

R&D Budget Proposal (FY2026) - Project Allocation

Department: Product & Research and Development
Prepared By: [Head of R&D]
Date: 2025-10-01
Goal: Secure \$[Amount] in OPEX for R&D activities and staffing to deliver the Q1/Q2 2026 roadmap initiatives.

1. Executive Summary

This budget proposal prioritizes investment in **AI Model Development** and **Platform Scalability** (Project Zenith) to support forecasted enterprise growth and the commercial launch of the **Predictive AI Workflow Trigger (PAWT)**. We propose a increase over the FY2025 budget to fund 2 critical new hires.

2. OPEX Allocation Breakdown (FY2026)

Category	FY2025 Actual (\$)	FY2026 Proposed (\$)	Variance (%)	Rationale / Strategic Link
Personnel Costs (Salaries)	5,000,000	5,750,000		Funds the hiring of 1 Data Scientist and 1 Senior Backend Engineer.
Cloud Compute (R&D Sandbox)	800,000	1,100,000		Critical: Increased spend for AI model training compute (GPU instances) and data ingestion.
Software/Tools Licenses	250,000	275,000		New licenses for advanced CI/CD tooling (ArgoCD) and security

				scanning.
Technical Training/Conferences	50,000	75,000		Investment in AI/ML engineering upskilling.
Total OPEX	6,100,000	7,200,000	+18%	

3. High-Priority Project Funding

The proposed budget is allocated to support the following key roadmap initiatives:

Project	Budget Share (%)	Key Deliverable	Personnel Focus
PAWT GA Launch		Production deployment and post-launch monitoring/iterative improvement of NexaCore-TSM v1.2.	Data Scientist, Backend Eng.
Project Zenith (Scalability)		Refactoring of 3 core microservices and database sharding implementation.	Senior Backend Eng., SRE support.
AI Documentation Assistant		Initial MVP build and integration with existing Support knowledge base.	Full-stack Developer.
Technical Debt Reduction		Dedicated time for addressing high-impact legacy code/frameworks (as per TD framework).	All R&D Engineers.

4. Risk Assessment (Funding Shortfall)

If the requested budget increase is not approved:

- **Risk:** The hiring of the Data Scientist will be deferred, jeopardizing the Q1 2026 PAWT GA launch and subsequent AI feature roadmap.
- **Impact:** NexaCore would lose its competitive lead in the proactive intelligence space (as highlighted in the Competitive Analysis).
- **Mitigation:** The Head of R&D will re-allocate internal engineers to model training, increasing the risk of burnout and delaying Project Zenith.