



# REDUNDANCY SUPPORT SERVICE

## Business Validation Analysis

*Prepared by Clarion Path*

*January 2026*

**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, Careerminds, 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