offices and strategic investors without differentiated theses, expected ticket sizes or decision pathways. The data room is missing an intellectual-property schedule, pilot evidence index and detailed capitalization table.

Impact: Broad outreach may produce inconsistent feedback, weak conversion and unnecessary market exposure. Missing diligence materials can interrupt momentum after initial interest.

Correction: Segment investors by vertical SaaS, industrial technology, logistics and operational AI relevance. Define ticket range and lead-investor requirements, then complete the capitalization, intellectual-property, customer and financial diligence files before launch.

LIKELY INVESTOR QUESTIONS

1. What operational decision does the product improve, and who owns the purchasing budget?
2. What evidence shows that the reported maintenance savings were caused by the product?
3. Why did two of the three pilots not yet convert into annual contracts?
4. How long is implementation, and which internal or third-party resources are required?
5. What portion of revenue is recurring software versus onboarding, integration or services?
6. What is the realistic sales cycle for mid-market logistics operators in each target market?
7. How has the USD 1.2 million pipeline been qualified, and what probability is assigned to each stage?
8. Which competitors already serve the same buyer, and what prevents replication or bundling?
9. What data access, cybersecurity and system-integration requirements could delay adoption?
10. What milestones will the USD 4.0 million round achieve, and what happens in the downside case?
11. Which founders or executives own product, enterprise sales and implementation delivery?
12. What investor profile can add the most value beyond capital, and why is this the right time to invest?

PRIORITIZED CORRECTION PLAN

1. Convert pilot outcomes into an evidence pack.

   Reconcile every pilot from initial scope through measured outcome, customer validation, commercial status and reference availability. This directly addresses the most important traction and value-proof concerns.

2. Rebuild the financing case around milestones.

   Connect the requested capital to a monthly hiring and expenditure plan, measurable operating targets, an 18-month runway case and the evidence required for the company's next financing decision.

3. Separate software economics from implementation economics.

   Present recurring revenue, onboarding, integration and support separately, then stress-test gross margin, acquisition cost, conversion and sales-cycle assumptions.

PRIORITIZED CORRECTION PLAN - CONTINUED

4. Narrow the investor positioning and target universe.
   Prioritize investors with demonstrated experience in vertical SaaS, industrial technology, logistics or operational AI. Tailor the investment narrative and evidence to each segment rather than using a single broad outreach list.

5. Complete transaction-readiness materials before broad outreach.
   Finalize the capitalization table, intellectual-property schedule, customer evidence index, financial model, use-of-funds schedule, governance proposal and data-room index before investor momentum is created.

INVESTOR POSITIONING

Position Northstar Analytics as an AI-assisted operations software company with early paid validation in asset-intensive logistics, not as a general artificial-intelligence platform. Lead with the specific maintenance-planning workflow, customer-level adoption and validated operating outcomes. Present GCC and UK expansion as a sequenced commercial plan rather than simultaneous market entry. Frame the round around proof points: eight paid accounts, at least 70% pilot conversion, validated customer outcomes, transparent implementation margin and the critical product and commercial hires required to reach the next institutional milestone.

METHODOLOGY NOTE

APT's framework assesses six weighted dimensions: clarity, traction, market timing, execution capacity, financial credibility and transaction readiness. Evidence is reviewed for internal consistency, decision relevance and institutional usability. Missing information is treated as unverified rather than inferred. The total score is indicative and does not predict investment outcomes. This sample is based entirely on fictional information created to demonstrate the format and should not be interpreted as an assessment of any real company.

IMPORTANT NOTICE

ABOUT THIS SAMPLE
A public illustration of the structure, depth and decision focus of an APT Investor Rejection Risk Assessment. No real client information is included.