

# PRODUCT REQUIREMENTS DOCUMENT

## FLOWSTATE

### Data Infrastructure for Alternative Investments

*The Plaid for Alternatives*

**Version:** 3.0 (Venture-Scale)

**Date:** November 18, 2025

**Status:** Final - Ready for Fundraising

**Classification:** Confidential

**Target:** Series Seed (\$5M at \$20M post)

**Strategy:** Venture-Backed, Multi-Sided Platform

# EXECUTIVE SUMMARY

**FlowState is building the data infrastructure layer for alternative investments - connecting fund administrators, RIAs, family offices, and investors through a unified, API-first platform. We are the Plaid for alternatives.**

## The Opportunity

\$50 billion flows through alternative investments annually across 100,000+ fund-to-investor relationships. Every single transaction—capital calls, distributions, K-1 tax forms, NAV updates—is processed manually. Fund administrators email PDFs. RIAs manually type data into systems. Investors receive quarterly statements 60 days late. CPAs reconstruct everything from scratch each tax season.

This is a \$430M total addressable market that is 100% manual today. We're automating it with AI-powered extraction and a two-sided marketplace infrastructure.

## The Solution

FlowState is a multi-sided platform with network effects:

- **For Fund Administrators:** API-first integration. POST data directly to our platform. Reduce support burden. Instant digital delivery to clients.
- **For RIAs:** Zero manual data entry. Capital calls, distributions, K-1s automatically extracted and synced to portfolio systems. 95%+ accuracy.
- **For Investors:** Real-time portfolio tracking. Tax aggregation. Performance analytics. Mobile access.
- **For CPAs:** K-1 aggregation across all funds. State allocation tracking. One-click export to tax software.

## The Network Effect

More RIAs using our platform → More valuable to fund administrators → More fund admins integrate → More data flows automatically → More valuable to RIAs. This flywheel creates a defensible moat that compounds over time.

## Market Size (Venture-Scale)

<b>Customer Segment</b>	<b>Customers</b>	<b>ACV</b>	<b>TAM</b>
RIAs	3,000	\$15,000	\$45M

Family Offices	5,000	\$30,000	\$150M
Fund Administrators	500	\$80,000	\$40M
Direct Investors	50,000	\$600	\$30M
CPAs	20,000	\$2,000	\$40M
Transaction Revenue (0.25% of \$50B)	—	—	\$125M
<b>TOTAL TAM</b>	—	—	<b>\$430M</b>

**At 25% market share = \$107M ARR = \$1B+ valuation at 10x revenue multiple**

## The Ask

**Raising: \$5M Seed at \$20M post-money valuation**

**Use of Funds:** 4 senior engineers, 2 sales reps, 2 customer success reps, 18-month runway

**Milestones:**

- Month 6: 50 RIA customers, \$450K ARR, 3 fund admin pilots
- Month 12: 350 RIA customers, \$5.4M ARR, 3 fund admins integrated
- Month 18: \$10M ARR, 10 fund admins, Series A at \$100M valuation

## Why We Win

- **Network Effects:** Two-sided marketplace gets stronger with every customer on both sides
- **Data Moat:** 50,000+ documents processed = domain knowledge competitors can't replicate
- **First-Mover:** 18-24 month head start (fund admin partnerships take 9 months to close)
- **Team:** Only team combining deep RIA domain expertise with world-class AI/ML capability

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# 1. MARKET ANALYSIS & PROBLEM STATEMENT

## 1.1 The Broken Infrastructure

Alternative investments—private equity, venture capital, real estate funds, hedge funds, private credit—represent \$13 trillion in global assets. For decades, these investments were accessible only to institutions and ultra-high-net-worth individuals. Recent regulatory changes (ELTIF 2.0 in Europe, SEC modernization in the US) are democratizing access to the mass affluent market.

But the operational infrastructure is completely broken. While public securities have sophisticated data feeds, APIs, and real-time reporting, alternative investments remain stuck in a pre-digital era:

- **Capital Calls:** Fund manager needs capital → Fund administrator generates PDF → Emails to 200 RIAs → Each RIA manually types data → Each RIA manually emails their clients → Clients wire money
- **Distributions:** Fund returns capital → Same PDF email process → Manual data entry → Clients get checks or wires 30+ days after distribution date
- **K-1 Tax Forms:** Fund administrator mails physical documents → Arrive 60-90 days after year-end → RIA manually enters data → CPA manually aggregates across funds → Errors are common
- **NAV Updates:** Quarterly valuations → PDF reports → Manual entry → Client reports always 60+ days stale

## 1.2 Market Size & Segmentation

We've conducted extensive market research including 100+ interviews with RIA operations directors, conversations with fund administrators, and analysis of industry data. The market breaks down into five core segments:

### Segment 1: Registered Investment Advisors (RIAs)

<b>Metric</b>	<b>Value</b>	<b>Notes</b>
Total US RIAs	15,000+	SEC registered
Target: \$100M-\$1B AUM	3,000	Sweet spot for us
Avg Alternatives Allocation	25%	Growing to 35-40%
Avg # of Funds	30-50	Per RIA
Operations Staff	2-5	Overwhelmed
Current Solutions	Excel + VAs	60% still manual
Willingness to Pay	\$10K-\$25K/year	Validated via interviews
Our Target ACV	\$15,000	Professional tier

## Segment 2: Fund Administrators (THE KEY UNLOCK)

Fund administrators are the supply side of our marketplace. They manage data for funds and distribute to investors. Currently 100% manual email/PDF process. They desperately need digital infrastructure.

<b>Metric</b>	<b>Value</b>	<b>Notes</b>
Major Fund Administrators	500+	SS&C, Apex, Citco, etc.
Avg Funds Managed	200 per admin	100,000 total relationships
Current Pain	Extreme	Support calls, errors, delays
Our Pitch	White-label API	Digital delivery for clients
Pricing	\$50K-\$100K/year	Plus per-relationship fees
Close Time	6-9 months	Enterprise sales required
Key Benefit	Client satisfaction	Reduce support burden
Our Target ACV	\$80,000	Base + usage

### 1.3 Why Now?

- **AI Accuracy Threshold:** GPT-4 and specialized models now achieve 95%+ accuracy on financial documents. This crossed from 'research' to 'production-ready' in 2024.
- **Alternatives Democratization:** ELTIF 2.0 (Europe) and SEC modernization (US) opening alternatives to mass affluent. Market growing 20%+ annually.
- **Fund Admin Pain Acute:** Volume doubling every 3 years. Manual processes breaking. Actively seeking solutions.
- **No Infrastructure Player:** Addepar, iCapital focused on different problems. White space exists.
- **Regulatory Tailwinds:** Increased reporting requirements make automation necessary, not optional.
- **Technology Maturity:** APIs, webhooks, cloud infrastructure make multi-sided platforms feasible.

## 2. PRODUCT VISION & STRATEGY

## 2.1 Vision Statement

*"We are building the data infrastructure layer for alternative investments—the pipes that connect fund administrators, wealth managers, and investors. Think Plaid (connected banks to apps) meets Stripe (payment infrastructure) for the alternatives ecosystem."*

## 2.2 Strategic Positioning

We are NOT:

- A portfolio management system (we integrate WITH them, not replace them)
- An investment platform selling funds (we're infrastructure, not distribution)
- A workflow tool (we're API-first infrastructure with UI on top)
- A document management system (extraction is means, not end)

We ARE:

- The data layer connecting the entire alternatives ecosystem
- An API-first platform with network effects
- Infrastructure that gets stronger with every participant
- The standard way alternative investment data flows

## 2.3 The Platform Architecture

## Multi-sided platform built from Day 1:

**■ FLOWSTATE DATA LAYER ■ (API-First Infrastructure Platform) ■ Document Processing (AI/ML) ■ Data Standardization ■ Webhook Distribution ■ Historical Data Storage ■ Analytics Engine ■**

**■■ SUPPLY SIDE ■ DEMAND SIDE ■ Fund Admins ■ RIAs ■ SS&C; Network ■ Family Offices ■ Apex Effects ■ Investors ■ Citco ■ CPAs ■ 500+ others ■ Portfolio Sys ■**

## 2.4 The Wedge Strategy (Network Effects from Day 1)

Critical insight: We build the API infrastructure from Day 1, even though we launch with RIA-facing product first.

<b>Phase</b>	<b>Timeline</b>	<b>Product</b>	<b>Why This Order</b>
Phase 1	Months 1-6	RIA capital call automation (UI)	Proves AI works, generates training data, builds customer base
Phase 2	Months 7-12	Fund admin API integration (Backend)	Now have 50 RIAs as proof. Fund admins integrate. Network effects start.
Phase 3	Months 13-18	Direct investor portal (Freemium)	Viral distribution. Investors demand their RIAs use us.
Phase 4	Months 19-30	Transaction layer (Payments)	0.25% take rate on capital flows. Pure margin.



## 3. PLATFORM ARCHITECTURE & TECHNOLOGY

### 3.1 Technical Stack (Production-Ready from Day 1)

<b>Layer</b>	<b>Technology</b>	<b>Rationale</b>
Frontend	Next.js 15 (App Router), React, TypeScript, Tailwind CSS	Modern components for performance, type safety, modern DX
API Layer	Next.js API Routes + tRPC (type-safe), REST API for external systems	API-first type safety internally, REST for fund admins
Database	PostgreSQL (Neon), Prisma ORM	Relational for structured data, Prisma for type safety
Document Storage	AWS S3 / Cloudflare R2	Scalable, reliable, cost-effective (\$100/TB)
AI/ML Pipeline	Azure Document Intelligence (OCR), OpenAI GPT-4o (classification)	Best-in-class extraction for financial documents
Job Queue	Inngest (background jobs), Redis (cache)	Reliable processing, auto-retry, observability
Hosting	Vercel (Edge), Modal (ML inference)	Global CDN, serverless scaling
Monitoring	Sentry (errors), Langfuse (LLM), PostHog (analytics)	Full observability stack

### 3.2 API Design (Fund Administrator Integration)

Critical: We design the fund admin API on Day 1, even though we don't have fund admin customers yet. This ensures our architecture is ready when we close our first fund admin partnership in Month 7.

```
# Fund Administrator API (v1)

POST /api/v1/capital-calls
Authorization: Bearer {fund_admin_api_key}
Content-Type: application/json

{
  "fund_id": "apollo_xi_us",
  "investor_identifiers": {
    "email": "ops@wealth-ria.com",
    "investor_id": "INV-12345"
  },
  "amount": 250000.00,
  "currency": "USD",
  "due_date": "2025-12-15",
  "wire_instructions": {
    "bank_name": "JPMorgan Chase",
    "account_number": "XXXXX1234",
    "routing_number": "021000021",
    "reference": "APOLLO-XI-CC-001"
```

```
},  
"document_url": "https://signed-url.s3.amazonaws.com/...",  
"metadata": {  
  "quarter": "Q4 2025",  
  "vintage_year": "2019"  
}  
}
```

Response: 201 Created

```
{  
  "id": "cc_1234567890",  
  "status": "processed",  
  "delivered_to": ["ops@wealth-ria.com"],  
  "processed_at": "2025-11-18T10:30:00Z"  
}
```

## 4. PRODUCT REQUIREMENTS: PHASE 1 (MONTHS 1-6)

### RIA-Facing Capital Call Automation + Platform Infrastructure

Phase 1 focus: Prove AI accuracy, acquire 50 RIA customers, build dataset for training, establish platform architecture for fund admin integrations.

<b>Feature</b>	<b>Description</b>	<b>Priority</b>	<b>Timeline</b>
Document Upload (Multiple Methods)	Drag-drop UI, email forwarding (documents@flowsite.com), Gmail Outlook plugin	High	Week 1-2
AI Extraction Pipeline	Azure DI (OCR) → GPT-4o-mini (extraction) → Validation → Storage	High	Weeks 3-5
Capital Call Processing	Extract: fund, investor, amount, due date, wire instructions. 95% target accuracy.	High	Weeks 4-5
Review Interface	Side-by-side PDF viewer + editable fields. Approve/Reject. Confidence scores.	Medium	Week 6
Calendar & Alerts	All capital calls in calendar. Email alerts 7, 3, 1 days before due date.	Medium	Week 7
Export Functionality	CSV export, Email to client with wire instructions, PDF generation	Medium	Week 8
Fund Admin API (Backend)	Build API endpoints for fund admin POST (not used yet, ready for Phase 2)	Low	Week 8
User Management	Multi-user support, role-based access (Admin, Viewer), SSO ready	Medium	Week 8

**Success Metrics Phase 1:** 50 RIA customers, \$450K ARR, 95% AI accuracy validated on 5,000 documents, 3 fund admin pilots started, Platform architecture proven.

# 7. MULTI-SIDED PLATFORM ECONOMICS

## 7.1 RIA Pricing (Usage-Based Tiers)

<b>Tier</b>	<b>Monthly</b>	<b>Annual</b>	<b>Included</b>	<b>Target</b>
Starter	\$299	\$3,228 (10% off)	Up to 25 docs/mo, 1 integration, Email support	Small RIAs
Professional	\$799	\$8,629	Up to 100 docs/mo, All integrations, K-1s, Priority support	Most customers
Enterprise	\$1,999	\$21,589	Unlimited, White-label, API, Dedicated CS	Large RIAs/FOs

**Expected ACV: \$15,000** (most customers in Professional tier)

## 10. FINANCIAL MODEL & UNIT ECONOMICS

### 10.1 18-Month Financial Projection

<b>Metric</b>	<b>Month 6</b>	<b>Month 12</b>	<b>Month 18</b>
RIA Customers	50	350	600
RIA ARR	\$450K	\$5.25M	\$9M
Fund Admins	0 (3 pilots)	3	10
Fund Admin ARR	\$0	\$240K	\$800K
Direct Investors (Beta)	0	0	1,000 (100 paid)
Investor ARR	\$0	\$0	\$60K
<b>Total ARR</b>	<b>\$450K</b>	<b>\$5.49M</b>	<b>\$9.86M</b>
Monthly Burn	\$270K	\$270K	\$350K
Cumulative Cash	\$3.4M	\$1.8M	\$0 (raise Series A)
Headcount	8	12	18

### 10.2 Unit Economics

- **RIA Customer:** CAC \$3,000 (blended), LTV \$75,000 (5-year retention), LTV:CAC = 25:1
- **Fund Admin:** CAC \$25,000 (enterprise sales), LTV \$400,000 (5-year), LTV:CAC = 16:1
- **Gross Margin:** 88% (SaaS model, AI processing ~12% of revenue)
- **CAC Payback:** 3 months for RIAs, 6 months for fund admins
- **Churn (Target):** <5% annual for RIAs, <2% annual for fund admins

## 11. TEAM REQUIREMENTS

### 11.1 Founding Team (Non-Negotiable)

#### Founder #1: CEO + Domain Expert

- **Required Background:** 7+ years as operations director at \$500M+ RIA
- **Experience:** Personally processed 5,000+ alternative investment transactions
- **Network:** Rolodex of 100+ RIA operations directors who will take meetings
- **Skills:** Sales, business development, product intuition from lived experience
- **Why Critical:** Can validate product instantly, sell to peers, recruit design partners, knows fund admin landscape

#### Founder #2: CTO + AI/ML Expert

- **Required Background:** 8+ years engineering at top tech company (FAANG or AI-first company)
- **Experience:** Built production document processing systems (1M+ docs/day scale)
- **Expertise:** Deep ML/NLP knowledge, can architect for 100M+ API calls/month
- **Track Record:** Shipped production AI systems with 95%+ accuracy
- **Why Critical:** 95% accuracy is hard, platform must scale, will build world-class eng team

### 11.2 First Hires (Months 1-6)

<b>Role</b>	<b>When</b>	<b>Why</b>	<b>Comp</b>
Founding Engineer #1	Month 1	Full-stack, API design	\$200K + 1%
Founding Engineer #2	Month 1	ML/AI specialist	\$180K + 0.75%
Sales Rep #1	Month 4	Former RIA ops, can sell to peers	\$100K + \$100K OTE
Customer Success #1	Month 5	Wealth management background	\$100K + 0.25%
SDR #1	Month 5	Outbound specialist	\$80K + \$40K OTE
Engineer #3	Month 6	Backend/integrations	\$180K + 0.5%

## 14. FUNDING STRATEGY & MILESTONES

### 14.1 Seed Round

**Raise:** \$5M at \$20M post-money valuation (20% dilution)

**Lead Investor Target:** YC, a16z, Accel, Sequoia (firms with fintech expertise)

<b>Category</b>	<b>Amount</b>	<b>%</b>	<b>Details</b>
Engineering	\$1.75M	35%	4 engineers, infra, tools
Sales & Marketing	\$1.50M	30%	2 AEs, 2 SDRs, 1 Marketing, paid ads
Operations & CS	\$750K	15%	1 Head of CS, 2 CS reps, 1 Ops
Product & Design	\$500K	10%	1 PM, 1 Designer, research
Founders	\$500K	10%	2 founders × \$125K (reinvesting)

### 14.2 Path to Series A

- **Month 18 Target:** \$10M ARR
- **Customers:** 600 RIAs + 10 fund administrators + 1,000 direct investors
- **Metrics:** <5% churn, 95%+ AI accuracy, NPS 70+, LTV:CAC > 20:1
- **Raise:** \$20M Series A at \$100M post-money
- **Use:** Scale to \$50M ARR (hire 40 people, international expansion)

## CONCLUSION

FlowState is building the infrastructure layer for a \$13 trillion asset class that is currently 100% manual. We have a clear path to \$430M TAM, defensible network effects, and venture-scale unit economics.

The market is ready. AI technology has crossed the threshold. Fund administrators are desperate for solutions. No dominant infrastructure player exists.

With the right team (domain expert + AI expert) and \$5M in capital, we can reach 350 RIA customers and \$5.4M ARR in 12 months, positioning us for a strong Series A and path to category leadership.

This is the Plaid moment for alternative investments. The question is not IF this infrastructure will be built. The question is WHO will build it. We believe we have the team, strategy, and timing to win this market.

— END OF DOCUMENT —

**FlowState: Data Infrastructure for Alternative Investments**