



REDUNDANCY SUPPORT SERVICE

Business Validation Analysis

Prepared by Clarion Path

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PROBABILITY SCORE: 4/10

(Pre-Validation Assessment)

RESEARCH NOTES

UK Market Data and Redundancy Statistics

The following data points have been gathered from authoritative sources to inform this analysis:

- UK redundancies in September-November 2025: approximately 145,000 (rate of 4.9 per 1,000 employees) *[VERIFIED FACT - ONS]*
- Annual UK redundancies in normal economic conditions: approximately 400,000-500,000 *[VERIFIED FACT - ONS Historical Data]*
- 9.7 million people in UK lack access to essential career guidance *[VERIFIED FACT - Demos Research]*
- Target demographic (30-55, office-based professionals) estimated at 40-50% of total redundancies *[EXTRAPOLATED ASSUMPTION - Analysis of ONS industry breakdown data]*
- Payrolled employees decreased by 184,000 (0.6%) year-on-year as of December 2025 *[VERIFIED FACT - ONS PAYE RTI]*
- UK unemployment rate: 5.1% (August-October 2025), highest since 2021 *[VERIFIED FACT - ONS Labour Force Survey]*

UK Competitors and Substitutes

- Outplacement providers (LHH, INTOO, Career minds, NFP): B2B employer-paid services ranging from £200 to £5,000+ per employee *[VERIFIED FACT - Provider websites, industry reports]*
- CV Screen outplacement: 6-week programme at £495 per person *[VERIFIED FACT - CV Screen website]*
- CareerWorx, Career Consultants: Individual outplacement packages £650-£4,500 *[VERIFIED FACT - Published pricing]*
- TopCV, PurpleCV, CV Centre: CV writing services £45-£250 for standard, £500-£800+ for executive *[VERIFIED FACT - Published pricing]*
- Career coaching: £75-£150 per hour average; executive coaches £200-£500 per hour *[INDUSTRY BENCHMARK - Bark.com, industry surveys]*
- Jobcentre Plus, ACAS Redundancy Hub, GOV.UK: Free government resources with generic guidance *[VERIFIED FACT - GOV.UK]*
- AI career tools (ChatGPT, Claude, Kickresume AI Coach): Free or freemium AI assistants with increasing capability *[INDUSTRY BENCHMARK - Market observation]*

Customer Acquisition Benchmarks

- Career & Employment category average CPC: \$4.22 (approximately £3.40) in 2025 *[INDUSTRY BENCHMARK - WordStream/LocaliQ Benchmarks 2025]*
- Career & Employment conversion rate: decreased 23% YoY; currently below industry average *[INDUSTRY BENCHMARK - WordStream 2025]*
- Career & Employment cost per lead: \$53-70 (approximately £43-56) after 46.7% YoY decrease *[INDUSTRY BENCHMARK - WordStream 2025]*
- UK Google Ads CPC typically £3-7 in competitive verticals *[INDUSTRY BENCHMARK - Multiple UK PPC sources]*
- Average conversion rate for considered purchases in career services: 5-15% *[INDUSTRY BENCHMARK - Industry benchmarks]*
- Landing page to checkout conversion for non-impulse purchases: 10-15% typical *[INDUSTRY BENCHMARK - E-commerce benchmarks]*

Regulatory Considerations

- No specific regulation exists for career advice services in the UK *[VERIFIED FACT - Research]*
- Career Development Institute (CDI) provides professional standards; membership is voluntary *[VERIFIED FACT - CDI]*
- Financial advice elements (pensions, redundancy pay investment guidance) must avoid regulated activities under FSMA *[VERIFIED FACT - FCA]*
- GDPR compliance required for personal data processing *[VERIFIED FACT - ICO]*
- Consumer protection regulations apply to all paid services *[VERIFIED FACT - Trading Standards]*

ASSUMPTION REGISTER

The following assumptions underpin this analysis. Each is assessed for confidence level and potential impact if proven incorrect. Assumptions marked with a warning indicator (shown as HIGH impact with LOW confidence) represent critical validation requirements before significant investment.

Assumption	Confidence	Impact if Wrong	Flag
Target customers (recently redundant office professionals) will pay £49-99 for an AI-generated planning report	Low	High	CRITICAL
40-50% of UK redundancies are office-based professionals aged 30-55	Medium	High	Validate
AI-generated report quality can match or exceed human career advisor output for structured planning	Medium	High	Validate
12% funnel conversion from checkout page view to purchase (conservative estimate)	Low	High	CRITICAL
Word-of-mouth/referral will generate 10-15% of customers after 6 months (conservative)	Low	Medium	Monitor
10-15 paying customers per month achievable within 6 months of launch	Low	High	CRITICAL
Backend revenue opportunities (coaching referrals, CV services) can increase LTV by 20-40%	Medium	Medium	Validate
Limited technical skills can be overcome via no-code tools and outsourcing	High	Low	Acceptable
B2B employer market accessible with different go-to-market approach	Medium	High	Validate
Target customers make rational purchasing decisions during redundancy (despite emotional distress)	Low	High	CRITICAL

Key: Confidence levels reflect the degree of supporting evidence available. **High** = strong market data or validated assumption. **Medium** = reasonable inference from comparable markets. **Low** = untested hypothesis requiring direct validation. **CRITICAL** flags indicate assumptions that, if wrong, fundamentally undermine the business model.

EXECUTIVE SUMMARY

Business Overview

This analysis evaluates a proposed service that helps people who have recently been made redundant to quickly understand their options and create a practical plan. The service would deliver a personalised report covering CV direction, job search strategy, retraining options, financial considerations, and realistic timelines based on user-submitted questionnaire data.

The founder has personal experience with redundancy, providing authentic motivation and domain insight. The technical approach relies on AI-generated reports (using large language models) combined with UK-specific career data, delivered as a one-time purchase priced at £49-99.

Key Findings

Strengths Identified

- Genuine problem: Redundancy creates real distress and information fragmentation. Research confirms 9.7 million UK adults lack access to essential career guidance.
- Attractive unit economics at delivery level: Gross margins of 85-97% once a sale is made, with AI/API costs under £2 per report.
- High technical feasibility: No-code MVP achievable for £500-2,000 within 4-8 weeks. The founder's limited technical skills are not a blocking constraint.
- Ethical differentiation potential: The founder's stated commitment to not exploiting vulnerable people is a genuine differentiator in a market where predatory practices exist.
- B2B opportunity exists: Employer-paid outplacement market shows strong economics (£200-500 per employee vs current £500-5,000) with better LTV:CAC ratios.

Critical Concerns

- Structural economics problem: LTV:CAC ratio of 0.8-1.3:1 in the B2C paid-acquisition scenario is below the 2:1 threshold required for sustainable growth. This is not merely an uncertainty to validate, it is a structural flaw in the current model.
- Zero competitive moat: Any developer with GPT API access could replicate core functionality within 4-8 weeks. No network effects, no switching costs, no regulatory barriers.
- Free alternatives are substantial: ChatGPT, GOV.UK, ACAS, and peer communities provide comparable guidance at zero cost. The differentiation must be demonstrable, not assumed.
- Price point challenges: £49-99 falls into a dangerous middle ground. It is too expensive for impulse purchase from financially anxious customers, yet too cheap to signal serious professional value.
- Customer psychology risk: Recently redundant individuals may experience either financial paralysis (no purchase) or panic buying (susceptible to predatory marketing). The founder's ethical stance precludes aggressive tactics, potentially limiting conversion among this demographic.

Recommendation

VALIDATE WITH CAUTION

B2B-First Strategy Recommended

This is not a bad idea. It is, however, a problematic business model in its current form. The underlying problem is real, the founder's motivation is genuine, and the technical feasibility is high. But selling a £75 AI report directly to individuals represents a trap: high customer acquisition costs, zero defensibility, and competition from free alternatives.

The path forward requires a dual-track validation approach:

1. Validate willingness to pay at higher price points (£149-299 with human coaching element)
2. Simultaneously test B2B employer interest (where economics are structurally superior)
3. If B2C fails validation and B2B shows promise, pivot fully to employer-paid model
4. Do not invest more than £2,000 until Phase 1 validation is complete

UNIT ECONOMICS ANALYSIS

Revenue Per Customer

The primary revenue model is a one-time purchase of a personalised redundancy planning report. Analysis considers three scenarios reflecting uncertainty in pricing power and upsell conversion.

Revenue Element	Low	Base	High
Primary product (report)	£49	£75	£99
Upsell value (coaching referral @ 20% commission)	£0	£15	£35
CV service referral commission	£0	£5	£15
First Transaction Total	£49	£95	£149

Conversion assumptions: 15% of purchasers view upsell opportunities; 10% of those convert to coaching referral; 20% convert to CV service referral. These rates are conservative estimates based on industry benchmarks for considered purchases.

Lifetime Value Analysis

Redundancy is typically a one-time event in most careers. Repeat purchase logic is therefore weak, and LTV is primarily driven by within-transaction upsells and referral commissions rather than recurring revenue.

Scenario	LTV Estimate	Assumptions
Conservative	£55	Base product only, minimal upsell (realistic for majority)
Base Case	£70	Product + weighted probability of upsells
Optimistic	£120	Product + successful coaching referral + CV referral

Critical note: This analysis uses £70 as the working LTV assumption. Higher estimates require multiple low-probability events to occur simultaneously and should not be used for planning purposes.

Cost Structure

Variable Costs Per Customer (COGS)

Cost Element	Amount	Notes
AI/API costs (GPT-4 class)	£0.50-£2.00	5,000-10,000 tokens input/output per report
Payment processing (Stripe)	£1.50-£2.50	1.4% + 20p per transaction on £75 average
Customer support (amortised)	£1.50-£4.00	Estimate 15 mins @ £18/hr for 25% of customers
Email/infrastructure	£0.10-£0.20	Negligible at scale
Total COGS	£3.60-£8.70	Conservative estimate

Gross Margin Analysis

Price Point	Gross Margin (£)	Gross Margin (%)	Status
£49	£40.30-£45.40	82-93%	PASS
£75	£66.30-£71.40	88-95%	PASS
£99	£90.30-£95.40	91-96%	PASS

Gross margins exceed the 40% threshold across all price points. Unit economics are viable at the delivery level. The challenge lies entirely in customer acquisition economics.

Customer Acquisition Cost Analysis

Customer acquisition represents the critical constraint in this business model. The following analysis models realistic funnel conversion rates based on industry benchmarks for considered purchases in the career services category.

Funnel Analysis (Per 1,000 Ad Clicks)

Stage	Rate	Volume	Notes
Ad clicks	-	1,000	Starting point
Landing page views	95%	950	Standard bounce rate
Start questionnaire	25%	238	Conservative for considered purchase
Complete questionnaire	55%	131	Dropout during detailed questions
View pricing page	75%	98	Some abandon before pricing
Enter checkout	40%	39	Price objection point
Complete purchase	30%	12	Payment friction, final hesitation
Conversion rate (clicks to purchase)	-	1.2%	12 customers per 1,000 clicks

Resulting CAC calculation: At £3.50 CPC (UK career services benchmark), 1,000 clicks cost £3,500. With 12 conversions, CAC = £292 per customer.

Sensitivity range: With optimised funnel (15 conversions per 1,000 clicks), CAC drops to £233. With poor performance (8 conversions), CAC rises to £438.

Channel CAC Estimates

Channel	CPC	Conv. Rate	Estimated CAC
Google Ads (career keywords)	£3.00-£5.00	1-2%	£150-£500
Facebook/Instagram Ads	£0.80-£2.00	0.5-1.5%	£80-£400
SEO/Content (organic)	£0 direct	1-3%	£15-£40 (amortised content cost)
Word of mouth/referral	£0	N/A	£0
Weighted Average (Months 1-6)	-	-	£170-£280

LTV:CAC Analysis

Scenario	LTV	CAC	LTV:CAC Ratio
Paid acquisition only (realistic)	£70	£200	0.35:1 FAIL
30% organic mix	£70	£140	0.50:1 FAIL
50% organic mix (optimistic)	£70	£100	0.70:1 MARGINAL
70% organic mix (very optimistic)	£70	£60	1.17:1 MARGINAL

Critical finding: The LTV:CAC ratio fails to reach the 2:1 threshold required for sustainable growth in any realistic B2C scenario. Even with 70% organic acquisition (which typically takes 12-18 months to achieve and is highly uncertain), the ratio remains below healthy levels.

Implication: The current B2C pricing model is structurally unsound. Profitability requires either: (a) dramatically higher pricing with value-added services, (b) near-zero CAC through organic channels only, or (c) pivot to B2B where economics are fundamentally different.

Payback Period Analysis

Scenario	Payback Period	Assessment
Paid acquisition dominant	Negative (loss per customer)	UNVIABLE
50% organic mix	Immediate (if profitable)	MARGINAL
B2B model (£250 price)	Immediate	VIABLE

The one-time purchase model means there is no extended payback period calculation. Either the first transaction is profitable (after CAC), or the business loses money on every customer.

MARKET ANALYSIS

Target Market Definition

The proposed service targets UK professionals aged 30-55 who have worked in office-based roles (operations, administration, middle management, technology-adjacent roles) and have recently been made redundant or expect to be soon.

Market Segmentation

Segment	Size Estimate	Basis
TAM: All UK redundancies	~500,000/year	ONS data, including economic fluctuation
SAM: Office-based professionals 30-55	~200,000-250,000/year	40-50% of total (assumption)
Target: Actively seeking paid support	~10,000-25,000/year	5-10% of SAM (assumption)
Required for break-even	~200-300/year	At £75 avg, £60 margin, covering fixed costs

Required market share: Achieving 300 customers per year represents 1.2-3% of the target segment. This appears achievable in isolation but does not account for the difficulty of reaching this audience cost-effectively.

Customer Sophistication Analysis

Factor	Assessment
Digital comfort	High. Target demographic (office professionals) are comfortable with online services and digital purchases.
AI acceptance	Mixed. May be sceptical of AI-only solutions during vulnerable period. Human element may be expected for 'serious' career advice.
Price sensitivity	High during redundancy. Financial anxiety triggers extreme caution even when cash is temporarily available.
Information seeking	Active. Recently redundant individuals actively search for guidance but may prefer free resources first.
Trust requirements	Elevated. Vulnerable state increases need for credibility signals, testimonials, and perceived authority.

Customer sophistication score: 6/10. The target audience is capable of using the service but may be resistant to paying for AI-generated content when free alternatives exist and when human guidance feels more appropriate for their situation.

Competition Analysis

Direct and Indirect Competitors

Competitor Type	Price Range	Key Differentiator	Threat Level
Free AI (ChatGPT, Claude)	£0	Already available, good enough for many	HIGH
GOV.UK / ACAS / Jobcentre	£0	Authoritative, trusted, comprehensive	MEDIUM
Online forums (Reddit, etc.)	£0	Peer support, real experiences	MEDIUM
CV writing services	£45-£250	Tangible deliverable, established market	LOW
Career coaches	£75-£150/hr	Human guidance, accountability	MEDIUM
Outplacement providers	£500-£5,000	Comprehensive, employer-paid	LOW (different segment)

Why Wouldn't They Just... Analysis

This critical analysis examines why a rational customer might choose alternatives over the proposed service.

Alternative	Rational Argument Against Paying
Use ChatGPT (free)	A well-crafted prompt can generate a reasonable redundancy action plan. 'I was made redundant from [job] in the UK. Create a 30/60/90 day plan covering finances, job search, wellbeing, and legal rights.' This produces useful output at zero cost.
Read GOV.UK + ACAS	Free, authoritative, and comprehensive. Covers statutory rights, redundancy pay calculations, and next steps. Trusted government sources.
Ask Reddit / forums	Free peer support with real-world experience. Emotionally supportive community. No commercial motivation.
Do nothing / muddle through	Redundancy is temporary. Many people eventually find work without paid guidance. Inertia is powerful when anxious.
Pay for human coach	If paying anyway, why not get human expertise? One hour with a career coach costs similar to the report but provides interaction.

Implication: The service must demonstrate clear, perceivable superiority over free alternatives. Generic 'personalised' claims are insufficient. UK-specific expertise, structured curation, and demonstrably better outcomes must be proven, not assumed.

Switching Costs and Lock-In

Factor	Level	Implication
Financial switching cost	Zero	One-time purchase; customer can try competitors freely
Data lock-in	Zero	Report is delivered; no ongoing relationship required
Learning curve	Zero	Simple questionnaire format; no skill development
Emotional investment	Low	Limited relationship; transactional interaction
Network effects	None	Individual service; no community benefit

Switching cost assessment: Near-zero. This is a commodity service with no structural barriers to competition. Customer retention depends entirely on satisfaction with the single transaction, not ongoing relationship or switching friction.

REVENUE MODEL DEEP DIVE

Primary Revenue Stream

Model: One-time purchase of personalised redundancy planning report.

Strengths:

- Low commitment required from buyer (reduces purchase friction)
- Instant delivery (AI-generated, no human bottleneck)
- Highly scalable (marginal cost near zero after development)
- Simple operations (no scheduling, no delivery logistics)

Weaknesses:

- No recurring revenue (customer lifetime = single transaction)
- Low LTV without backend monetisation
- Price ceiling limited by perceived value of 'report'
- Difficult to justify premium pricing without human element

Backend Revenue Opportunities

Opportunity	Revenue Potential	Feasibility	Notes
Career coach referrals (20% commission)	£50-£150/conversion	Medium	Requires partnerships; 5-10% take-up estimated
CV writing referrals	£15-£40/referral	High	Easy to implement; many providers offer affiliate terms
Training course affiliates	£10-£30/sale	High	Numerous programmes available; good content fit
Premium follow-up package (monthly)	£29-£49/month	Low	Contradicts one-time model; accountability rarely purchased
E-book / resource sales	£5-£15	Medium	Low margin; commoditised content
Job board affiliates	£5-£20/registration	Medium	Requires traffic volume; competitive space

Backend revenue assessment: Backend opportunities exist but should not be relied upon for core economics. Conservative modelling assumes backend contributes £10-20 additional revenue per customer on average.

Premium Tier Opportunity

The current £49-99 price point may undervalue the service and fail to signal quality. Testing a premium tier could improve both economics and perceived value.

Tier	Price Point	Included Elements
Standard (current)	£49-99	AI-generated report only
Professional	£149-199	Report + 20-minute coaching call + email support for 14 days
Executive	£299-399	Detailed report + 45-minute coaching session + 30-day email support + CV review referral

Rationale: Executive CV services charge £500-800 for a document. Career coaches charge £75-150 per hour. A comprehensive redundancy planning service that combines AI efficiency with human guidance should command similar pricing. The current £75 price point signals 'nice to have' rather than 'essential professional service.'

Validation required: Test whether higher price points convert at rates that improve overall economics. Even 50% lower conversion at 3x price would improve unit economics significantly.

B2B OPPORTUNITY ANALYSIS

The B2B employer-paid outplacement market represents a potentially superior business model compared to direct-to-consumer sales. This section analyses the opportunity in detail.

Market Context

The UK outplacement services market shows strong demand from employers seeking to support departing employees during redundancy exercises. Key market characteristics include:

- Traditional outplacement providers charge £500-5,000+ per employee
- SME-focused providers offer packages from £495-1,000 per person
- Employer motivation includes: brand protection, legal risk mitigation, remaining employee morale, ethical obligation
- SMEs are underserved; large providers focus on enterprise clients

B2B Economic Comparison

Metric	B2C Model	B2B Model
Price per customer	£49-99	£200-400 per employee
Buyer	Individual (financially anxious)	HR/employer (budget allocation)
Purchase decision	Emotional, price-sensitive	Rational, value-focused
CAC	£150-300 (ads)	£200-500 (sales effort)
LTV:CAC ratio	0.35-0.70:1	1.5-3:1
Repeat purchase	Near zero	Possible (future redundancy rounds)
Referral potential	Low (stigma)	High (HR networks, word of mouth)
Scalability	Linear (each customer acquired individually)	Step function (one sale = multiple users)

B2B Value Proposition

The service offers employers a cost-effective alternative to traditional outplacement:

Feature	Employer Benefit
Immediate availability	No scheduling delays; employees can access instantly upon notification
Consistent quality	AI-generated reports ensure every employee receives same standard
Cost efficiency	£200-300 vs £500-5,000 for traditional outplacement
Coverage breadth	Can offer to all affected employees, not just senior staff
Documentation	Provides evidence of support offered (useful for legal/HR records)
Scalability	Handles large redundancy exercises without capacity constraints

B2B Go-to-Market Strategy

Target Customer Profile

- Primary: SMEs (50-500 employees) conducting redundancy exercises
- Secondary: HR consultancies advising multiple SME clients
- Tertiary: Employment lawyers handling redundancy matters

Sales Approach

1. Outbound: LinkedIn prospecting to HR Directors in target company size
2. Content marketing: Publish articles on redundancy best practices; position as thought leader
3. Partnership: Develop referral relationships with employment lawyers and HR consultancies
4. Case studies: Build evidence base from pilot customers to demonstrate effectiveness

Pricing Model

Tier	Price	Includes
Basic	£200/employee	AI report only; email support
Standard	£350/employee	AI report + 20-min coaching call + 14-day email support
Premium	£500/employee	Comprehensive report + 45-min coaching + 30-day support + CV review
Enterprise	Custom	Volume discounts; dedicated account manager; custom reporting

B2B Validation Requirements

- Conduct 10-15 discovery calls with HR Directors to test value proposition
- Secure 2-3 pilot customers at reduced rates to build case studies
- Test messaging: 'Modern, affordable outplacement for SMEs'
- Validate willingness to pay at £200+ per employee price point

Strategic recommendation: B2B should not be treated as a 'backup' option. The economic analysis strongly suggests it should be the primary go-to-market strategy, with B2C serving as a secondary channel for organic/referral traffic only.

CUSTOMER ACQUISITION ANALYSIS

Channel Strategy Assessment

Paid Channels

Google Ads (Search)

- Expected CPC: £3-5 for career/redundancy keywords
- Conversion rate: 1-2% (click to purchase)
- Resulting CAC: £150-500
- Assessment: Unviable as primary channel at current price point

Facebook/Instagram Ads

- Expected CPC: £0.80-2.00
- Conversion rate: 0.5-1.5% (lower intent than search)
- Resulting CAC: £80-400
- Assessment: High variability; requires significant testing budget

Organic Channels

SEO/Content Marketing

- Time to results: 6-12 months for meaningful traffic
- Content investment: 10-20 hours/week creating valuable content
- Amortised CAC: £15-40 per customer once established
- Assessment: Essential for long-term viability; cannot be sole channel initially

Word of Mouth / Referral

- Expected contribution: 10-15% of customers after 6 months (conservative)
- Key constraint: Redundancy carries stigma; people may not publicly share
- Mitigation: Private referral mechanisms; focus on HR professional referrals for B2B
- Assessment: Lower potential than typical consumer services due to topic sensitivity

CAC Trajectory Modelling

Period	Primary Channel	Blended CAC	Key Milestone
Months 1-3	Paid (testing)	£200-300	Validate conversion rates
Months 4-6	Paid + early organic	£150-200	SEO begins contributing
Months 7-12	Organic growing	£80-120	50% organic target
Year 2+	Organic dominant	£40-70	Sustainable if reached

Critical dependency: This trajectory assumes successful SEO execution and meaningful referral generation. If organic channels fail to develop, the business remains unviable in the B2C model indefinitely.

CAC Sensitivity Analysis

Scenario	Blended CAC	LTV:CAC	Assessment
Best case (60% organic)	£55	1.27:1	Marginal viability
Base case (35% organic)	£130	0.54:1	Not viable
Worst case (10% organic)	£220	0.32:1	Business failure

Conclusion: Customer acquisition economics in B2C require exceptional organic performance to achieve even marginal viability. This is an optimistic assumption, not a reliable foundation for business planning.

TECHNICAL FEASIBILITY

Build Requirements Assessment

Component	Complexity	Notes
Questionnaire system	Low	Typeform, Tally, or custom form; 30-50 questions
AI report generation	Medium	GPT-4 API integration; prompt engineering required
PDF output generation	Low	Standard libraries available
Payment processing	Low	Stripe integration; standard implementation
User accounts (optional)	Low	Simple email-based; not essential for MVP
Email delivery	Low	SendGrid, Mailchimp; standard transactional emails
Landing page	Low	Standard website; conversion-focused design

Build Options

Option A: No-Code MVP

Aspect	Detail
Stack	Typeform/Tally + Make/Zapier + OpenAI API + Stripe + Carrd/Webflow
Cost	£500-2,000 (tools + API credits for testing)
Timeline	4-8 weeks working part-time
Founder skills required	Basic familiarity with no-code tools; learnable
Limitations	Some workflow constraints; may require manual steps initially
Recommendation	Start here; sufficient for validation and early customers

Option B: Custom Development

Aspect	Detail
Stack	Next.js/React + Node.js backend + PostgreSQL + Stripe + AWS/Vercel
Cost	£5,000-15,000 (developer fees)
Timeline	8-16 weeks depending on scope
Founder skills required	None; managed by developer
Limitations	Higher upfront cost; ongoing maintenance required
Recommendation	Only pursue after validation proves demand

Technical Feasibility Score

Factor	Score	Notes
Build complexity	5/10	Moderate; achievable with no-code
No-code viability	8/10	Highly suitable for MVP
Scalability	9/10	AI scales linearly with cost
Operational load	Low	Minimal human intervention required
Technical risk	Low	Proven technologies; no novel engineering

Technical feasibility assessment: HIGH. The founder's limited technical skills are not a blocking constraint. No-code tools can deliver a functional MVP. The available budget (£20,000-50,000) is more than sufficient for technical build. Technology is not the risk factor in this business.

COMPETITIVE MOAT ANALYSIS

Defensibility Assessment

Moat Element	Score	Analysis
Proprietary technology	1/10	GPT-based; any competitor can replicate
Network effects	1/10	None; individual service with no user interaction
Brand trust	3/10	Can build over time; vulnerable audience may value trusted brand
Switching costs	1/10	Zero; one-time purchase with no lock-in
Data advantage	3/10	Questionnaire data could improve recommendations over time
Regulatory barriers	1/10	No licensing or certification required
Economies of scale	2/10	Minimal; AI costs are linear
Overall defensibility	2/10	Very low; commodity risk is high

Time to Competitive Parity

Estimate: 4-8 weeks. Any developer with OpenAI API access and basic web development skills could replicate the core functionality. The barrier to entry is negligible.

AI Commoditisation Risk

This risk is assessed as HIGH. Consider the following factors:

- ChatGPT-4/Claude already provide substantial career guidance capabilities for free
- Kickresume, Indeed, LinkedIn, and others offer free AI career tools
- Each AI model iteration (GPT-5, etc.) closes the quality gap between free and paid services
- Job boards and recruitment platforms have resources to add similar features as loss leaders

Potential Moat Development

Given the low inherent defensibility, the following strategies could build competitive advantage over time:

Strategy	Difficulty	Potential
UK-specific expertise	Medium	Requires ongoing research; differentiates from generic AI
Brand trust with vulnerable audience	High	Slow to build; authentic positioning required
B2B employer relationships	Medium	Creates switching costs; recurring revenue potential
Human coaching hybrid	Medium	Adds differentiation; improves perceived value
Outcome data / success tracking	High	Long-term play; requires scale to be meaningful



Strategic implication: The only viable moat is B2B employer relationships. A contract with an employer creates switching costs and potentially recurring revenue. B2C remains fundamentally indefensible.

RISK ANALYSIS & MITIGATION

Top 5 Strategic Risks

Risk	Prob.	Impact	Mitigation	Kill Signal
CAC exceeds revenue indefinitely	High	Fatal	Organic-first strategy; B2B pivot; higher price points	Paid CAC >£100 after 3 months optimisation
Free AI tools adequate substitute	High	High	Demonstrate UK-specific value; add human element	Win rate <1% from organic traffic; consistent 'just use ChatGPT' feedback
AI report quality insufficient	Medium	High	Extensive prompt engineering; human review layer; beta testing	Refund requests >15%; NPS <20 from beta users
Low willingness to pay at any price	Medium	Fatal	Test multiple price points; premium tiers; B2B model	<5 sales in first month despite traffic
Competitor enters with resources	Medium	High	Speed to market; B2B relationships; brand trust	Funded competitor launches at lower price

Risk Probability Matrix

Impact Level	High Probability	Medium Probability
Fatal	CAC economics; Free alternatives adequate	Willingness to pay insufficient
High		AI quality insufficient; Competitor entry
Medium		Organic growth slower than projected

Founder-Specific Risks

Risk	Assessment	Mitigation
Burnout from side project	Medium probability	Set hard limit of 15 hrs/week; clear milestones
Technical skills gap	Manageable	No-code MVP viable; outsource if needed
Opportunity cost	Significant	Track hours; set clear kill criteria; don't quit day job
Emotional attachment	Medium risk	Pre-commit to kill signals; external accountability

Ethical Risk Register

Given the founder's stated commitment to ethical operation and the vulnerability of the target customer base, the following ethical risks require active management:

Risk	Description	Mitigation
AI provides inappropriate advice	Report may contain errors affecting major life decisions	Clear disclaimers; human review option; limit scope to guidance
Financial advice boundary	Straying into FCA-regulated territory	Explicitly exclude investment advice; focus on planning not recommendations
Exploitation of vulnerability	Pressure tactics could harm anxious customers	No urgency scarcity; honest pricing; satisfaction guarantee
Unrealistic expectations	Customers expect job placement, not planning help	Clear product description; no guarantees of outcomes

SCENARIO MODELLING

The following scenarios model Year 1 outcomes based on different combinations of key assumptions. Probability weightings reflect assessment of likelihood given current evidence.

Year 1 Financial Scenarios

Metric	Conservative (60%)	Base Case (30%)	Optimistic (10%)
Monthly customers (avg)	5	12	25
Annual customers	60	144	300
Average revenue per customer	£60	£75	£90
Gross revenue	£3,600	£10,800	£27,000
Blended CAC	£180	£120	£70
Total acquisition cost	£10,800	£17,280	£21,000
Operating costs (tools, hosting)	£1,200	£1,800	£2,500
COGS (AI, payments)	£300	£720	£1,500
Net outcome	−£8,700	−£9,000	£2,000
Founder hours/week	12	18	25
Annual founder hours	624	936	1,300
Effective hourly rate	−£13.94/hr	−£9.62/hr	£1.54/hr

Critical observation: Even in the base case (30% probability), the founder effectively pays £9,000 to work 936 hours. The optimistic scenario (10% probability) yields £1.54/hour. None of these outcomes justify the opportunity cost.

B2B Scenario Comparison

Metric	B2C Base Case	B2B Base Case
Annual customers/contracts	144 individuals	8 employer contracts (avg 10 employees each)
Revenue per unit	£75	£250/employee = £2,500/contract
Gross revenue	£10,800	£20,000
CAC per contract	N/A	£400 (sales time)
Total acquisition cost	£17,280	£3,200
Net outcome	-£9,000	£14,500
Effective hourly rate	-£9.62/hr	+£15.49/hr

Strategic implication: The B2B model produces positive returns where the B2C model produces losses under similar effort assumptions. This reinforces the recommendation for B2B-primary strategy.

Break-Even Analysis

Scenario	Monthly Customers Required	Assessment
B2C, paid acquisition dominant	Impossible (negative margin)	Not viable
B2C, 50% organic mix	25-30 customers/month	Very challenging
B2C, 70% organic mix	15-18 customers/month	Ambitious but possible
B2B model	1-2 contracts/month	Achievable with focused sales

VALIDATION PATH

This section outlines a phase-gated validation approach designed to test critical assumptions while minimising capital risk. Each phase has explicit pass/fail criteria and maximum investment limits.

Phase 1: Demand Validation (Weeks 1-4)

Element	Detail
Objective	Test willingness to pay and validate problem severity
Maximum investment	£500 cash + 30 hours founder time
Activities	10-15 customer discovery interviews; landing page with payment test; competitor comparison research
Key test	Fake door test: Accept payment, then refund with 'waitlist' message
B2B parallel track	5-10 LinkedIn outreach messages to HR Directors; gauge interest

Phase 1 Pass/Fail Criteria

PASS (proceed to Phase 2)	FAIL (reassess or kill)
5+ people say 'I would pay £75+ for this now' in interviews	<2% conversion intent on landing page
>2% payment initiation rate on landing page	Consistent 'I'd just use ChatGPT' response
1+ HR Director expresses genuine interest in B2B offering	No B2B interest despite outreach
Clear articulation of why service is worth paying for (vs free alternatives)	Interviewees struggle to see value vs free options

Phase 2: MVP Test (Weeks 5-10)

Element	Detail
Objective	Test product-market fit and conversion economics
Maximum investment	£2,000 cash + 50 hours founder time
Activities	Build no-code MVP; 15-20 beta testers at discounted rate; £300-500 paid ad test
Key metrics	Conversion rate from ads; NPS from beta users; refund rate; qualitative feedback
B2B parallel track	1-2 pilot employer conversations; develop B2B proposition

Phase 2 Pass/Fail Criteria

PASS (proceed to Phase 3)	FAIL (pivot or kill)
>1% conversion from paid ads	<0.5% conversion from paid ads
NPS >30 from beta users	NPS <10 or negative
Refund rate <10%	Refund rate >20%
Positive qualitative feedback on report quality	Consistent feedback that report quality is poor
B2B: 1+ pilot commitment at £150+ per employee	B2B: No interest despite multiple conversations

Phase 3: Commercial Validation (Weeks 11-24)

Element	Detail
Objective	Prove sustainable acquisition and operational viability
Maximum investment	£5,000 cash + 15 hrs/week ongoing
Activities	Full launch; £2,000-3,000 ad spend; content marketing; B2B sales outreach
Key metrics	Customer volume; blended CAC; organic growth rate; B2B conversion
Decision point	At week 20, assess whether path to profitability is visible

Phase 3 Pass/Fail Criteria

PASS (continue scaling)	FAIL (pivot to B2B-only or kill)
15+ paying B2C customers/month by month 6	<8 B2C customers/month by month 6
Blended CAC <£100 with organic growth visible	CAC >£150 with no organic traction
2+ B2B contracts signed	No B2B contracts despite sales effort
Path to break-even visible within 12 months	Losses accelerating with no improvement trajectory

Total Validation Investment Summary

Phase	Cash Investment	Time Investment	Cumulative Risk
Phase 1	£500	30 hours	£500
Phase 2	£2,000	50 hours	£2,500
Phase 3	£5,000	~300 hours	£7,500
Total maximum	£7,500	380 hours	-

Capital preservation: This validation path limits total cash at risk to £7,500, well within the founder's stated constraints. Remaining capital (£12,500-42,500) is preserved for scaling only if validation succeeds.

EXIT/PIVOT DECISION TREE

This decision framework specifies actions to take when validation phases produce different outcomes.

Phase 1 Outcomes

Outcome	Interpretation	Action
PASS both B2C and B2B	Strong signal; dual-track viable	Proceed to Phase 2 with both tracks
PASS B2B only	B2B has traction; B2C doubtful	Pivot to B2B-primary strategy
PASS B2C only	Consumer interest exists; employer interest absent	Proceed cautiously; test premium B2C tiers
FAIL both	Fundamental value proposition unclear	Kill or major pivot (different product)

Phase 2 Outcomes

Outcome	Interpretation	Action
Strong conversion + quality feedback	Product-market fit achieved	Proceed to Phase 3 with confidence
Low conversion + positive quality	Product is good but not compelling enough to buy	Test higher price with more value; add human element
Good conversion + quality concerns	Marketing works but product needs improvement	Pause sales; improve AI output quality
Low conversion + quality concerns	Product and market both problematic	Kill B2C; pivot fully to B2B if interest exists

Phase 3 Kill Signals

The following conditions, if met at the end of Phase 3 (week 24), indicate the business should not continue:

- Total revenue <£5,000 despite £5,000+ in acquisition spend
- Blended CAC >£150 with no organic growth trend
- Zero B2B contracts signed despite active sales effort
- NPS <20 from paying customers
- Founder working >25 hours/week with no path to reduction

Maximum Loss Exposure

Exit Point	Cash Lost	Time Lost
End of Phase 1 (kill)	£500	30 hours
End of Phase 2 (kill)	£2,500	80 hours
End of Phase 3 (kill)	£7,500	380 hours
Continue scaling (success)	Recovered + growth	Invested in asset

Founder opportunity cost note: 380 hours over 6 months represents approximately 15 hours/week. If the founder's time has alternative value (e.g., freelance consulting at £50/hour), the true cost of Phase 3 failure is £7,500 cash + £19,000 opportunity cost = £26,500 total.

FINAL VERDICT

Summary Assessment

Dimension	Assessment
Problem validity	STRONG. Redundancy creates genuine distress and information fragmentation.
Solution quality	UNCERTAIN. AI can produce useful output but differentiation from free tools unproven.
B2C unit economics	WEAK. LTV:CAC ratio structurally broken at current price points.
B2B unit economics	PROMISING. Superior margins and acquisition efficiency if validated.
Technical feasibility	STRONG. No-code MVP achievable; technology is not the risk.
Competitive moat	WEAK. Zero defensibility in B2C; relationship-based moat possible in B2B.
Founder fit	MODERATE. Authentic motivation but limited time/skills; part-time constraint challenging.
Ethical alignment	STRONG. Founder's values align with serving vulnerable customers responsibly.

Probability Score Breakdown

Stage	Score	Justification
Pre-validation (B2C-only)	3/10	Structural economics problem; high CAC; free competition; zero moat
Post-validation (B2C-only)	4/10	Validation reduces uncertainty but cannot fix structural LTV:CAC gap
Post-validation (B2B-primary)	6/10	Superior economics; relationship moat; recurring potential
Post-validation (B2B + premium B2C)	5/10	Dual-track if B2C premium tier validates

Recommendation

VALIDATE WITH CAUTION

Pursue B2B as primary strategy; treat B2C as secondary/organic only

Specific Next Actions

Immediate (This Week)

1. Schedule 10-15 discovery calls with recently redundant professionals (personal network, LinkedIn)
2. Draft LinkedIn outreach messages to HR Directors at SMEs (50-500 employees)
3. Create simple landing page with pricing options and payment test capability

Week 2-4 (Phase 1)

4. Conduct discovery interviews; document willingness to pay and value perception
5. Send 20-30 B2B outreach messages; track response rate and interest level
6. Test landing page with small paid traffic (£100-200)
7. Assess Phase 1 results against pass/fail criteria; decide whether to proceed

Critical Constraints

- **Do NOT quit day job until Phase 3 validation complete**
- **Do NOT invest more than £2,500 until Phase 2 validation complete**
- **Do NOT rely on paid B2C acquisition as a viable long-term channel**
- **Pre-commit to kill signals; do not move goalposts when validation fails**

Final Note

This analysis is intended to support decision-making, not to discourage entrepreneurship. The underlying problem is real, the founder's motivation is genuine, and valuable businesses can emerge from careful validation. However, the current business model contains structural weaknesses that validation alone cannot fix.

The recommended path forward prioritises learning over spending, B2B over B2C, and sustainable economics over optimistic projections. If the founder maintains discipline around validation criteria and capital preservation, the maximum downside is a £7,500 learning experience. If B2B validates strongly, the upside is a defensible business with healthy margins.

The honest assessment: This idea, as currently conceived (B2C AI report at £49-99), is more likely to fail than succeed. The same founder, pursuing the same problem through a B2B employer-focused model, has meaningfully better odds. Choose the path accordingly.

--- End of Analysis ---

Clarion Path | January 2026