THE UNIVERSITY OF STRATHCLYDE BUSINESS SCHOOL

MBA PROJECT

ClearESG: A Business Plan for Empowering UK SMEs with Affordable ESG Tools and Support

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Signed: Arnav Mishra   **Date:** 25th August 2025

Acknowledgement

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Executive Summary

Venture. ClearESG is a SaaS platform that helps UK SMEs produce stakeholder-recognised ESG disclosures and concise transition plans in minutes—not months—while linking recommended actions to financial drivers (cost, risk, and growth). The product is mapped to GRI and a TPT-style outline, with an indicative ROSI view and an assumption/evidence ledger to avoid over-claiming and increase external acceptance.

Problem & market need. Expectations for SME ESG data are cascading from buyers and lenders; yet adoption remains low because of complexity, capacity constraints and unclear payoff. SMEs want standards-aligned outputs, low effort workflows, and credible finance-oriented reasoning for decisions.

Approach. The project uses a pragmatist, abductive, mixed-methods design: a small-N SME survey (Question1–Quesiton16) plus triangulation with standards and market evidence; theory lens includes Stakeholder Theory, Triple Bottom Line, Creating Shared Value, and Return on Sustainability Investment (ROSI). Entrepreneurial scaffolding: Disciplined Entrepreneurship, Business Model Canvas, and Lean.

Key findings.

- Barriers: capability/capacity dominate; cost is material but secondary to complexity and literacy.

- Demanded features: self-assessment, auto-generated reports, standards-aligned guidance, embedded micro-education, and financial ROI visibility.

- Willingness to pay: baseline £11–£25/month (supports a low entry tier).

- Quality expectations: speed to a usable output, governance without disruption, and "no tool sprawl" as design principle: output-first UX plus assumption ledger.

Solution & model.

- <u>MVP features:</u> GRI-referenced Snapshot (first session), TPT-style transition outline, indicative ROSI panel, finance-ready brief, assumption/evidence ledger.

- <u>Business model</u>: subscription SaaS with good–better–best packaging; partner-led GTM to reduce CAC and increase trust; early unit-economics targets include CAC payback ≤ 6 months and GM ≥ 75% (see Ch. 5).

Go-to-market. A partner-assisted acquisition motion with co-branded invitations and acceptance panels (buyers/lenders). 90-day launch emphasises rapid activation to Snapshot and proof of external acceptance.

Pilot & milestones (0–12 months). Stage-gates G0 to G5 with explicit pass criteria (e.g., median time-to-Snapshot ≤ 20 mins; SUS ≥ 70; ≥60% external "acceptable" ratings; CAC payback ≤ 6 months; NRR ≥ 95%). See Section 5.13.1 for the full gate table and success metrics.

Risks & mitigations. Standards drift (by annual mapping refresh); external acceptance (by buyer/lender panels, finance-ready briefs); data/privacy (by GDPR controls, SOC2-lite); channel dependence (by partner diversification, product-led growth track). A living Assumptions–Evidence–Action ledger governs pivots.

Team & governance. Initial blend of core roles + fractional specialists (PM, full-stack, data/BE, UX, ESG policy, partnerships, fractional CFO, CS) with clear RACI and privacy/security baselines (see Section 5.12.3).

Funding & use of funds. Budget priorities are product/engineering, security & compliance, pilot/partner enablement, and measured GTM; detailed 36-month financials and sensitivity will sit with Chapter 5.

Ask/Outcome. Ask: green-light a 12-month stage-gated pilot (G0→G5) with two distribution partners (banks/accountants) and ~25 SMEs. Outcome: decision-ready evidence on MVP fit and scale-up (targets: SUS ≥ 70, ≥60% external "acceptable" ratings, CAC payback ≤ 6 months), per the metrics in Section 5.13.1.

Chapter 1: Introduction

1.1 Project context

Environmental, Social and Governance (ESG) has shifted from a reputational add-on to a core benchmark of business performance and resilience. Foundational ideas such as the triple bottom line (Elkington, 1997), stakeholder theory (Freeman, 1984) and creating shared value (Porter and Kramer, 2011) reframed corporate purpose beyond short-term profit. That shift is now being codified through standards and guidance and is increasingly expected by customers, lenders and regulators. In the UK, the Transition Plan Taskforce (TPT) has set out a disclosure framework aligned with the emerging baseline of the International Sustainability Standards Board (ISSB), signalling the direction of travel for firms operating in UK value chains (Transition Plan Taskforce, 2023).

SMEs dominate the UK private sector and sit at the heart of supply chains. They account for the vast majority of UK businesses and employment, underscoring the system level importance of their disclosure readiness (ONS, 2024). Yet an adoption gap persists. Recent evidence shows that awareness and intention do not reliably translate into formal reporting or systematic action among smaller firms, largely because of limited time, skills and clarity on benefits versus costs (Mastercard, 2024).

1.2 Rationale and significance

Two realities create the case for ClearESG. First, adoption is low: global research for COP28 found that only 7.7% of SMEs undertake sustainability reporting, with many excluded from tenders where sustainability is embedded in procurement (Sage, PwC and ICC, 2023). Second, barriers are persistent: UK SME surveys cited by Mastercard highlight very low ESG awareness and implementation, and emphasise knowledge gaps, perceived lack of benefit, and cost and complexity as leading deterrents (Mastercard, 2024).

Beyond demand-side frictions, the evolving standards architecture can overwhelm smaller firms, given unfamiliar terminology and perceived data burdens (Transition Plan Taskforce, 2023). At the same time, international harmonisation is advancing: the ISSB has issued IFRS S1 (general sustainability-related disclosure requirements) and IFRS S2 (climate-related disclosures), establishing a global baseline that the UK has signalled an intent to align with. This increases the salience of concise, comparable and decision-useful SME disclosures (IFRS Foundation, 2023; Transition Plan Taskforce, 2023).

The opportunity is therefore twofold: lower the activation energy for SMEs (time, literacy, data wrangling) and translate ESG effort into financial outcomes that matter to owners and CFOs—linking actions to revenue, cost, risk and access to capital. The Return on Sustainability Investment (ROSI) approach offers a practical bridge between sustainability activity and the drivers of financial performance (Whelan and Douglas, 2021). ClearESG targets the intersection of minimum viable disclosure and credible, finance oriented value cases for SMEs.

1.3 Purpose and objectives

This project designs and validates a scalable business plan for **ClearESG**, a digital platform that enables UK SMEs to adopt, manage and report ESG in an affordable, low friction way.

Primary research question:

- How can a digital platform be designed to enable UK SMEs to adopt, manage and report ESG practices effectively and affordably?

Supporting questions:

1. What barriers most constrain UK SMEs' ESG adoption and reporting?
2. How do current market and regulatory dynamics shape SME behaviour?
3. Where do existing tools fall short for SMEs?

4. Which features, pricing, channels and support mechanisms best unlock adoption and scalability?

Which elements of the platform deliver perceived value and measurable business benefit?

1.4 Scope and delimitations

The study focuses on UK-based SMEs and the design of a venture grade SaaS platform. It uses an exploratory, mixed methods approach to inform venture decisions. It does not attempt a full compliance audit of every standard; rather, it interprets leading principles (e.g., GRI, ISSB, TPT) into SME-appropriate workflows and guidance.

1.5 ESG landscape and SME challenges

Regulatory convergence is progressing. The UK's TPT framework and the broader sustainability disclosure agenda reference alignment with an ISSB global baseline, pointing to a long run shift toward better quality, comparable disclosures. For SMEs, the immediate effect is indirect: expectations cascade through lenders and large buyers who increasingly request data and evidence of management plans as part of procurement and financing. UK finance providers continue to expand data expectations in underwriting and portfolio management, which is likely to translate into SME information requests (British Business Bank, 2024; FCA, 2023).

Against this backdrop, SMEs report three recurring obstacles:

1. **Complexity and capacity.** Multiple frameworks, evolving terminology and data demands outstrip the time and expertise available in small firms.

2. **Unclear payoff.** Owners often see ESG as a cost centre; few tools connect actions to P&L outcomes in ways that satisfy financial decision makers (Whelan and Douglas, 2021).

3. **Procurement pressure.** Larger customers increasingly embed sustainability criteria, with non-reporting SMEs at risk of exclusion from bids (Sage, PwC and ICC, 2023).

These frictions explain the adoption gap despite rising expectations and help specify what an SME first solution must solve.

1.6 Existing tools and the platform gap

A growing ecosystem of ESG platforms and ratings serves enterprises and their supply chains. However, market reviews aimed at SMEs point to affordability, usability, education and automation as missing pieces— especially the ability to convert raw business data into decision useful disclosures and action plans without specialist staff (Sage, PwC and ICC, 2023; Mastercard, 2024).

1.7 Opportunity for ClearESG

ClearESG is positioned as compliance plus value: it simplifies reporting against leading baselines (e.g., GRI, ISSB, TPT) while building in education, guided workflows and ROSI-style benefit mapping to show owners why ESG is worth doing now. Concretely, the proposition prioritises: (i) task automation and standards mapping,

(ii) embedded learning for non-experts,

(iii) pricing that fits SME budgets, and

(iv) seamless integrations with common data sources to reduce manual work.

1.8 Structure of the report

Chapter 2 synthesises the literature and applies entrepreneurial strategy, deriving testable hypotheses for adoption, pricing and channels. Chapter 3 sets out the methodology. Chapter 4 presents findings and analysis. Chapter 5 develops the venture report (solution, model, go to market,

financials, funding, team, milestones, risks). Chapter 6 closes with conclusions and reflection.

1.9 Mission & Values

Mission. Empower UK SMEs to produce stakeholder-recognised ESG disclosures and transition plans fast, and to link sustainability actions to financial outcomes—so they win tenders, unlock finance, and improve performance without specialist staff.

Values (design principles).

- **Standards-first.** Align to GRI/ISSB/TPT so outputs are legible to buyers, lenders and auditors.

- **Output-first UX.** Guarantee a usable Snapshot in the first session to lower activation energy.

- **Evidence integrity.** Maintain an assumption/evidence ledger to prevent over-claiming and support diligence.

- **Finance-grounded.** Tie actions to cost, risk and revenue with an indicative ROSI view.

- **Privacy-by-design.** Ship GDPR-ready controls and SOC2-lite practices from day one.

- **Access & affordability.** Keep pricing SME-friendly (entry tier £11–£25) with transparent upsells.

Chapter 2: Applying Entrepreneurial Strategy

2.1 Purpose and approach

Building on the UK policy and market context in Chapter 1, this chapter translates sustainability and entrepreneurial strategy into ClearESG's design choices while staying within the evidentiary limits of the deployed survey instrument. It: (i) situates the problem in the UK and European disclosure context; (ii) draws on established theories—Stakeholder Theory, the Triple Bottom Line (TBL), Creating Shared Value (CSV) and Return on Sustainability Investment (ROSI)—to motivate a compliance plus value proposition; (iii) specifies product and business model implications; and (iv) sets testable hypotheses constrained to the questions already fielded (awareness, barriers, prior tool use, feature preferences, willingness to pay, and open text expectations and concerns). Items not covered by the survey (for example, time to first report, buyer or lender acceptance, and channel effects) are addressed through qualitative coding of open text responses and triangulation with literature, with any residual uncertainty flagged as pilot work. This reflects the project's commitment to mixed primary and secondary evidence and to applying core MBA strategy toolkits in the subsequent venture design.

Entrepreneurial design scaffolding. The translation from theory to product is guided by Disciplined Entrepreneurship's staged, customer evidence process (Aulet, 2013), the Business Model Canvas to maintain coherence across value propositions, channels and revenue logic (Osterwalder and Pigneur, 2010), and Lean Startup's build, measure, learn cycle for rapid learning with minimal waste (Ries, 2011). These frameworks underpin the hypotheses in section 2.5 and will be operationalised in Chapter 5's business plan.

2.2 External context and market structure

Policy and standards. UK policy signals are converging on climate transition planning and comparable sustainability information. The Transition Plan Taskforce (TPT) sets a structured framework covering governance, strategy, implementation, and metrics and targets, directionally aligned with the ISSB baseline; even where obligations primarily apply to larger entities, requests cascade through banks and supply chains to SMEs (TPT, 2023). For non-climate disclosures, the Global Reporting Initiative (GRI) remains the most widely used stakeholder-oriented framework and a pragmatic anchor for SME appropriate reporting (GRI, 2021).

Buyer and lender pull. Procurement and credit processes increasingly prefer suppliers and borrowers that can furnish concise, comparable sustainability information and credible transition narratives. Market studies highlight low SME formal reporting and call for simpler, affordable tooling to avoid exclusion from tenders and to improve access to finance (Sage, PwC and ICC, 2023; Mastercard, 2024).

Industry structure and substitutes. Existing tools often target enterprise use cases or rating workflows, while many SMEs rely on spreadsheets or one-off consultants—low cost but high friction substitutes. The structural opportunity is a workflow first platform that (i) converts basic business data into recognisable outputs (GRI aligned snapshots; TPT style outlines) and (ii) links actions to economic drivers (efficiency, risk, revenue), rather than presenting generic scores (Kramer and Pfitzer, 2022; Whelan and Douglas, 2021).

Implication for ClearESG. The design target is an SME first compliance plus value bridge: (i) a GRI aligned "SME Sustainability Snapshot" and (ii) a TPT style transition outline for external interactions, with embedded financial framing that clarifies payback and business relevance.

2.3 Theory-to-value logic

Stakeholder Theory positions sustainability as practices that maintain legitimacy with those who control access to resources—customers, employees, lenders, regulators and communities (Freeman, 1984). *Implication:* ClearESG must render stakeholder-relevant evidence in recognisable formats (for example, supplier packs and lender briefs).

The **Triple Bottom Line** operationalises performance across people, planet and profit (Elkington, 1997). *Implication:* start with a small, reliable set of indicators that SMEs can measure credibly and that speak to material social and environmental outcomes without imposing enterprise-grade burden.

Creating Shared Value reframes ESG as competitiveness when choices alter cost, risk or growth (Porter and Kramer, 2011). *Implication:* prioritise dual-effect initiatives (for example, energy savings that improve unit economics and raise tender scores; safety and training that reduce downtime and attrition).

The **Resource Based View (RBV)** argues that durable advantage stems from resources that are valuable, rare, inimitable and well organised (Barney, 1991). In SMEs, scarce managerial attention, data discipline and sustainability know-how are the limiting resources. *Implication:* ClearESG should augment and routinise these capabilities digitally, converting dispersed information and ad hoc practices into repeatable processes and credible disclosures.

ROSI (Return on Sustainability Investment) links actions to financial outcomes via drivers such as efficiency, risk reduction, innovation, customer loyalty and human capital (Whelan and Douglas, 2021). *Implication:* embed an indicative ROSI calculator to clarify assumptions and foster CFO grade decision making.

Evidence discipline. Literature warns against universal claims of ESG outperformance and highlights measurement and causality challenges; credible practice requires transparency about definitions, assumptions and

uncertainty (Larcker, Tayan and Watts, 2021). *Implication:* include an assumption ledger that records sources and caveats for all ROI estimations.

2.4 Design choices implied by the theory

Product principles

1. **Standards mapped, jargon light**. Pre-map fields to GRI topic disclosures and auto-assemble a TPT style transition outline from the same inputs, with tooltips that explain stakeholder relevance and typical evidence.

2. **Materiality made practical.** A brief, sector-aware prompt surfaces 6–8 priority issues, aligning with CSV logic to focus where impact and economics intersect.

3. **ROI first recommendations.** Each action shows a ROSI estimate (range), payback horizon and secondary effects (for example, risk and talent).

4. **Evidence integrity**. An assumption ledger stores sources and limitations for each estimate to address the credibility gap highlighted in the literature.

5. **Output first experience**. The first session produces immediately usable artefacts for external interactions: a concise "with reference to GRI" snapshot and a one-page transition outline with targets and owners.

Business model and channels. Minimise entry friction with a free assessment and one shareable snapshot; paid tiers unlock transition plan tooling, ROI calculators, evidence lockers and multi-user access. Distribution should use trusted intermediaries—banks and accountants—that already aggregate SME data and have incentives to improve portfolio disclosures and advisory revenue (Mastercard, 2024).

Positioning against substitutes. ClearESG competes with spreadsheets and one-off consultants on time to acceptable output, and with enterprise-

oriented platforms on affordability and financial clarity. Success is defined not by a higher external "score" but by faster, credible artefacts that satisfy stakeholder requests and demonstrate material financial effects. Chapter 5 will further apply PESTLE to the UK sustainability context; Porter's Five Forces to industry attractiveness; the Value Proposition Canvas to pains and gains; TOWS to strategy routes; Jobs to Be Done for problem–solution fit; Blue Ocean for differentiation; and pricing heuristics including Gabor–Granger and value-based pricing (Porter, 2008; Weihrich, 1982; Osterwalder and Pigneur, 2010; Christensen et al., 2016; Kim and Mauborgne, 2005; Gabor and Granger, 1966; Nagle and Müller, 2018).

2.5 Hypotheses aligned strictly to the deployed survey

Because the instrument is fixed, hypotheses are framed around constructs the survey measures directly or inferentially: awareness and adoption, barriers, feature demand, prior tool exposure, willingness to pay, and qualitative expectations and concerns.

- **H1 (Awareness to adoption gap).** A substantial share of SME decision makers report awareness of ESG but lack formalised practices or reporting.
  Measures: Q4 (familiarity), Q5 (adoption posture), Q7 (conditional intent).
  Design relevance: validates the need for guided workflows and education.

- **H2 (Barrier salience).** The most frequently cited barriers are complexity, lack of expertise or time, cost, and unclear business benefits.
  Measure: Q6 (multi-select barriers).
  Design relevance: prioritises standards translation, onboarding simplicity and financial framing.

- **H3 (Feature demand).** Highest interest clusters around auto-generated reports, guidance aligned to recognised standards, and

tracking financial ROI.
Measure: Q10 (feature interest).
Design relevance: confirms MVP core modules (snapshot, guidance, ROI panel).

- **H4 (Prior tool usage).** Few SMEs have used ESG platforms; those with higher familiarity are more likely to have experimented. *Measures:* Q8 (tool use), cross tabulation with Q4 (familiarity) and Q5 (adoption), and short narrative from Q9 (experience). *Design relevance:* indicates onboarding and education burden; shapes messaging tone.

- **H5 (Baseline willingness to pay).** Most SMEs fall within £0–£25 per month unless value is clearly demonstrated. *Measure:* Q12 (willingness-to-pay bands). *Design relevance:* supports a low friction entry tier and value-triggered upsells.

- **H6 (Qualitative expectations and concerns).** Open-text responses emphasise cost control, time efficiency, sector specificity and data/privacy assurance. *Measures:* Q11, Q14–Q16 (open text). *Design relevance:* informs copy, onboarding, sector templates and privacy cues.

Three strategic tests discussed in the literature—activation speed, buyer/lender acceptance, and channel effects—are not directly observable in Q1–Q16 and will therefore be addressed via (i) targeted coding of open-text responses and (ii) structured triangulation with secondary sources.

Consolidated operationalisation. To make the evaluation logic explicit, the table below consolidates the survey-based hypotheses (H1–H6) with three strategic pilot tests (S1–S3) that are validated in Chapter 5. For each, we specify the construct, instrument, metrics, success thresholds (where applicable), where results are reported, and the design decision affected.

This aligns the survey (Chapter 3–4) with the pilot and stage-gates (Chapter 5).

Table 2.1 — Hypotheses operationalisation map

ID	Construct measured	Instrument	Items / protocol	Primary metric(s)	Success threshold	Where reported	Design decision affected
H1 Awareness → Adoption gap	Familiarity, current adoption, conditional intent	Survey	Q4, Q5, Q7	Counts/ medians; simple cross-tab Q4×Q5	*Descriptive (small-N)*: pattern consistent with literature	Ch.4 Section 4.2	Guided workflows + embedded education (onboarding)
H2 Barrier salience	Barriers to ESG	Survey	Q6 (multi-select)	Frequency; co-occurrence	*Descriptive*	Ch.4 Section 4.3	Standards translation, simplicity, ROI framing
H3 Feature demand	Interest in capabilities	Survey	Q10	Feature frequencies; co-selection vs barriers	*Descriptive*	Ch.4	Locks MVP: Snapshot, Guidance, ROSI panel

H4 Prior tool usage	Exposure to ESG tools; relation to familiarity /adoption	Survey	Q8 (+Q9), with cross-tabs to Q4/Q5	Cross-tabs; brief narrative from Q9	*Descriptive*	Ch.4	Onboarding burden; "educational not technical" tone
H5 Baseline WTP	Price sensitivity bands	Survey	Q12	Median band; IQR; cross-tab with "cost" barrier	*Descriptive*	Ch.4	Entry tier ≤£25; value-triggered upsells; informs Section 5.7 pricing tests
H6 Expectations & concerns	Desired outcomes; risks	Survey (open)	Q11, Q14–Q16	Thematic coding; exemplar quotes	*Descriptive*	Ch.4	Sector templates; privacy cues; copy
S1 Activation speed	Time to first acceptable output; perceived usability	Pilot (moderated + telemetry)	Think-aloud on 3 tasks; SUS survey	Median minutes to first Snapshot; completion rate; SUS	≤45 mins median; ≥80% completion; SUS ≥70	Ch.5 Section 5.8.2	Keep "output-first" UX; streamline intake; gate "Pro" post-Snapshot

S2 External acceptance	Buyer/lender acceptance of outputs	Pilot (reviewer panel)	Reviewer survey (Acceptable / minor edits / not acceptable)	Acceptance rate; reasons	≥60% "acceptable"; ≥85% incl. "minor edits"	Ch.5 Section 5.8.2	Finance-ready brief content; acceptance checklist; template iterates
S3 Channel efficacy	Partner vs direct acquisition efficiency	Pilot (cohorts)	Cohort A: direct; B: bank; C: accountant	Activation conversion; CAC proxy; time-to-output by channel	Partner activation +30% vs direct; CAC payback ≤6 months	Ch.5 Section 5.8.2	Prioritise partner-led GTM; enablement kits; CAC guardrails

2.6 Analytics plan consistent with the instrument

With an expected small N (≈10 responses), analysis will prioritise counts, medians and cross tabulations rather than percentages and inferential statistics. Open text answers will be thematically coded using a short, preregistered codebook that reflects barrier and value motifs in the literature (for example, "time/complexity," "cost/ROI," "sector fit," "data/privacy," "procurement/lender"). Representative verbatims will be used to illustrate each theme.

- H1/H2/H3/H4/H5: simple frequency tables and cross tabulations (for example, familiarity × tool use; feature interest × adoption posture; willingness to pay × barriers).

- H6: thematic analysis with an insight pyramid that moves from "what we heard" to "so what" to "implication for MVP".

Limitations—small sample size, sector skew and self-report bias—will be acknowledged explicitly. Results will be framed as decision support for MVP scoping, not as population estimates.

2.7 Design implications grounded in the survey constructs

The constructs measured provide sufficient evidence to justify the MVP scope:

1. **GRI-aligned "SME Sustainability Snapshot."** Directly addresses demand for auto-reports and guidance (Q10) while responding to awareness/adoption gaps (Q4–Q5–Q7).

2. **TPT-style transition outline.** Although not directly tested, buyer/lender pull is clear in the literature; open text responses (Q11, Q14–Q16) will be scanned for tender/loan references to anchor relevance (TPT, 2023; Sage, PwC and ICC, 2023).

3. **ROSI quick calculator.** Aligned to stated demand for tracking financial ROI (Q10) and the barrier "no clear business benefit" (Q6), with mediating drivers and narrative structure from the literature (Whelan and Douglas, 2021; Kramer and Pfitzer, 2022).

4. **Education micro-nudges.** Consistent with barriers (expertise/time) and open text expectations; short explainers reduce cognitive load (Freeman, 1984; Elkington, 1997).

5. **Entry level pricing (≤ £25) with value-triggered upsells.** Directly supported by willingness to pay bands (Q12) and the cost barrier in Q6.

Items requiring pilot validation—activation time, acceptance rate and channel efficiency—will be listed as explicit assumptions in Chapter 5, with a near-term plan to test them via think-aloud sessions and partner cohorts.

2.8 Risks and mitigations

- **Perceived complexity and limited capacity.** *Mitigation:* standards-mapped forms, sector templates and output-first flows; evidenced by Q6 and Q10.

- **Unclear financial benefit.** *Mitigation:* ROSI scaffolding and CFO-grade briefs; supported by Q6 demand signals and finance-communication literature (Whelan and Douglas, 2021).

- **Credibility of claims.** *Mitigation:* assumption ledger and citation of sources; aligned with cautions in "Seven Myths of ESG" (Larcker, Tayan and Watts, 2021).

- **Price sensitivity.** *Mitigation:* freemium/low entry pricing and partner-subsidised distribution; consistent with Q12.

2.9 Synthesis

Within the constraints of the deployed instrument, the data will illuminate the adoption gap, clarify barrier salience, prioritise feature bundles, establish baseline willingness to pay, and surface qualitative expectations and concerns. This is sufficient to initiate an MVP scope centred on: (i) a GRI-aligned snapshot, (ii) a TPT-style transition outline, and (iii) a ROSI view that links actions to financial drivers. Items not directly measured—time to first report, buyer/lender acceptance and channel effects—are flagged as pilot-stage tests and will be addressed through coding of current open-text answers, triangulation with authoritative guidance, and a short, subsequent usability study. The overall strategy—compliance plus value—is therefore theoretically grounded and empirically tractable given the available instrument.

Chapter 3: Research Methodology

3.1 Research philosophy and approach

The study adopts a pragmatist philosophy, prioritising methods that best address an applied venture question: whether an SME first ESG platform can reduce adoption frictions and create perceived value. Pragmatism supports combining quantitative and qualitative evidence to generate useful knowledge for decision making (Saunders, Lewis and Thornhill, 2019). The reasoning is abductive—initial propositions are derived from the literature (Stakeholder, TBL, CSV and ROSI; Section 2) and then iteratively confronted with primary data to refine design choices (Bryman and Bell, 2015).

Given the goal of informing near term product and go to market (GTM) decisions, a mixed methods design is appropriate: structured items quantify salience and demand, while open text responses provide context and nuance (Creswell and Plano Clark, 2018).

Note on method adaptation. Within the approved scope, semi structured interviews are deferred—not discarded—to the pilot validation phase, where they will be used to test activation speed, output acceptance and channel effects.

3.2 Research design

The design is exploratory, cross sectional and applied. Exploratory work is suitable when evidence on a specific population or problem is limited—in this case, UK SME perspectives on ESG tooling and value framing (Robson, 2011). A cross-sectional online survey captures a snapshot efficiently within time constraints typical of entrepreneurial projects (Bryman and Bell, 2015). The applied orientation ensures outputs directly inform ClearESG's MVP scope, pricing posture and messaging (Saunders, Lewis and Thornhill, 2019).

3.2.1 Method adaptation versus proposal

The approved proposal envisaged 8–12 semi-structured interviews to surface SME needs and test desirability. During execution, two constraints emerged: (i) access and scheduling frictions with owner-managers within the window, and (ii) the venture's immediate need for structured, comparable signals to scope an MVP. Accordingly, the design was adapted—within the approved ethics—to a short, structured survey (Q1–Q16) that captures awareness, barriers, feature demand and willingness-to-pay, complemented by open-text items for context. Interviews are deferred to the pilot where they are better suited to measure activation speed, output acceptance and channel effects under task conditions (see Section 5.8). This aligns with a pragmatist and abductive stance—fit method to decision— while maintaining transparency about trade-offs and evidence limits.

3.3 Population, sampling and eligibility

The target population comprises UK based SMEs (micro: <10; small: 10– 49; medium: 50–249 employees). A non-probability strategy is used, combining purposive sampling (owner, co-owner or senior decision maker with knowledge of ESG requests) and convenience/snowball access via professional networks and SME groups (Etikan, Musa and Alkassim, 2016; Bryman and Bell, 2015). Eligibility is enforced by screening items (consent; UK SME; <250 employees). A realistic pilot scale sample of c. 5–10 completes is expected; while not statistically generalisable, this is sufficient for exploratory counts and medians and thematic analysis to support early venture decisions.

3.3.1 Recruitment and outreach

Eligible SME decision-makers were approached via two routes: (a) direct email and LinkedIn messages to known contacts in professional networks, and (b) posts in UK SME owner groups. Screening items (Q1–Q3) enforced eligibility before any substantive responses. Outreach prioritised variation by size band (micro, small, medium) and sector (services, light

manufacturing, retail) to reduce topic bias. A pragmatic target of 5–10 completes was set for this exploratory stage; this is sufficient for descriptive patterns and thematic signals to inform MVP scope and GTM posture. A short note invited respondents who opted in to subsequent usability sessions during the pilot to test activation speed and output acceptance under task conditions (Section 5.8).

3.4 Instrument (survey)

The deployed instrument comprises 16 questions structured into four sections:

- **Screening and consent (Q1–Q3):** confirm eligibility as UK SME decision makers (<250 employees) and capture informed consent.

- **Awareness, adoption and barriers (Q4–Q7):** measure familiarity with ESG, current adoption posture and perceived challenges.

- **Tool exposure and feature demand (Q8–Q11):** capture prior use of ESG related platforms, desired features and value drivers.

- **Willingness to pay and qualitative expectations (Q12–Q16):** gauge price sensitivity and elicit open text feedback on needs, hesitations and additional suggestions.

Questions were designed to be read in approximately 3–5 minutes to maximise completion among time constrained SME leaders. Wording avoids technical jargon; feature items explicitly reference recognised standards (for example, "guidance aligned with GRI/UK expectations") to maintain interpretability. The full Q1–Q16 survey script (wording, response options, skip logic) is provided in Appendix A for auditability.

3.5 Data collection procedure

The survey was distributed digitally via email, LinkedIn and SME group lists to eligible contacts. Participation is voluntary and anonymous; no personally identifying information is collected beyond optional re-contact details for prototyping. Screening logic excludes ineligible respondents

before substantive items. Data capture is one time (cross sectional) and will close once ≥ 5 valid responses are obtained or by the predetermined deadline, whichever occurs first.

Table 3.1. Data sources and decision-use

Source type	Examples	Constructs supported	Decision-use
Primary (survey Q1–Q16)	Awareness, adoption, barriers, features, WTP, open text	H1–H6	MVP scope, pricing posture, onboarding design
Secondary (structured desk review)	TPT; GRI; IFRS S1/S2; Sage, PwC and ICC (2023); Mastercard (2024)	Context, procurement/lender pull, barriers, comparators	Standards mapping, acceptance criteria, channel hypotheses

3.6 Analysis plan

Given small-N expectations, analysis emphasises descriptive and thematic outputs:

Quantitative (closed items):

- **Counts and medians** (rather than percentages) for familiarity (Q4), adoption posture (Q5), barriers (Q6), intent (Q7), tool exposure (Q8), feature interest (Q10) and willingness to pay bands (Q12).
- **Cross tabulations:** Q8×Q4 (tool use by familiarity); Q8×Q5 (tool use by adoption); Q10×Q6 (features by barriers).
- **Reporting:** show n values and simple bar charts to avoid over precision.

Qualitative (open items Q9, Q11, Q14–Q16):

- Thematic analysis using Braun and Clarke's (2006) six phase procedure: familiarisation → initial codes → theme development → review → definition/naming → illustrative quotes.

- A short a priori codebook derived from Section 2 motifs ("time/complexity," "cost/ROI," "sector fit/materiality," "data/privacy," "procurement/lender"), with openness to inductive codes.

Code	Definition	Examples of phrases	Decision-use
Time/Complexity	Mentions of lack of time, confusing standards, too much effort	"Too time-consuming", "don't know where to start"	Output-first UX; guided intake
Cost/ROI	Cost concerns; unclear payback	"Expensive", "show me benefits"	ROSI panel; entry pricing ≤£25
Sector fit	Requests for sector-specific guidance/templates	"Our industry is different"	Sector templates; examples
Data/Privacy	Data collection burden; privacy/security worries	"Data security", "don't want audits"	Evidence locker; GDPR cues
Procurement/Lender pull	Mentions of tenders, bank requests, questionnaires	"Customer asked for ESG", "bank wants info"	Finance-ready brief; acceptance panel
Tool sprawl	Resistance to adding yet another tool	"Too many tools already"	Integrations; minimal fields

A short self-audit was conducted by re-coding two responses a week after initial coding; minor label harmonisation was applied. Quotes in Chapter 4 anchor each theme. This balances rigour with the exploratory scope.

Synthesis for decisions.

Findings will be summarised using an **insight pyramid** (theme to so-what to MVP implication), linking directly to design principles **P1–P5** and outputs (**Snapshot/Transition/ROSI**).

Table 3.2 summarises how each hypothesis from Chapter 2 (Table 2.1) maps to specific survey items and informs the decision-use of findings in Chapter 4. For full construct definitions and design implications, see Table 2.1.

Hypothesis	Survey items	Analysis	Decision use
H1 Awareness to adoption gap	Q4, Q5, Q7	Counts/medians; cross-tab Q4×Q5	Confirms need for guided workflows & education (P1–P2).
H2 Barrier salience	Q6	Frequency & co-occurrence	Prioritises standards translation, simplicity, ROI framing (P1–P3).
H3 Feature demand	Q10	Feature frequencies; link to Q6	Locks MVP: Snapshot, Guidance, ROI panel (O1–O3).
H4 Prior tool usage	Q8 (+ Q9), with Q4/Q5	Cross-tabs; brief narrative from Q9	Signals onboarding burden; shapes messaging tone.
H5 Baseline WTP	Q12	Median band; IQR; cross-tab with cost barrier (Q6)	Supports low-friction entry tier; value-triggered upsells.

H6 Expectations/concerns	Q11, Q14–Q16	Thematic analysis with quotes	Informs sector templates, privacy cues, and copy (P2, P4).

Notes and limitations.

Three tests discussed in Section 2—activation speed, buyer/lender acceptance and channel effects—are not directly measurable with Q1–Q16. Signals will be sought in open text mentions of tenders/loans or onboarding preferences and triangulated with secondary sources; definitive evidence is reserved for a short usability pilot. Small sample size, sector skew and self-report bias will be acknowledged; results are framed as decision support for MVP scoping rather than population estimates.

Pricing inference.

Although willingness to pay is banded, Chapter 5 will approximate a Gabor–Granger interpretation to select an entry price point and explore value linked upsell thresholds (Gabor and Granger, 1966).

3.7 Quality and rigour

To bolster credibility despite small N constraints:

- **Construct alignment.** The instrument is explicitly mapped to hypotheses (see Tables 2.1 and 3.2), reducing method drift (Saunders, Lewis and Thornhill, 2019).

- **Transparency.** Reporting will include the full survey script in an appendix and state the exact n for every count.

- **Analytic reliability.** A concise codebook and an audit trail of coding decisions will be maintained; exemplar quotes will ground interpretations (Braun and Clarke, 2006).

- **Triangulation.** Quantitative signals (for example, demand for ROI tracking) are interpreted alongside qualitative explanations and

authoritative secondary literature (TPT, GRI, IFRS/ISSB; Whelan and Douglas, 2021) to avoid single source bias (Creswell and Plano Clark, 2018).

- **Reflexivity.** Researcher positionality as a venture proponent is acknowledged; to mitigate confirmation bias, negative evidence (for example, "not interested in any ESG platform") will be reported plainly.

Negative evidence (e.g., "not interested in any platform") is reported plainly and informs the pilot thresholds and decision rules in Section 5.8 (e.g., acceptance rate targets and SUS cut-offs).

3.8 Ethics, confidentiality and data management

Ethical approval has been confirmed through institutional processes. Participation is voluntary with informed consent captured at Q1. No sensitive personal data are collected; responses are anonymous. Data are stored in encrypted, password protected files accessible only to the researcher; reporting uses aggregates and anonymised quotations. The study complies with GDPR principles of data minimisation, purpose limitation and secure retention (Saunders, Lewis and Thornhill, 2019).

3.9 Limitations

Non-probability sampling, small N and cross-sectional timing limit statistical generalisability and causal inference. Self-report introduces potential social desirability and recalls biases. These constraints are appropriate for exploratory venture research; findings are positioned as decision support for MVP scoping and messaging rather than population estimates. Evidence gaps on activation speed, external acceptance and channel effects are acknowledged and will be addressed in the pilot validation phase outlined in Chapter 5. Specifically, think aloud usability sessions and partner cohort trials will be used to measure activation time, test buyer/lender acceptance of generated outputs and compare direct versus partner led acquisition channels.

3.10 Secondary data collection and appraisal

A structured desk review complements the primary survey. Inclusion criteria covered UK relevant policy and standards (TPT, GRI, ISSB/IFRS) and high-quality industry evidence on SME ESG adoption, barriers, tool features and pricing (for example, Mastercard, 2024; Sage, PwC and ICC, 2023). Sources were screened for recency (post 2019), provenance (standard setting bodies, government, leading consultancies, academic and practitioner journals) and direct SME relevance. A simple extraction template captured constructs aligned to the hypotheses (awareness/adoption, barriers, feature demand, willingness to pay, procurement/lender pull). Evidence was synthesised narratively and used to (i) frame hypotheses ex ante, and (ii) triangulate primary results ex post (Tranfield, Denyer and Smart, 2003; Creswell and Plano Clark, 2018). Source quality was assessed on recency, authorship credibility and direct SME relevance; non UK or pre 2019 items were excluded unless they provided foundational theory.

Chapter 4: Findings and Analysis

4.1 Overview and sample

This chapter presents the results of the ClearESG SME Survey and shows how they inform the design choices in Chapter 2 and the mixed methods plan in Chapter 3. The survey recorded 10 starts. After consent and eligibility screening, 5 respondents progressed to the substantive items (Q4–Q12 and Q14–Q16), which form the analytical base. Results are reported as counts with base sizes (no percentages), consistent with the small N approach (ClearESG SME Survey, August 2025).

Table 4.1. Screening funnel and analytical bases

Stage / item group	Count (n)	Notes
Survey starts	10	Digital distribution (email, LinkedIn, SME groups)
Passed consent and eligibility (Q1–Q3)	5	UK SME decision makers (<250 employees)
Awareness/adoption/barriers (Q4–Q7)	5	Single- and multi-select items
Tool exposure/feature demand (Q8–Q11)	5	Q10 multi-select
Willingness to pay and open text (Q12, Q14–Q16)	5	Banded WTP; qualitative items

Note. Small N pilot; counts reported without percentages. For multi-select items, totals may exceed n.

4.2 Awareness and adoption (H1)

Familiarity with ESG terminology was relatively high in this small cohort: of five eligible respondents, three selected "Very familiar" and two "Heard of it, but unsure of the details." Adoption status was more mixed: two reported "Yes, formally documented and monitored"; one "Yes, but informal or ad hoc"; and two "Not yet, but considering." On intent, the mean agreement with the statement *"would adopt if there was better support and simpler tools"* was 4.2/5 (one Neutral, two Agree, two Strongly Agree).

These results are consistent with the awareness–adoption gap reported in the literature, where SMEs recognise ESG but struggle to formalise practices (Sage, PwC and ICC, 2023; Mastercard, 2024). They support the Chapter 2 proposition that guided workflows and concise, standards-mapped outputs can catalyse formalisation (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023).

4.3 Barriers to adoption (H2)

Barrier selections (multi-select) emphasised capability and capacity constraints: lack of internal expertise (4) and lack of time or resources (4) were most frequent, followed by ESG reporting is too complex (3). ESG is too expensive (2), Not required by clients/investors (2) and No clear business benefit (1) were less frequent.

Table 4.2. Reported barriers (Q6, n=5; multi-select)

Barrier	Count
Lack of internal expertise	4
Lack of time or resources	4
ESG reporting is too complex	3
ESG is too expensive	2
Not required by clients/investors	2
No clear business benefit	1

Note. Small-N pilot; counts reported without percentages. For multi-select items, totals may exceed n.

The pattern aligns with industry findings that complexity, literacy and administrative burden—more than cost alone—suppress SME action (Mastercard, 2024). For ClearESG, this validates design principles P1–P2 in Chapter 2: standards-mapped, jargon-light forms and materiality made practical, supported by micro-education integrated into the workflow (Freeman, 1984; Elkington, 1997).

4.4 Feature demand and value (H3)

Demand clustered around a tight set of capabilities: ESG self-assessment (4), auto-generated ESG reports (4) and guidance aligned with recognised standards (4). ESG education and training (3) and tracking financial ROI

from ESG (3) also drew interest. One respondent indicated "not interested in any ESG platform."

Table 4.3. Feature interest (Q10, n=5; multi-select)

Feature	Count
ESG self-assessment	4
Auto-generated ESG reports	4
Guidance aligned with standards (e.g., GRI/UK)	4
ESG education and training	3
Tracking financial ROI (ROSI)	3
Not interested	1

Note. Small-N pilot; counts reported without percentages. For multi-select items, totals may exceed n.

The results are consistent with the compliance plus value logic in Chapter 2: an MVP should produce a GRI-aligned snapshot and a TPT-style transition outline, with lightweight learning and an indicative ROSI view to link actions to cost, risk and growth levers (Whelan and Douglas, 2021; Transition Plan Taskforce, 2023; Global Reporting Initiative, 2021). The single "not interested" response underscores the need for clear time-to-value messaging and frictionless onboarding—an output-first session that ends with a shareable document and a clear next step.

4.5 Prior tool exposure (H4)

Three respondents reported prior use of ESG tools; two had not. Named tools included Greenly and Workiva (one entry was unclear), indicating some familiarity with reporting or automation solutions among SMEs that have begun formalisation. For ClearESG, onboarding should assume heterogeneous starting points: a simple path for first timers and optional data import/mapping for experienced users, consistent with Chapter 2's positioning against substitutes.

4.6 Willingness-to-pay (H5)

Baseline willingness to pay clustered tightly: four respondents selected £11–£25 per month; one selected £26–£50. None selected "£0–£10" or

"free version only." This supports an entry tier at or below £25, with value-triggered upsells for advanced outputs such as finance-ready briefs, multi-user access and integrations. Price sensitivity reported in the literature reinforces the need to keep the first value moment rapid and visible (Mastercard, 2024).

Table 4.4. Willingness-to-pay bands (Q12, n=5)

Monthly band	Count
£0–£10	0
£11–£25	4
£26–£50	1
More than £50	0
Free version only	0

Note: Small N pilot; counts only.

4.7 Qualitative expectations and concerns (H6)

Open text responses, although brief, converged on three themes.

1. **Speed and reliability.** Desired characteristics included "quick and reliable results" and "easy adoption with organisations," supporting an output-first experience where a downloadable snapshot and concise transition outline are generated in the first session.

2. **Governance without disruption.** One respondent asked for "proper checks and balances without affecting business goals," implying value in governance checklists, ownership assignment and version control without heavy process overhead.

3. **Cost and tool sprawl.** Concerns referenced **cost** and "requiring additional ESG monitoring products," reinforcing transparent pricing, a complete basic workflow without add ons, and optional integrations only when they clearly reduce effort.

These themes align with wider SME evidence that procurement and finance audiences value concise, comparable information and credible transition narratives, but SMEs require simple, affordable pathways to deliver them (Sage, PwC and ICC, 2023). They also resonate with the ROSI framing that

makes benefits legible to financial decision makers (Whelan and Douglas, 2021).

4.8 Synthesis and implications for design

Taken together, the results support the MVP triad defined in Chapter 2:

- **GRI-aligned SME Sustainability Snapshot.** Strong demand for auto-reports and standard-aligned guidance, combined with capability/time barriers, indicates that generating a concise, recognisable document in the first session is central to perceived value (Global Reporting Initiative, 2021).

- **TPT-style transition outline.** While not directly tested, the qualitative emphasis on reliability, checks and balances, and external usability aligns with UK transition-planning expectations and supply-chain and lender needs (Transition Plan Taskforce, 2023; Sage, PwC and ICC, 2023).

- **Indicative ROSI panel.** Interest in tracking financial ROI and the literature on finance-oriented communication support an assumption-transparent ROSI estimate that links actions to cost, risk and growth (Whelan and Douglas, 2021).

Positioning and pricing. With willingness to pay concentrated at £11–£25, the entry plan should sit at or below £25 per month and demonstrate value in the first session. Upsells should be defensible (finance-ready brief, evidence locker, sector templates, integrations). This is aligned with capability/time barriers and SME affordability constraints (Mastercard, 2024). Pricing and monetisation will be stress-tested using unit economics (LTV:CAC) and an AARRR funnel, with adoption assumptions informed by diffusion of innovations and Jobs to Be Done in the pilot (Rogers, 2003; Christensen et al., 2016; McClure, 2007).

Evidence gaps and pilot focus. Three decision-critical tests were not directly measured and will be addressed in pilot work:

1. Activation speed (time to first acceptable output),

2. Buyer/lender acceptance of generated documents, and

3. Channel effectiveness (direct sign up versus bank or accountant invitation).

These will be tested through think-aloud usability sessions and partner cohorts, as outlined in Chapter 5.

4.9 Triangulation with secondary evidence.

Primary patterns are consistent with the secondary base. The awareness–adoption gap mirrors documented SME shortfalls in formal reporting and procurement readiness (Sage, PwC and ICC, 2023). Capability/time and complexity barriers align with UK findings on literacy and administrative burden, with cost salient but not dominant (Mastercard, 2024). The feature cluster (auto-reports, standards-aligned guidance, ROI view) fits the UK policy push for comparable disclosures (TPT; IFRS S1/S2) and practitioner guidance that emphasises finance-oriented value communication (Global Reporting Initiative, 2021; Whelan and Douglas, 2021; Transition Plan Taskforce, 2023; IFRS Foundation, 2023). This triangulation supports the MVP focus on the Snapshot, Transition Outline and ROSI Panel.

4.10 Limitations

The small analytical base (**n = 5**), non-probability sampling and single cross section limit statistical generalisation and causal inference. Counts are therefore presented without percentages, and findings are triangulated with prior evidence to support venture decisions rather than population inference. This constraint is consistent with the exploratory, applied design in Chapter 3.

Chapter 5 – Venture Plan

5.1 Value proposition and Jobs-to-Be-Done

This subsection translates the evidence from Chapters 1–4 into an explicit value proposition for ClearESG using the Value Proposition Canvas (VPC) and Jobs to Be Done (JTBD). The VPC clarifies how features relieve pains and create gains for a defined customer profile (Osterwalder et al., 2014). JTBD frames adoption as progress sought by decision makers under specific constraints rather than as feature uptake (Christensen et al., 2016). Primary findings indicate capability and capacity barriers, a preference for standard aligned outputs and price sensitivity, while secondary sources underscore the salience of recognition by buyers and lenders in the UK policy context (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023; Sage, PwC and ICC, 2023; Mastercard, 2024).

5.1.1 Value proposition.

ClearESG enables UK small and medium sized enterprises to produce stakeholder recognised ESG disclosures and credible transition narratives rapidly and at low cost, while linking recommended actions to financial drivers of cost, risk and growth through an assumption transparent ROSI view. The platform reduces the time and expertise burden through standards mapped, jargon light workflows and embedded micro education, and supports governance by assigning ownership, recording assumptions and generating finance ready briefs for procurement and lender interactions (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023; Whelan and Douglas, 2021).

5.1.2 Customer profile.

Owner, co-owner or senior manager in a UK SME who faces periodic requests for ESG information from customers, lenders or public buyers, operates with limited time and in house expertise, and is cost conscious

regarding software subscriptions (ClearESG SME Survey, August 2025; Mastercard, 2024).

5.1.3 Product response.

1. **SME Sustainability Snapshot** referenced to GRI topic areas;

2. **Transition outline** consistent with the UK TPT structure;

3. **Indicative ROSI panel** that links actions to efficiency, risk and revenue effects;

4. **Micro-education** and templates to minimise cognitive load;

5. *Governance cues* (owners, review cycles, assumption ledger).
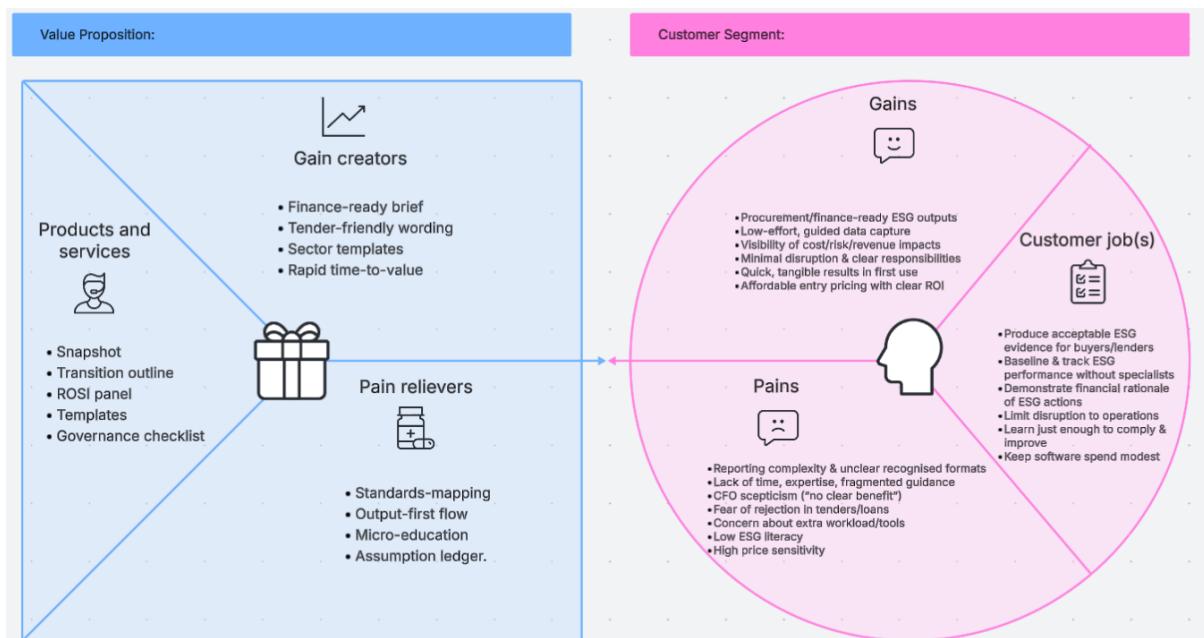
Table 5.1. JTBD matrix (evidence-linked)

Core job (functional/social/emotional)	Pain points (evidence)	Desired gains (acceptance signals)	Product response (feature/principle)	Evidence tags
Produce acceptable ESG evidence for buyers/lenders (functional/social)	Reporting complexity; uncertainty about recognised formats; fear of rejection (Q6; TPT/GRI requirements)	Documents recognised in procurement and credit processes; fewer clarification cycles	GRI-referenced Snapshot; TPT-style transition outline; finance-ready brief	P: Q6; S: GRI 2021; TPT 2023; Sage, PwC & ICC 2023
Baseline and track ESG performance without specialist staff (functional)	Lack of expertise and time; fragmented guidance (Q6)	Low-effort data capture; guided indicators; progress visibility	Jargon-light, standards-mapped forms; sector templates; output-first flow	P: Q6; S: GRI 2021

Demonstrate credible financial rationale (functional/emotional)	Perception of "no clear business benefit" (minority but material); CFO scepticism	Line-of-sight to cost, risk and revenue impacts; stated assumptions	Indicative ROSI panel; assumption ledger; links to cases and benchmarks	P: Q6; S: Whelan & Douglas 2021; Mastercard 2024
Limit disruption to operations (emotional/functional)	Concern about additional tools and overhead; desire for "proper checks and balances without affecting business goals" (open text)	Minimal extra workload; clear responsibilities; version control	Lightweight governance checklist; owner assignment; review reminders	P: Q14–Q16; S: TPT 2023
Learn just enough to comply and improve (emotional)	Low literacy; desire for "quick and reliable results" (open text)	Embedded learning, not separate training; immediate tangible output	Micro-nudges in workflow; first-session deliverables (Snapshot, outline)	P: Q10, Q14–Q16; S: GRI 2021
Keep software spend modest (economic)	Price sensitivity in SMEs	Entry tier at ≤£25 with valuable base outputs; optional upsells	Good-Better-Best packaging; partner-subsidised offers	P: Q12; S: Mastercard 2024

Implications. The JTBD matrix indicates that perceived value is strongest when ClearESG delivers externally recognisable artefacts in the first session and couples them with a transparent economic narrative. The same matrix clarifies guardrails for design: minimise additional tooling, embed education within the workflow and keep the entry tier within the £11–£25 band identified in the survey (ClearESG SME Survey, August 2025).

Figure 5.1. Value Proposition Canvas.

Constructed from primary survey insights (n=5) and secondary standards/guidance sources.

Value chain anchor for JTBD

To ensure each job is grounded in a concrete locus of work inside the client organisation, the Jobs to Be Done are aligned to SME value chain activities (Porter, 1985). This alignment clarifies where ClearESG reduces cost or risk and where it can support growth, providing a traceable link between features and Return on Sustainability Investment drivers communicated to financial decision makers (Whelan and Douglas, 2021).

Table 5.1b. JTBD mapped to SME value chain locus and enabling features

Job-to-be-done	Primary value chain locus at the SME	Pain points at that locus	ClearESG enabling features	Expected effect (ROSI driver)
Qualify for tenders requiring sustainability information	Marketing & Sales / Outbound	Repetitive questionnaires; non-comparable answers	GRI-referenced snapshot; buyer-ready factsheet; evidence locker	Higher tender eligibility; reduced rework (revenue growth; time saved)
Provide credible information to lenders/investors	Firm infrastructure / Finance	Unstructured narratives; lack of governance clarity	TPT-style transition outline; governance checklist; assumption ledger	Improved credit conversations; lower perceived risk (risk reduction; access to capital)
Establish a baseline and set practical targets	Operations	Scattered data; unclear KPIs	Guided self-assessment; minimal baseline capture; target suggestions	Efficiency gains; focus on material topics (cost reduction; decision quality)
Reduce operating costs from energy/waste	Operations / Procurement	No link between initiatives and P&L	Indicative ROSI panel; action cards with payback ranges	Targeted savings; faster decisions (cost reduction)
Demonstrate basic governance without overhead	Firm infrastructure / HRM	Roles unclear; version sprawl	Role assignment; version control; audit trail	Fewer process failures; better accountability (risk reduction; human capital)

Positioning note. The value proposition therefore focuses on first session production of a verifiable snapshot and transition outline that speak directly

to Marketing and Sales and Finance activities, while the Operations baseline and ROSI view enable near term savings and credible targets (Porter, 1985; Whelan and Douglas, 2021).

5.2 Market definition and sizing (TAM, SAM, SOM)

This subsection defines the serviceable opportunity for ClearESG using a tiered sizing approach. Top-down estimates use official counts of UK small and medium sized enterprises (SMEs) and recognised policy drivers, while a bottom-up overlay reflects adoption constraints evidenced by the primary survey (price sensitivity and capability/time barriers) and secondary sources (procurement and lender pull). The goal is to produce transparent, source linked ranges rather than point estimates.

Market definition.

- **Total Addressable Market (TAM).** UK SMEs that could benefit from simplified, standard-aligned ESG disclosures and transition narratives. Given that SMEs account for 99.9% of UK private sector firms, the TAM is anchored to the UK SME universe (Department for Business and Trade, 2023; British Business Bank, 2024).

- **Serviceable Available Market (SAM).** UK employer SMEs (i.e., firms with at least one employee) that are materially exposed to buyer/lender information requests or public procurement documentation, and that therefore require concise, comparable ESG artefacts (Transition Plan Taskforce, 2023; Sage, PwC and ICC, 2023).

- **Serviceable Obtainable Market (SOM).** A three-year, early-adopter slice of SAM reachable with bank/accountant partnerships and direct digital channels, constrained by observed price tolerance (≤£25 per month for the entry tier) and the capability/time barriers identified in Chapter 4.

Assumptions.

DBT's *Business population estimates* indicate approximately 5.5–5.6 million UK private sector businesses, of which SMEs constitute virtually all firms;

within this total, employer businesses are about 1.4–1.5 million, with the remainder being sole proprietorships and companies without employees (Department for Business and Trade, 2023). Converging guidance in the UK on transition planning (TPT) and investor grade disclosure (ISSB baseline) increases the downstream information burden on SMEs through supply chains and finance, even where regulation is indirect (Transition Plan Taskforce, 2023). Industry analyses indicate low formal reporting today and stress affordability and simplicity as adoption drivers (Sage, PwC and ICC, 2023; British Business Bank, 2024; Mastercard, 2024).

Table 5.2B. Market sizing ranges (conservative, base, upside)

Layer	Unit base	Conservative	Base case	Upside	Notes
TAM (UK SMEs)	firms	5.5 m	5.6 m	5.7 m	Rounded range around DBT estimates
SAM (employer SMEs)	firms	1.40 m	1.50 m	1.60 m	Employer businesses subset (DBT)
SAM with ESG request exposure	share of SAM	40%	55%	70%	Supply-chain/finance pull (TPT; COP28 SME report narrative)
Addressable SAM	firms	560k	825k	1,120k	SAM × exposure share
Price-qualified SAM (≤£25/month)	share of addr. SAM	60%	70%	80%	WTP cluster from survey; SME price sensitivity (Mastercard)
Price-qualified SAM	firms	336k	578k	896k	
SOM (3-year penetration)	share of price-qualified	0.30%	0.60%	1.00%	Early-stage reach via partners + direct
Subscribers (year 3)	firms	1,000	3,500	9,000	Rounded; tractable for pilot scaling

ARPA (£/yr)	£	240	240	240	Entry tier assumption
Annual recurring revenue (ARR, year 3)	£m	0.24	0.84	2.16	Subscribers × ARPA
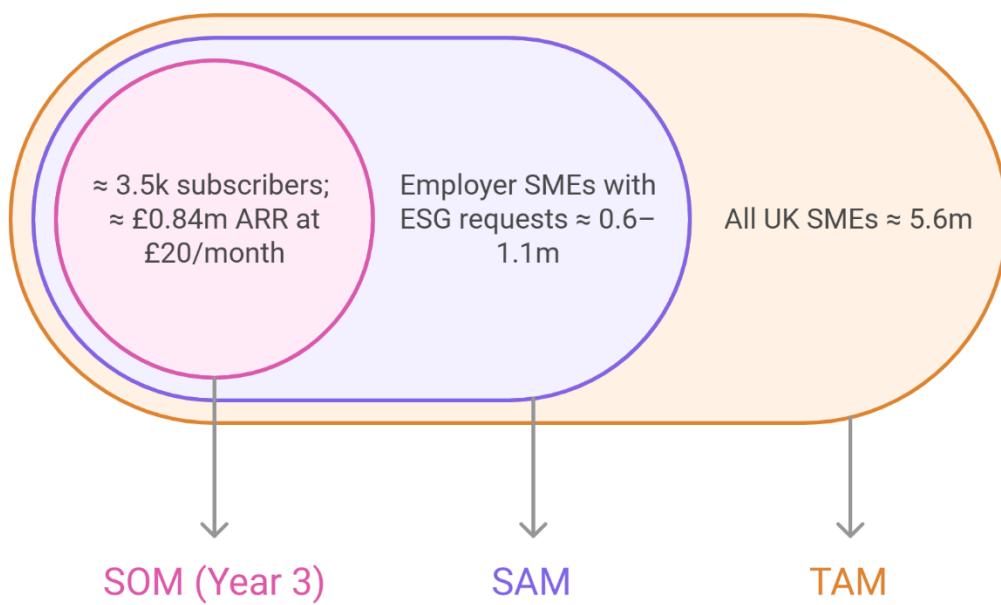
Interpretation.

The base case indicates a three-year SOM of approximately 3,500 subscribers and c. £0.84 million ARR at the entry tier. This is consistent with: (i) employer SME concentration of formal information requests; (ii) the primary survey's willingness to pay cluster at £11–£25 per month; and (iii) a realistic early adopter penetration bounded by channel capacity. Conservative and upside scenarios provide outer bounds for sensitivity analysis. The employer SME filter and the price qualified step align both ability to pay and propensity to need standard recognised outputs.

Methodological notes.

1. Triangulation. Counts are anchored to DBT/BBB sources; need and price filters reflect TPT/GRI pull and SME affordability evidence (Department for Business and Trade, 2023; British Business Bank, 2024; Transition Plan Taskforce, 2023; Mastercard, 2024; Sage, PwC and ICC, 2023).

2. Primary signal integration. The price-qualified step and the conservative penetration rates reflect Chapter 4 findings (n=5 analytical base) and are therefore treated as directional, not inferential.

3. Sensitivity. Moving the exposure share by ±10 percentage points or the penetration by ±0.2 percentage points shifts year-3 ARR materially; this sensitivity will be explored again in section 5.8 (risk and sensitivity analysis).

UK SME ESG platform opportunity

≈ 3.5k subscribers; ≈ £0.84m ARR at £20/month

Employer SMEs with ESG requests ≈ 0.6–1.1m

All UK SMEs ≈ 5.6m

SOM (Year 3)   SAM   TAM

Constructed from DBT business population estimates; filtered by exposure to buyer/lender requests (TPT context) and price signals from primary survey.

5.3 External environment and industry structure

ClearESG operates at the intersection of UK disclosure policy, supply chain pressures and SME affordability constraints. This section synthesises the macro environment using a PESTLE lens and assesses industry structure via Porter's Five Forces to surface design and go to market (GTM) implications.

5.3.1 PESTLE (UK context)

Table 5.3A. PESTLE factors and implications for ClearESG

Factor	Key signals (UK/Europe)	Implications for ClearESG
Political	UK commitment to transition planning; HM Treasury's Transition Plan Taskforce (TPT) sets a structured disclosure framework	Ship outputs that mirror recognisable structures (TPT outline; metrics/targets) so SMEs can respond credibly to public

	aligned with the ISSB baseline (governance, strategy, implementation, metrics/targets).	buyers and regulated counterparties. (Transition Plan Taskforce, 2023)
Economic	SMEs face tight cashflow and higher cost of capital; affordability and time burden are primary hurdles to ESG uptake (British Business Bank, 2024; Mastercard, 2024).	Keep an entry tier at ≤£25/month; compress time-to-first-output; quantify business value (efficiency, risk, revenue) to justify spend. (Mastercard, 2024; British Business Bank, 2024)
Social	Buyer and workforce expectations for responsible practices are rising; SMEs risk exclusion from tenders without evidence; skills gaps persist (Sage, PwC and ICC, 2023).	Emphasise "tender-ready" documentation and micro-education that closes capability gaps without heavy training overhead. (Sage, PwC and ICC, 2023)
Technological	Rapid diffusion of cloud SaaS, low-code data capture, and templated reporting; SME-fit tools remain fragmented; usability and automation are differentiators (Nesta, 2024).	Prioritise guided, standards-mapped workflows; automate document assembly; integrate lightly with common SME systems where it reduces effort. (Nesta, 2024)
Legal/Regulatory	ISSB S1/S2 form a global baseline; UK SDR and TPT shape expectations; EU CSRD cascades through supply chains even for non-EU SMEs (IFRS Foundation, 2023; FCA, 2023; European Commission, 2024).	Provide "with-reference-to" mappings (GRI/ISSB/TPT/CSRD) and a defensible audit trail (assumption ledger) to minimise compliance risk and facilitate acceptance. (IFRS Foundation, 2023; FCA, 2023; European Commission, 2024)

Environmental		UK net-zero trajectory and nature-related risk salience increase attention to climate and resource efficiency; public sector procurement often references environmental performance (DEFRA, 2023).	Focus indicator starter-sets on material energy/waste/emissions items with clear savings pathways and ROSI framing. (DEFRA, 2023)

Synthesis. The PESTLE profile favours a compliance plus value product: outputs must be legible to external audiences (anchored to TPT/ISSB/GRI) yet affordable and time efficient for SMEs. Feature priorities that follow include standards mapped templates, indicative ROSI analytics, and a lightweight evidence ledger to support credibility.

5.3.2 Porter's Five Forces (SME ESG software)

Table 5.3B. Five Forces assessment and design/GTM implications

Force	Intensity	Evidence (UK/SME context)	Implications
Threat of new entrants	Medium	SaaS barriers to entry are modest; however, trust, standards expertise, and distribution through banks/accountants are harder to replicate.	Build credibility via standards alignment (TPT/GRI/ISSB), publish method notes (assumption ledger), and secure partner distribution to raise entry thresholds. (Transition Plan Taskforce, 2023; GRI, 2021)
Bargaining power of suppliers	Low–Medium	Inputs include standards content, cloud services, and data connectors. Standards are public; switching cloud/analytics vendors is feasible.	Avoid lock-in; use modular architecture; keep third-party costs variable and low to protect gross margin.

Bargaining power of buyers	High (in early stage)	SMEs are price-sensitive and face many alternatives (spreadsheets, advisors, generic tools). Procurement teams and lenders also gate acceptance of outputs.	Demonstrate rapid time-to-value; keep entry price ≤£25; ensure outputs are recognisable and acceptable to external audiences. (Mastercard, 2024; Sage, PwC and ICC, 2023)
Threat of substitutes	High	Common substitutes are spreadsheets, document templates, and one-off consultants. These can appear cheaper, though they are time-intensive and inconsistent.	Compete on speed, consistency, and acceptance: auto-assembled reports, TPT-style plans, and a ROSI view that spreadsheets lack.
Rivalry among existing competitors	Medium–High	ESG platforms span enterprise-grade (e.g., Workiva) and SME-oriented offerings (e.g., FuturePlus, Eevery); tools vary in cost, usability, and education depth (Nesta, 2024; Sage, PwC and ICC, 2023).	Differentiate on SME-fit: jargon-light UX, standards mapping out-of-the-box, embedded learning, and finance-oriented value framing. (Nesta, 2024)

Commentary on two critical forces.

- **Substitution.** Spreadsheets and consultants remain persuasive because they are familiar and can be tailored quickly. Their weaknesses are reusability, traceability, and comparability. ClearESG should therefore foreground:
    i.   immediate, exportable artefacts (GRI-aligned snapshot; TPT transition outline),
    ii. a source/assumption ledger for auditability, and

iii. indicative financial effects via ROSI so the output is more decision-grade than a spreadsheet alone.

- **Buyer power.** SME decision-makers exhibit high price sensitivity and low tolerance for setup burden (Mastercard, 2024). In parallel, enterprise buyers and lenders effectively define acceptance standards. ClearESG must therefore reconcile two audiences: (1) the SME user seeking speed and affordability; and (2) the external reviewer seeking structure and credibility. Doing so validates the compliance-plus-value stance developed in Chapters 1–2.

Resulting strategic posture. Pace and structure point to focused differentiation: deliver recognisable, externally acceptable documents with lower effort and cost than consultants and greater consistency and credibility than spreadsheets, while keeping price and onboarding within SME tolerance. Partner distribution through banks and accountants reduces CAC, enhances trust, and answers the external acceptance question at the point of sale.

5.4 Competitive landscape and strategic positioning

ClearESG competes in an increasingly busy SME ESG tool space that ranges from lightweight self-assessments to enterprise reporting suites and third party ratings. Purchasing criteria for SMEs are dominated by affordability, time to value, and external acceptability of outputs, with capability gaps acting as a persistent brake on adoption (Sage, PwC and ICC, 2023; Mastercard, 2024). The analysis below defines the competitive set, maps key buyer value drivers into a Strategy Canvas, links positioning to the Resource Based View (RBV), and translates insights into a TOWS set of strategic routes.

5.4.1 Competitive set and buyer value drivers

Categories of alternatives.

1. **SME-oriented ESG platforms** (e.g., FuturePlus, Eevery): simplified assessments, dashboards, improvement guidance (FuturePlus, 2023; Eevery, 2023).

2. **Supply-chain ratings** (e.g., EcoVadis): third-party scoring valued by large buyers; perceived as externally credible but can be resource-intensive for SMEs (EcoVadis, 2023; Sage, PwC and ICC, 2023).

3. **Enterprise reporting suites** (e.g., Workiva): comprehensive controls and auditability; price and complexity often exceed SME needs (survey mentions indicate awareness among some SMEs; ClearESG SME Survey, August 2025).

4. **Substitutes**: spreadsheets and one-off consultants—familiar and flexible, but time-intensive and inconsistent for repeated use (Sage, PwC and ICC, 2023; Mastercard, 2024).

   Buyer value drivers. Literature and survey evidence converge on: (i) onboarding simplicity/time burden, (ii) standards-mapped guidance (GRI/TPT/ISSB) that yields externally usable outputs, (iii) price affordability, (iv) education for non-experts, and (v) clear financial logic/ROSI (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023; Whelan and Douglas, 2021; Mastercard, 2024).

5.4.2 Strategy Canvas (relative emphasis)

Scale: 1 = very low emphasis/fit; 3 = moderate; 5 = very high. Scores reflect published positioning of tools in SME reports and the ClearESG design intent set out in Chapters 1–2; they are indicative for strategic planning rather than product claims (Sage, PwC and ICC, 2023; Nesta, 2024; Mastercard, 2024).

Buyer value driver	ClearESG (design intent)	Future Plus	Eevery	EcoVadis	Enterprise suite	Spreadsheets	Consultants
Onboarding simplicity / low setup time	5	4	4	2	2	3	2
Standards-mapped guidance (GRI/TPT/ISSB)	5	3	3	4	5	1	3
Auto-assembly of externally usable reports	5	3	3	4	5	1	3
Indicative ROSI / finance-oriented framing	4	2	2	1	3	1	3
Education for non-experts (micro-nudges)	4	4	3	2	2	1	3
Price affordability for SMEs	5	4	4	2–3	1–2	5	1–2

External acceptance by buyers/lenders	4	3	3	5	5	1–2	3–4
Integration burden (low = better)	4	4	4	2	2	5	3
Repeatability / audit trail	4	3	3	4	5	1–2	2–3

Interpretation. ClearESG's distinctiveness is the compliance plus value blend: recognisable, standards anchored outputs delivered quickly and affordably, plus an indicative financial lens that spreadsheets and most SME tools lack, and at a lower burden than ratings or enterprise suites (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023; Whelan and Douglas, 2021; Mastercard, 2024).

5.4.3 RBV linkage (capabilities to advantage)

Under the Resource-Based View, sustained advantage arises where capabilities are valuable, rare, hard to imitate, and organised (VRIO). ClearESG's proposed bundle:

- **Standards-mapped content library** covering core GRI topics and a TPT-style transition outline generator. *Value*: reduces time/complexity; *Imitability*: mapping quality and UX flow are non-trivial; Organisation: productised templates and governance.

- **Assumption/evidence ledger** attached to each metric and recommendation. *Value*: addresses credibility objections; Rarity: uncommon among SME tools; *Imitability*: requires discipline and UI design.

- **Indicative ROSI estimator** that ties actions to efficiency, risk, and revenue drivers. *Value*: responds to CFO-grade concerns; Rarity: limited

in SME segment; *Imitability*: model transparency and defaults matter (Whelan and Douglas, 2021).

- **Output-first UX** that guarantees a usable snapshot in the first session. *Value*: lowers activation energy; *Imitability*: requires research and workflow optimisation (Mastercard, 2024).

- **Partner distribution** (banks/accountants) embedding templates and co-branding. *Value*: lowers CAC, boosts trust; *Rarity/Organisation*: depends on partner agreements and enablement (Sage, PwC and ICC, 2023).

Together, these form a coherent capability system aligned to the high-power forces identified in section 5.3 (buyer power and substitution).

Table 5.4.3: VRIO Analysis of ClearESG Capabilities

Capability	V	R	I	O	Competitive Implication
Standards-mapped content (GRI/TPT)	✓	△	△	✓	Sustained advantage
Assumption/evidence ledger	✓	✓	✓	✓	Sustained advantage
Indicative ROSI estimator	✓	✓	△	✓	Sustained advantage
Output-first UX	✓	△	✓	✓	Sustained advantage
Partner distribution (banks/accountants)	✓	✓	✓	✓	Sustained advantage

Legend: ✓ = Yes; △ = Partial/Moderate

5.4.4 TOWS matrix (routes from context to action)

Table 5.4B. TOWS matrix—strategic routes

	Opportunities (O)	Threats (T)
Strengths (S) • Standards-mapped outputs (GRI/TPT). • Output-first UX, low setup. • Indicative ROSI lens. • Evidence/assumption ledger. • Partner-friendly packaging.	**SO strategies** • Bundle a "Tender Pack": snapshot + TPT outline + assumption ledger aimed at procurement asks (leverages S; meets O from rising buyer expectations). • Launch bank/accountant co-pilot workflows that pre-fill data from client records, reducing time burden (S + partner opportunity from section5.3).	**ST strategies** • Use the assumption ledger and standards mapping to neutralise credibility and greenwashing concerns relative to spreadsheets and generic tools (S vs T: substitution and scepticism). • Offer acceptance-tested templates validated with anchor buyers/lenders to defend against ratings/platform rivalry (S vs T: rivalry, buyer power).
Weaknesses (W) • Early-stage brand/trust. • Limited deep integrations at launch. • Limited third-party accreditation initially.	**WO strategies** • Pursue reference partnerships with a regional bank and an accounting network to import credibility and distribution (addresses W with O). • Publish method notes and caselets demonstrating ROSI calculations to substitute for formal accreditation in early phases.	**WT strategies** • Keep good-better-best packaging with a free or very low-cost entry to deflect spreadsheet/consultant substitution and price sensitivity (W vs T). • Sequence integrations to high-leverage systems (e.g., accounting or payroll) to reduce perceived switching cost relative to entrenched rivals (W vs T).

5.4.5 Role of primary evidence (H4)

The survey shows heterogeneous tool exposure: three respondents reported prior use (including Workiva and Greenly mentions), two had not. This confirms the need for a dual-track onboarding: a first-timer path with plain-language guidance and a "coming from another tool" path with data import/mapping and equivalence notes. It also supports messaging that compares time-to-value against spreadsheets and consultants while signalling external acceptance for buyers and lenders (ClearESG SME Survey, August 2025).

5.4.6 Positioning statement

For UK SMEs needing credible yet affordable ESG evidence, ClearESG provides standards mapped, externally usable documents—a GRI aligned snapshot and a TPT style transition outline—generated in the first session, with an assumption transparent ROSI view. Unlike spreadsheets, ad hoc consultants or enterprise suites, ClearESG combines speed and simplicity with recognisable structure and financial clarity, and scales through trusted partners in banking and accounting.

5.5 Business Model

This section specifies ClearESG's business model using the Business Model Canvas (BMC) (Osterwalder and Pigneur, 2010), aligned to the compliance plus value design set out in Chapters 1–2. The model integrates: (i) survey evidence on feature demand and willingness to pay (WTP), and (ii) secondary evidence on disclosure expectations and SME constraints (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023; Mastercard, 2024; Sage, PwC and International Chamber of Commerce, 2023). Where relevant, Return on Sustainability Investment (ROSI) logic is embedded to connect actions to financial drivers (Whelan and Douglas, 2021).

5.5.1 Business Model Canvas (BMC)

Table 5.5A. ClearESG Business Model Canvas

BMC block	Design choice (with evidence)
Customer segments	Primary beachhead: UK SMEs supplying larger buyers and/or seeking finance, especially in services, light manufacturing and construction where procurement asks are rising (Sage, PwC and ICC, 2023). Mix of micro/small firms with limited ESG capacity (Mastercard, 2024). Early adopters: SMEs already "considering" or "informal" on ESG (H1); some with prior tool exposure (H4).
Value propositions	Standards-mapped outputs: a GRI-aligned snapshot and a TPT-style transition outline produced in the first session; assumption-transparent ROSI estimator; micro-education embedded in workflow. Value = faster formalisation at low burden, credible artefacts for buyers/lenders, and financial clarity (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023; Whelan and Douglas, 2021).
Jobs-to-Be-Done (JTBD)	Functional: compile a concise, externally usable ESG pack without hiring specialists (H2–H3). Social: signal reliability to buyers/banks (TPT anchor). Emotional: reduce anxiety about "doing ESG wrong" via guided, jargon-light steps (H6).
Channels	Partner-led: banks and accountants (trusted, data adjacency) plus selected industry associations (Sage, PwC and ICC, 2023). Direct: website self-serve with "time-to-first-output" activation.
Customer relationships	Self-service onboarding with in-product guidance; light-touch chat support; partner-assisted setup when distributed via banks/accountants. Education delivered as micro-nudges (H2; H6).
Revenue streams	Subscription (good-better-best) aligned to WTP bands (H5): Starter ≤ £25/month (snapshot + transition outline + basic ROI panel); Growth £26–£50/month (evidence locker, sector templates, basic integrations); Pro > £50/month (multi-user, partner branding, data imports). Optional partner bundles for banks/accountants.
Key activities	Maintain standards mappings (GRI/TPT) and templates; build/operate the output-first product; evolve ROSI defaults and assumption/evidence ledger; partner onboarding and enablement; user support and education.

Key resources	Content library mapped to GRI and TPT; ROSI model assets; product and data engineering; UX research; partner playbooks; legal/compliance know-how for claims and data governance.
Key partners	Banks and accountants (distribution, pre-filled data, credibility); sector bodies for templates; cloud/analytics vendors; selected assurance/consulting partners for referrals/upsells (Mastercard, 2024; Sage, PwC and ICC, 2023).
Cost structure	Product and content development; cloud hosting/analytics; support; partner revenue share; compliance/legal; sales & marketing. Target SaaS gross margin > 75% at scale; low variable COGS per additional SME.

Implication for the model. Advantage depends on activation speed, credibility of outputs and partner assisted trust. These activities anchor gross margin assumptions (hosting and content refresh), CAC by channel, and payback in section 5.10 (Porter, 1996).

SME client value chain overlay

Table 5.5D. Client SME value chain: pain points, ClearESG interventions and expected effects

SME activity	Typical ESG-related pain	ClearESG intervention	Expected effect / ROSI driver
Inbound logistics	Supplier questionnaires and basic due diligence are ad hoc	Supplier data request templates; light Scope 3 categories for SMEs	Reduced admin time; lower supply disruption risk (risk reduction)
Operations	Energy/waste data scattered; no baseline	Guided self-assessment; minimal data capture; auto KPIs	Efficiency savings; clearer targets (cost reduction, innovation)
Outbound logistics	Buyers ask for comparable info	GRI-aligned snapshot; TPT-style outline to share	Higher tender eligibility; fewer rework cycles (revenue growth)

Marketing & Sales	ESG claims vague; low credibility	Standards-referenced factsheet and lender/supplier brief	Improved win rates with ESG-screening buyers (growth)
Service	Customer reporting on ESG inconsistent	Repeatable report pack; evidence locker	Time saved; consistent brand trust (loyalty)
Firm infrastructure	Governance and roles unclear	Governance checklist; ownership assignment; version control	Fewer compliance gaps (risk reduction)
HRM	Training and DEI tracking informal	Starter indicators; policy templates	Lower attrition; reduced hiring friction (human capital)
Technology development	No system for assumptions	Assumption ledger tied to ROSI panel	Better finance dialogue; prioritised initiatives (decision quality)
Procurement (support)	No standard for ESG in purchasing	Simple ESG criteria for suppliers	Lower reputational risk; better supplier screening

Why this model fits the evidence. Survey respondents prioritised auto reports, standards aligned guidance and ROSI tracking (H3), while citing time/complexity and expertise gaps as primary barriers (H2). WTP clustered at £11–£25 with headroom to £26–£50 (H5), supporting a tiered subscription. Secondary sources indicate procurement and lender pull (TPT; COP28 SME report), justifying partner channels and externally recognisable outputs (Transition Plan Taskforce, 2023; Sage, PwC and ICC, 2023).

5.5.2 Operating model (people–process–tech–data)

To deliver the BMC reliably, the operating model follows a people–process–technology–data pattern (Ross, Weill and Robertson, 2006), optimised for rapid "first value" and credible outputs.

Table 5.5B. Target operating model (TOM)

Layer	Core elements	Notes on control/quality
People	Product (PM, UX, content strategist), Engineering (full-stack, data), Customer success, Partner enablement, Compliance/Legal (part-time)	Lean team ensures rapid iteration; content strategist maintains GRI/TPT mappings and assumption ledger governance.
Process	Output-first onboarding; sector-aware materiality prompt; auto-assembly of snapshot/transition outline; ROSI estimator with assumption ledger; partner co-pilot flow	Standard operating procedures for template updates, release management, and customer feedback loops; change logs for templates.
Technology	Cloud-native app; template engine; rules/mapping service for GRI/TPT; evidence locker; analytics for activation and cohort metrics	Modular architecture allows rapid template changes without full releases; role-based access and audit trail.
Data	Minimal viable inputs from SMEs; optional pre-fill from accounting/payroll where consented; secure storage; GDPR-aligned retention	Data minimisation by design; transparent assumption ledger to separate client facts from modelled estimates.

5.5.3 Value chain integration

The value chain frames advantage as the outcome of a system of mutually reinforcing activities, not isolated features (Porter, 1985; Porter, 1996). For ClearESG, two perspectives matter:

   i.   the internal value chain that determines cost structure, differentiation and scalability; and

   ii. the client SME value chain where the platform must attach to high-friction tasks to deliver measurable benefits.

This activity orientation links the Business Model Canvas and operating model to the unit economics in section 5.10 and to the pilot metrics in section 5.8.

ClearESG internal value chain

Table 5.5C. Internal value chain: activities, cost drivers, differentiation levers and KPIs

Activity (primary/support)	Cost drivers	Differentiation levers	Core KPIs
Customer acquisition (Marketing & Sales)	Media/partner fees; content production	Partner trust (banks/accountants); standards-anchored messaging	CAC; partner-sourced share; MQL→trial→paid conversion
Onboarding & activation (Operations)	Support time per trial; compute per run	"First-session" snapshot and transition outline; jargon-light prompts	Median minutes to first snapshot; activation rate; CSAT on onboarding
Reporting production & updates (Operations)	Template maintenance; compute for report builds	Pre-mapped GRI/TPT templates; assumption-transparent ROSI	Report build success rate; time to update after standard changes

Customer success & service (Service)	Success headcount; ticket volume	Micro-education; governance checklists; evidence locker	NPS; 90-day retention; expansion rate
Partner enablement (Outbound/Alliances)	Enablement content; rev-share	Pre-fill via accounting data; co-branded outputs	Partner ARPA; partner-assisted conversion; diligence pass-rate
Product & content R&D (Technology development)	Engineering/content salaries; tooling	Modular template engine; ROSI driver library	Release frequency; template refresh cycle; usage of new features
Firm infrastructure & compliance (Infrastructure)	Legal, security, audit	GDPR-aligned governance; audit trail	Zero critical incidents; security checklist pass-rate
HRM	Hiring/onboarding	Embedded standards expertise	Time-to-productivity; content quality reviews
Procurement (tech vendors)	Cloud/analytics/ SaaS	Cost discipline; scalable stack	Gross margin; hosting cost % revenue

Implication for GTM and pilot. The overlay clarifies who benefits and where value is realised, which informs role-specific messaging in Section 5.6 (finance: lender brief; sales: tender pack; operations: baseline-to-target flow). It also defines pilot success metrics in Section 5.8, for example: (i) median minutes to first snapshot; (ii) percentage of pilots attaching a snapshot to a live tender within 30 days; and (iii) day-60 NPS for service quality (Porter, 1985; Whelan and Douglas, 2021).

5.5.4 Core assumptions and test plan

The table below lists the assumptions that underpin the model, the target metric, and the planned validation path. Items using the survey are flagged (P); those relying on secondary sources are flagged (S); gaps are scheduled for the pilot in section5.8.

Table 5.5C. Assumptions to metric to validation

Assumption	Target metric	Evidence & validation
A1: Price–value fit at entry tier	≥ 60% of qualified prospects select ≤ £25/month plan	**(P)** WTP bands show 4/5 at £11–£25; validate with live pricing A/B during pilot.
A2: Time-to-first-output drives conversion	Median ≤ 30 minutes to generate snapshot + transition outline; activation→pay conversion ≥ 20% in pilot cohorts	**Gap** to be tested in usability sessions; instrument in-product timers and cohort analysis (Ries, 2011).
A3: Externally usable outputs are accepted by buyers/lenders	≥ 70% of tested procurement/lender contacts rate documents "acceptable"	**(S)** TPT/GRI alignment; **Gap** validate with acceptance tests via partner bank/accountant cohorts.
A4: Partner channels lower CAC and raise trust	Partner-sourced CAC ≤ 50% of direct; trial-to-paid uplift +10–15 pp	**(S)** Credibility and data adjacency (Sage, PwC and ICC, 2023); **Gap** measure during partner pilots.
A5: ROSI view reduces "no clear benefit" barrier	In-product prompt → ROI panel usage ≥ 60%; uplift in pay conversion among users of ROI panel	**(P)** Interest in ROI features (H3) and low "no clear benefit" counts (H2); validate with feature-level analytics.

A6: Churn manageable at entry tier	Monthly logo churn ≤ 3%; 90-day retention ≥ 80%	**(S)** SaaS benchmarks; **Gap** observe in months 3–6.
A7: Gross margin at scale	GM ≥ 75%; hosting cost < 10% of revenue at 1,000 logos	**(S)** SaaS cost heuristics; track COGS as usage scales.
A8: Content updates are sustainable	Template refresh cycle ≤ 6 weeks; update cost < 5% of OPEX	**(S)** GRI/TPT update cadence; govern via content strategist and release SOP.
A9: Consultants/ratings remain complements, not substitutes	≤ 20% of users exit to full consultancy only; ≥ 30% export ClearESG outputs into RFPs/rating workflows	**(S)** Market structure; **Gap** track export and churn reasons.
A10: Security and governance meet SME buyer expectations	Zero critical data incidents; ≥ 90% security checklist pass in partner due diligence	**(S)** GDPR and SME expectations; implement minimal viable IS controls and audit trail.

How these de-risks section 5.1 to section 5.4. A1–A5 directly test the promises made in the value proposition and competitive positioning (speed, affordability, standards anchoring, financial clarity). A4 aligns with the GTM partner flywheel planned for Section 5.6. A7–A10 safeguard viability and credibility.

5.6 Go-to-Market (GTM) strategy

This section sets the route to early, repeatable adoption through three lenses: the AARRR funnel (Awareness, Acquisition, Activation, Retention, Revenue, Referral), Jobs to Be Done messaging mapped to the SME value chain, and a partner flywheel centred on banks and accountants. The plan is grounded in primary survey signals (H1–H3 on awareness, barriers and feature demand; H5 on willingness to pay) and in secondary evidence of

procurement and lender pull in the UK context (Transition Plan Taskforce, 2023; Sage, PwC and International Chamber of Commerce, 2023; Mastercard, 2024).

5.6.1 Ideal customer profiles (ICPs) and JTBD-led messaging

Table 5.6a. ICPs, jobs, triggers and proof points

ICP	Primary role(s)	Core job(s) to be done	Typical trigger	Channel priority	Messaging and proof
Supplier under buyer scrutiny (10–249 FTE; manufacturing, facilities, logistics)	Sales/BD lead; Owner-manager	Qualify for tenders; answer ESG questionnaires with comparable evidence	Buyer issues questionnaire or framework reference (GRI, "transition plan")	Partner-led via accountants and industry bodies; secondarily direct	"Produce a standards-referenced snapshot in the first session; attach to the tender pack." Proof: GRI-aligned snapshot and buyer-ready factsheet (Global Reporting Initiative, 2021; Sage, PwC and International Chamber of Commerce, 2023).

Credit-seeking SME (growth/asset finance)	CFO/Finance lead; Owner	Provide credible sustainability information to lenders; show governance and plan	Bank requests sustainability information or a transition narrative	Partner-led via banks; secondarily direct	"One-page transition outline aligned to UK expectations; governance checklist included." Proof: TPT-style outline and assumption ledger (Transition Plan Taskforce, 2023).
Efficiency-focused operator (micro and small)	Operations/General manager	Establish baseline; prioritise actions with visible payback	Rising energy/waste costs; board query on savings	Direct self-serve; referrals from accountants	"Measure once; act on three actions with indicative payback." Proof: ROSI quick-calculator with explicit assumptions (Whelan and Douglas, 2021).

JTBD framing ensures each message is anchored in a concrete value chain locus—Sales/BD for tenders, Finance for credit, Operations for savings—

addressing the capability/time barriers surfaced in H2 and the feature interest in auto reports, guidance and ROI tracking from H3.

5.6.2 Acquisition model and the partner flywheel

Direct acquisition. Standards anchored content and self serve trials emphasise a first session output. Copy references recognised baselines (GRI; TPT) to build credibility without requiring prior literacy (Global Reporting Initiative, 2021; Transition Plan Taskforce, 2023).

Partner led acquisition (primary engine). Banks and accountants face disclosure and advisory pressures and already aggregate SME data; enabling them to invite clients into a guided snapshot reduces friction for SMEs and strengthens the partner's proposition (Sage, PwC and International Chamber of Commerce, 2023; Mastercard, 2024).

Table 5.6b. Partner programme outline

Element	Design
Value to partner	Co-branded snapshots and transition outlines for client files; portfolio-level insight on adoption; optional referral revenue or bundled advisory pack.
Onboarding motions	Secure invite link; optional CSV export from accounting to pre-fill basics; partner dashboard to monitor client progress.
Trust and compliance	GDPR-aligned processing, audit trail, role-based access; explicit client consent and revocation.
Enablement	Short playbooks per ICP; templated emails; "first-session clinic" guide; quarterly standards refresh notes.
Success measures	Partner-assisted trial share; partner-assisted activation rate; partner ARPA; diligence pass-rate in tenders/credit conversations.

Flywheel logic. Partner invites lead to faster activations because trust and data are pre-existing; completed snapshots and transition outlines improve partner conversations with buyers and lenders; demonstrated outcomes motivate partners to invite additional SMEs, reinforcing the cycle.

5.6.3 AARRR funnel targets and instrumentation

Targets are hypotheses for the first two quarters to guide execution and benchmarking; they will be reviewed after the pilot in Section 5.8.

Table 5.6c. AARRR funnel definitions and initial targets

Stage	Definition (measured cohort)	Instrumentation	Q1 target	Q2 target
Awareness	Unique SME decision-makers who view a standards-anchored landing page or partner invite page	Web analytics; partner portal	2,000	3,500
Acquisition	Trials started (account created)	Sign-up logs	8–10% of aware	10–12% of aware
Activation	First GRI-aligned snapshot generated within the first session	Event tracking; time stamps	Median time within 30 minutes; ≥60% of trials activate	Median time within 25 minutes; ≥70% of trials activate
Retention	Active at day 30 (returned and created or updated an output)	Cohort analysis	≥50% of activations	≥60% of activations
Revenue	Conversion to paid within 30 days of activation	Billing data	10–15% of activations	15–20% of activations
Referral	Referral invites sent by active SMEs or partner-assisted introductions	In-product referral; partner logs	≥10% of actives refer	≥15% of actives refer

These targets align with the small-ticket, tool-first nature of the product and with the price sensitivity reported for SMEs (Mastercard, 2024).

5.6.4 Activation plan and success criteria

Activation is the pivotal stage because survey respondents emphasised speed and reliability, and because procurement and finance audiences require concise, comparable artefacts (H6; Sage, PwC and International Chamber of Commerce, 2023).

Activation design.

1. **Sector pick and baseline**: choose sector and firm size; capture minimal operational data with defaults shown and editable.

2. **Materiality mini-prompt**: select six to eight issues using sector presets; brief tooltips reference stakeholder relevance.

3. **Evidence drops**: drag-and-drop for basic policies or documents such as energy bills; optional to proceed.

4. **Outputs**: auto-generate a GRI-aligned snapshot and a concise transition outline with targets and owners.

5. **ROSI panel**: display three suggested actions with indicative ranges for payback and risk effects, supported by an assumption ledger (Whelan and Douglas, 2021).

Success criteria and experiments.

- **Primary**: median minutes to first snapshot at or below 30; activation rate at or above 60 per cent of trials in Q1.

- **Secondary**: percentage of activated users who attach a snapshot to a tender or share the transition outline with a lender within 30 days.

- **Experiments**: A/B test partner pre-fill on activation time; A/B test presence of the ROSI panel on paywall acceptance; log drop-off reasons by step to refine copy and defaults.

5.6.5 Role-specific messaging architecture

Messages are tailored to the value-chain locus to reduce cognitive load and to address the survey's capability/time barriers (H2).

- **Finance (CFO/Owner)**: "Provide a credible, concise transition narrative aligned with UK expectations; include governance and an assumption-transparent ROI view." *Proof*: TPT-style outline; lender brief (Transition Plan Taskforce, 2023; Whelan and Douglas, 2021).

- **Sales/BD**: "Produce a standards-referenced snapshot today and attach it to this tender's questionnaire." *Proof*: GRI-aligned snapshot and buyer factsheet (Global Reporting Initiative, 2021; Sage, PwC and International Chamber of Commerce, 2023).

- **Operations**: "Establish a baseline in one sitting and choose three actions with indicative payback." *Proof*: minimal-data baseline and ROSI panel (Whelan and Douglas, 2021).

5.6.6 GTM risks and mitigations

- **Risk: partner dependency creates bottlenecks.** Mitigation: maintain a self-serve lane with content that references recognised standards to preserve direct demand.

- **Risk: outputs not accepted by buyers or lenders.** Mitigation: co-design pilot templates with one bank and one buyer group; cite frameworks explicitly on documents (TPT, GRI).

- **Risk: price sensitivity.** Mitigation: maintain entry plan at or below £25 with visible first-session value; reserve upsells for finance-ready briefs and integrations (Mastercard, 2024).

Link to pilot. The activation metrics above are mirrored in the pilot design in Section 5.8: activation speed, external acceptance and channel effectiveness will be captured as explicit success measures.

5.7 Pricing and packaging

This section converts the survey's willingness to pay signal (H5) into an initial price architecture using three complementary lenses: (i) interpretation of banded prices through a Gabor–Granger lens, (ii) value based pricing anchored in business outcomes, and (iii) good–better–best packaging with clear price fences. The recommended ladder is conservative given the small N primary data and is designed for rapid, low risk testing (Nagle, Hogan and Zale, 2016; Mohammed, 2018; Mastercard, 2024).

5.7.1 Evidence base and pricing stance

- **Primary signal (H5).** Four of five respondents selected £11–£25 per month; one selected £26–£50. None selected "free only" in the analytical base. This supports an entry tier at or below £25 with credible upsides for advanced outputs.

- **Gabor–Granger interpretation.** Although the survey used bands rather than the classic four-question Gabor–Granger, the distribution suggests a price–acceptance elbow around the mid-£20s. The prudent stance is to set the core tier below the observed elbow and reserve monetisation for high-salience outcomes (e.g., finance-ready briefs, integrations) (Gabor and Granger, 1966; Nagle, Hogan and Zale, 2016).

  Value logic. The package emphasises "first-session output" and procurement/credit usability to make price a function of reduced effort, reduced risk, and increased access, consistent with value-based pricing principles (Hinterhuber, 2008; Mastercard, 2024).

5.7.2 Proposed good–better–best packages

Table 5.7a. Packaging and initial price points (to be A/B tested)

Tier	Indicative monthly price (ex-VAT)	Who it fits	Key inclusions	Fences / limits
Assess (Free)	£0	First-time SME; partner-assisted trials	1 sector preset; 1 GRI-aligned Snapshot (watermarked); mini materiality; ROSI quick-view with assumption ledger; PDF export (watermark)	Single company profile; no co-branding; limited templates; no evidence locker
Core	£19–£24	Micro/small firms formalising ESG	Unlimited Snapshots; TPT-style Transition Outline; sector templates; evidence locker (basic); CSV export; email support	1 company; 2 seats; no integrations; no finance-ready brief
Pro	£39–£45	SMEs engaged in tenders/credit	Everything in Core plus: finance-ready brief (buyer/lender pack); co-branding; accounting/energy integrations; 5 seats with roles; audit trail; priority support	1–3 companies; API on request; advanced integrations as add-ons

Partner Suite (for banks/accountants)	£199+ per 50 active SMEs (tiered)	Partners enabling multiple SMEs	Partner dashboard; bulk invites; portfolio analytics; co-brand controls; sandbox; enablement kit	Seat-based admin; minimum commit; revenue share or wholesale pricing

Rationale. "Assess" preserves the output-first promise and supports partner trials while controlling support costs. "Core" sits inside the modal WTP band. "Pro" crystalises the outcome monetisation (finance-ready brief; integrations; governance/audit trail) that matters to procurement and lender audiences.

5.7.3 Price fences and discount guardrails

Clear fences segment willingness-to-pay without arbitrary discounting (Nagle, Hogan and Zale, 2016).

Fences.

1. **Outcome fence:** finance-ready brief and co-branding reserved for Pro.

2. **Integration fence:** connectors (accounting, energy) as Pro or paid add-ons.

3. **User/role fence:** seats and role-based access scaled by tier.

4. **Scope fence:** number of company profiles (Core: 1; Pro: up to 3).

5. **Compliance fence:** audit trail and evidence retention depth by tier.

Discount guardrails.

- **Annual prepay** up to 15% off list (no stacking).

- **Micro-SME concession (<10 FTE):** 10% off Core only.

- **Partner wholesale:** fixed 20–30% margin bands tied to enablement KPIs (no ad-hoc discounts).

- **Founding cohort:** time-boxed launch offer (e.g., 20% for 6 months) in exchange for pilot participation and feedback rights.

Avoid customised one-off discounts; where necessary, convert to a fenced plan (e.g., "Core-Lite" without evidence locker).

5.7.4 Upsell triggers and path to revenue

Behavioural triggers observed or inferred from the journey:

- **Snapshot generated and shared** - prompt upgrade to Pro to create the finance-ready brief and remove watermark.

- **Repeated logins or multi-author edits** - seat upgrade (roles, audit trail).

- **Upload of multiple evidence files** - nudge to evidence locker depth and version control (Pro).

- **Mention of tenders or bank in free-text** - contextual prompt for **co-branding** and lender/buyer pack.

- **Attempted CSV/API export** - offer integrations bundle.

Table 5.7b. Hypothesised upsell ladder

Event	Nudge	Expected lift
First Snapshot created	"Create finance-ready brief now" (Pro trial for 7 days)	+6–8 pp conversion from Assess/Core
Third session within 30 days	"Add teammates and assign owners"	+4–5 pp seat upgrades
Evidence locker > 10 files	"Keep track with audit trail and versioning"	+3–4 pp Pro upgrades
Integration click	"Connect accounting/energy to auto-fill"	+20–30% attach rate on integrations

(pp = percentage points; to be validated in Section 5.8 pilot.)

5.7.5 Testing plan and sensitivity

- **A/B price points.** Test £19 vs £24 for Core and £39 vs £45 for Pro across equal traffic; measure conversion and 30-day retention.

- **True Gabor–Granger.** In-product four-question module after activation to estimate optimal price and indifference band; repeat quarterly (Gabor and Granger, 1966).

- **Value communication.** Randomise whether the paywall copy emphasises (a) procurement acceptance, (b) lender expectations, or (c) time savings; measure differential lift by ICP.

- **Elasticity guardrails.** If Pro conversion falls below 10% of activations at £45, revert to £39 and add a Pro-Plus add-on for advanced integrations to protect ARPA.

5.7.6 Policy notes

- **Currency and tax.** Prices shown ex-VAT and billed in GBP for the UK. Annual prepay is default; monthly incurs £2 admin uplift.

- **Refunds and trials.** 7-day Pro trial triggered by first Snapshot; no credit card required to create the first output to preserve activation speed.

- **Ethics and transparency.** No dark patterns; clear comparison table; ability to export own data from any tier (aligns with trust themes in H6 and GDPR norms).

5.8 Product roadmap and pilot design

This section sets a two quarter product roadmap and a pilot plan to validate the riskiest assumptions using Lean build, measure, learn loops (Ries, 2011). The design responds directly to primary findings—H2 barriers (time/complexity), H3 feature demand (auto reports, guidance, ROI) and H6 concerns (cost, extra tools)—and aims to close three evidence gaps highlighted in Chapters 2–4: activation speed, external acceptance, and channel efficacy.

5.8.1 Two-quarter roadmap (MVP to MMP)

Goal. Deliver an MVP that creates a GRI-aligned Snapshot and TPT-style Transition Outline in the first session, with an indicative ROSI panel and the governance basics needed for procurement/credit conversations; evolve to an MMP with integrations and role-based collaboration.

Table 5.8a. Roadmap (Quarter 1–Quarter 2)

Time	Epic / Capability	Key deliverables	Dependencies	Exit criteria (decision gate)
Q1 Month 1	Data model & mapping	Minimal data schema; mappings to GRI topic disclosures; TPT outline scaffold	Standards review	90% of initial fields mapped; internal review sign-off
Q1 Month 1–2	**Snapshot generator (MVP)**	Guided intake; materiality mini-prompt (6–8 issues); **Snapshot PDF** (watermarked for free)	Data model	80% of pilot users produce a Snapshot in one session
Q1 Month 2	**Transition outline (MVP)**	One-page TPT-style plan (governance, targets, next steps)	Snapshot generator	70% of pilot users export outline without assistance
Q1 Month 2–3	**ROSI quick-view**	Driver library (efficiency, risk, revenue, people); assumption ledger; ranges	Snapshot data	60% of pilot users complete at least one ROSI estimate
Q1 Month 3	Evidence locker (basic)	File upload; tagging; version note; export	Storage	≥1 artefact attached in 70% of pilot accounts

Q1 Month 3	Pricing & gating	Free/Core/Pro fences; finance-ready brief paywall copy	Section 5.7	Sign-off on tier boundaries; event-based upgrade prompts live
Q2 Month 1	**Finance-ready brief (MMP)**	Co-branded lender/buyer pack; acceptance checklist	Transition outline	External acceptance ≥60% in pilot
Q2 Month 1–2	**Integrations (MMP)**	CSV import; accounting/energy connectors (1 each)	Partner sandbox	Data ingest reduces manual fields by ≥30% in test
Q2 Month 2	Collaboration & audit	3–5 seats; roles/permissions; activity log	Evidence locker	75% task completion for "assign owner, add evidence"
Q2 Month 3	Analytics & insight nudges	Usage events; time-to-value dashboards; in-app prompts	Telemetry	Median activation time ≤45 minutes (pilot threshold)

*Note***:** Each gate triggers a retrospective and either iterate, advance, or hold decisions per Lean loops (Ries, 2011).

5.8.2 Pilot to close the three evidence gaps

The pilot is structured as a sequence of hypothesis-driven tests with clear metrics, instruments, targets and thresholds (Eisenmann, Ries and Dillard, 2012).

Table 5.8b. Pilot hypotheses, metrics and thresholds

Evidence gap	Hypothesis	Metric & instrument	Target / success threshold
Activation speed	With the guided intake, an SME decision-maker can produce an acceptable Snapshot in a single sitting.	Median minutes to first Snapshot (telemetry); Task completion rate; System Usability Scale (SUS) post-task (Brooke, 1996).	≤45 minutes median; ≥80% completion; SUS ≥70.
External acceptance	The finance-ready brief is judged "acceptable" by procurement/credit reviewers.	Reviewer survey: Acceptable / Acceptable with minor edits / Not acceptable; free-text reasons.	≥60% "acceptable"; ≥85% including "acceptable with minor edits".

Channel efficacy	Partner-led invitations outperform direct sign-ups through the AARRR funnel (Acquisition→Activation→Revenue→Retention→Referral).	Conversion rates by channel; CAC proxies; time-to-first-output by channel.	Partner activation rate +30% vs direct; CAC payback ≤6 months (forecast).

Cohorts and sample

- **Cohort A (Direct):** 10 SMEs from existing network.

- **Cohort B (Bank partner):** 10 SMEs invited via relationship manager.

- **Cohort C (Accountant partner):** 10 SMEs from a small practice.

Sample sizes reflect usability testing norms where 5–8 users uncover most severe issues per iteration (Nielsen, 2000; Virzi, 1992), while allowing channel comparisons.

Instruments and data capture

- **Moderated remote sessions** (60–75 minutes): think-aloud on three core tasks (create Snapshot; generate Transition Outline; compile finance-ready brief).

- **Telemetry:** step timestamps, dwell times, error states, abandonment points.

- **Surveys:** SUS (10-item scale) after tasks; reviewer acceptance survey for external stakeholders (procurement/credit).

- **Qualitative debrief:** 10–15 minutes to capture pain points and "moments of value".

Pilot tasks and success criteria

Table 5.8c. Usability protocol (core tasks)

Task	Success definition	Error budget
T1: Intake & Snapshot	User completes guided intake and exports Snapshot without moderator intervention.	≤2 minor prompts; no hard stops.
T2: Transition Outline	User sets 3 targets, assigns owners, exports outline.	≤1 clarification; target fields intelligible.
T3: Finance-ready brief	User compiles pack, attaches ≥2 pieces of evidence, exports.	Reviewer accepts or requests only minor edits.

Analysis and decision rules

- **Green:** thresholds met across all three gaps → graduate to broader beta; proceed with partner program build-out.

- **Amber:** one threshold missed → one iteration sprint with targeted fix; re-test with 5 new users.

- **Red:** two or more thresholds missed → hold MMP features; revisit core UX and standards mapping.

5.8.3 Research operations and ethics

- **Recruitment.** Screen for UK-based SME decision-makers (<250 employees) matching the Chapter 3 eligibility; secure written consent; avoid collecting personal data beyond consent and role.

- **Data handling.** Store recordings and telemetry in encrypted repositories; anonymise quotes; align with GDPR data minimisation principles.

- **Bias controls.** Use standardised scripts; separate moderator (task guidance) and note-taker (observation); randomise order of tasks to reduce sequence effects.

5.8.4 Learning cadence and iteration plan

Adopt a **weekly cadence** during the MVP pilot:

- **Mon:** instrument review and backlog triage.
- **Tue–Wed:** 3–5 moderated sessions.
- **Thu:** synthesis (quant + qual), update of assumption ledger (for ROSI drivers and acceptance claims).
- **Fri:** sprint planning; release minor fixes (copy, tooltips, field hints); queue larger UX refactors for the next sprint.

Each sprint publishes a one-page learning card: hypothesis → evidence → decision → next test, ensuring traceability from assumptions to actions (Ries, 2011).

5.8.5 Risks specific to the pilot and mitigations

- **Reviewer availability risk.** Procurement/credit reviewers may be time-constrained. *Mitigation*: pre-commit two reviewers per partner and supply a 10-minute rubric for rapid acceptability scoring.

- **Scope creep.** External feedback may push into bespoke requirements. *Mitigation*: hold to acceptance criteria tied to GRI/TPT anchors; capture "enterprise asks" in a backlog for later segmentation.

- **Channel contamination.** Partners may selectively invite "easy wins". *Mitigation*: request a randomised SME list; track baseline maturity to normalise comparisons.

5.8.6 Exit criteria for MVP and MMP

- **MVP 'done'** when: activation speed and SUS thresholds met, ≥60% reviewer acceptance of the brief, Core tier NPS ≥20 among pilot users.

- **MMP 'ready'** when: at least one accounting and one energy integration reduce manual entry by ≥30%; role-based collaboration achieves ≥75% task success; Pro tier conversion from Snapshot event ≥10%.

5.9 Impact and compliance architecture

This section specifies how ClearESG will evidence outcomes and remain compliant with UK/EU data protection and reporting norms. It combines a Theory of Change, a KPI tree spanning product, commercial and impact metrics, and a lightweight data governance checklist aligned to UK GDPR principles and reporting baselines (GRI; TPT). The design responds to primary findings that emphasised "proper checks and balances without affecting business goals" and concerns about cost and tool sprawl (H6).

5.9.1 Theory of Change (ToC)

Context and need. UK SMEs face capability and capacity frictions that impede formal ESG practice and reporting (Mastercard, 2024; Sage, PwC and ICC, 2023). Stakeholders across procurement and finance increasingly require concise, comparable disclosures (Transition Plan Taskforce, 2023; Global Reporting Initiative, 2021).

Inputs. Standards mapping (GRI/TPT), guided workflows, materiality prompt, Snapshot/Transition generators, ROSI panel, evidence locker, partner-led onboarding.

Activities. SMEs complete a short, guided intake; generate a GRI-referenced Sustainability Snapshot and TPT-style transition outline; attach supporting evidence; optionally quantify indicative financial effects via ROSI.

Immediate outputs. Downloadable Snapshot, one-page transition outline, finance-ready brief (where enabled), assumption ledger for ROSI.

Short-term outcomes. Faster formalisation (first acceptable output within a single sitting), improved confidence engaging buyers/lenders, clearer internal ownership for targets and actions.

Medium-term outcomes. Higher inclusion rates in tenders/credit processes; adoption of cost-saving actions (e.g., energy, waste, safety); improved data capture habits.

Intended impact. Scalable SME participation in credible disclosure practices and value-creating sustainability actions, consistent with TBL principles.

Attribution note. Outcome and impact indicators will be treated as contribution, not sole attribution, and will be reported with assumptions and external factors logged transparently (cf. Chapter 2's evidence discipline).

5.9.2 KPI tree: product, commercial and impact metrics

Table 5.9a. KPI tree and definitions

Layer	Metric	Definition & source	Cadence	Initial target
Product experience	Activation time	Median minutes from first login to exported **Snapshot** (telemetry)	Weekly	≤45 minutes (pilot)
	First-session success	% new accounts exporting Snapshot in first session	Weekly	≥80%
	SUS score	System Usability Scale after core tasks	Sprint	≥70 (pilot)
	Transition outline completion	% Snapshot users who export TPT-style outline within 7 days	Weekly	≥60%
	Evidence attachment	% outlines with ≥2 evidence items in locker	Weekly	≥70%
Commercial	WAU/MAU	Weekly/Monthly active accounts (logins + export)	Weekly/Monthly	WAU/MAU ≥0.5
	Core→Pro conversion	% Core tier accounts purchasing Pro within 30 days	Monthly	≥10% (post–finance brief)
	Gross churn (logo)	% accounts cancelling per month	Monthly	≤3%
	NPS (Core tier)	Net Promoter Score survey	Quarterly	≥20

Impact (enablement)	Documents produced	Count of GRI-referenced Snapshots generated	Monthly	Baseline; growth ≥20% q/q
	Targets set	Avg. number of measurable targets per outline	Monthly	≥3 per outline
	Acceptance rate	Reviewer rating: "acceptable/acceptable with minor edits" for finance-ready brief	Pilot, then quarterly	≥60% acceptable (pilot)
	Action adoption proxy	% accounts logging at least one cost/energy/safety action with owner & due date	Monthly	≥50% within 60 days
	Contribution narrative	% Pro accounts with filled ROSI assumption ledger	Quarterly	≥60%

Notes. "Impact" metrics capture enablement and the quality of artefacts aligned with GRI/TPT, not absolute emissions or social outcomes, which depend on firm-specific implementation.

5.9.3 Reporting baselines embedded in the product

- **GRI alignment.** The Sustainability Snapshot will reference GRI 2021 topic disclosures (e.g., 302: Energy; 305: Emissions; 401: Employment) and note whether information is complete, partial, or planned (Global Reporting Initiative, 2021).

- **TPT structure.** The transition outline will follow TPT sections: governance, strategy, implementation plan, metrics and targets, and financial plans where relevant (Transition Plan Taskforce, 2023).

- **Assumption ledger.** Any ROSI estimate will cite data sources, time horizons and drivers, reflecting transparency on uncertainty.

5.9.4 Minimal data-governance and compliance checklist (UK GDPR-aligned)

ClearESG will operate with SMEs as data controllers and ClearESG as a data processor for customer-submitted content. Processing is limited to providing the service, support and product analytics, consistent with purpose limitation and data minimisation under UK GDPR principles (UK GDPR; DPA 2018).

Table 5.9b. Lightweight governance checklist

Area	Control	Practical implementation
Lawful basis & purpose	Contractual necessity; documented purposes	Processor addendum in Terms; public privacy notice; no secondary use without consent
Data minimisation	Collect only fields needed for Snapshot/Outline	Optional fields clearly marked; integrations off by default
Transparency	Clear explanations in-app	Field-level tooltips stating "why this is asked" and how it appears in outputs
Accuracy	User validation & evidence	Inline validations; evidence locker with version notes
Storage limitation	Retention policy	Default 24-month inactivity archival; delete on request; per-customer retention settings
Security	Encryption & access controls	TLS in transit; encryption at rest; MFA; role-based permissions; audit log
Subprocessors	Due diligence & list	Public list; DPA with each; data residency UK/EU where feasible
Data subject rights	Access, rectification, erasure, portability	In-app export; ticketed erasure workflow with SLA; admin self-service for corrections
Breach response	Incident handling & notice	24/7 on-call; initial assessment ≤24h; notify controllers without undue delay; support controller's regulatory duty (Art. 33)
DPIA triggers	Assess high-risk changes	DPIA before new sensitive data types or ML features; record of processing activities

Third-party sharing	No onward disclosure without instruction	Sharing only at controller instruction (e.g., sending pack to lender); event logged
Children's data	Not processed	Age-inapplicable service statement
International transfers	Safeguards	SCCs/IDTA as needed; UK/EU hosting preference

Roles and responsibilities.

- **Controller (SME):** Defines purposes, reviews outputs, manages data accuracy.

- **Processor (ClearESG):** Implements security, processes data on instruction, assists with rights requests and breaches.

- **Subprocessors:** Hosting and analytics providers under written contracts.

5.9.5 Compliance cross-walk in outputs

To increase acceptance by reviewers:

- **Snapshot footer.** "Prepared with reference to GRI 2021; sections indicate completeness level."

- **Transition outline header.** "Structured in line with the UK TPT Disclosure Framework (governance, strategy, implementation, metrics/targets)."

- **Finance-ready brief.** One-page checklist mapping each section to GRI/TPT anchors, plus an appendix listing attached evidence (policy files, utility bills, training logs) with timestamps and responsible owners.

5.9.6 Governance rituals

- **Monthly data-governance review.** Subprocessor list, access logs, incident register, DPIA pipeline.

- **Quarterly standards review.** Update mappings to reflect any changes to GRI, ISSB/TPT guidance; release notes published.

- **Assurance-ready exports.** Ability to export an audit log and evidence index for external review on demand.

5.10 Unit economics and financial model

This section translates the funnel assumptions in Section 5.6 and the pricing in Section 5.7 into a compact economic model, using standard SaaS metrics: customer lifetime value (LTV), customer acquisition cost (CAC), gross margin (GM), contribution margin, CAC payback period, and scenario analysis. Benchmarks for margin and retention are taken from well-cited SaaS studies to keep the parameters realistic for an early-stage B2B product (OpenView, 2023; McKinsey & Company, 2021; Bain & Company, 2020).

5.10.1 Core assumptions

Table 5.10a Model inputs (base case, Months 1–24)

Area	Assumption	Rationale or source
Pricing & mix	Core £19, Pro £39, Plus £99 per month; mix 70%/25%/5% respectively	From Section 5.7 packaging; early demand likely concentrated in entry plan
Effective ARPA (average revenue per account, monthly)	£28.00	Weighted by mix above
Gross margin (GM)	82.50%	Typical infrastructure and support costs for young SaaS; target 80–85% (OpenView, 2023; Bain & Company, 2020)
Variable cost per account	Payment processing, hosting, support already netted into GM	Simplifies early modelling

Monthly logo churn	3.00%	Conservative midpoint for SMB SaaS; improve with onboarding and partner-led setups (McKinsey & Company, 2021)
Expansion revenue	0% Months 1–12; 5% annual uplift thereafter	Upgrades to Pro/Plus expected post–pilot
New paid accounts per month	Direct 10; Partner 19 (total 29) at steady-state by Month 3	Derived from Section 5.6 funnel targets
Blended CAC	£90	Direct ~£120; Partner ~£60; mix-weighted
Fixed OPEX (non-COGS)	Months 1–6: £35k p.m.; Months 7–24: £45k p.m.	Lean team plus GTM ramp; excludes one-off set-up costs

Key equations used

- Gross profit per account per month = ARPA × GM.

- CAC payback (months) = CAC ÷ (ARPA × GM).

- Average customer lifetime (months) ≈ 1 ÷ monthly churn.

- LTV (gross profit basis) = (ARPA × GM) × lifetime.

- Contribution margin = Gross profit − fully variable acquisition costs amortised over the first year (for internal tracking).

Worked illustration (base case)

ARPA £28; GM 82.5% gives gross profit per account £23.10. CAC £90 gives payback ≈ 90 ÷ 23.10 = 3.9 months. Churn 3% gives lifetime ≈ 33.3 months; LTV ≈ 23.10 × 33.3 = £770. LTV:CAC ≈ 8.6x.

These ratios are comfortably above typical early-stage thresholds (LTV:CAC above 3x; payback under 12 months), indicating marketing efficiency headroom (OpenView, 2023).

5.10.2 24-month mini-model (illustrative outputs)

Table 5.10b Headline operating metrics

Metric	Month 1	Month 12	Month 24
New paid accounts (in-month)	15	29	35
End-of-month paid accounts	15	~290	~620
MRR (£k)	0.4	~8.1	~17.4
ARR (£k)	4.7	~97	~209
Gross profit (£k)	0.3	~6.7	~14.4
CAC spend (£k, in-month)	1.4	~2.6	~3.2
OPEX excl. COGS (£k)	35	45	45
Operating result (£k)	~−36	~−41	~−34

Notes:

1. MRR is ARPA × active accounts. Churn applied monthly before adds.

2. CAC spend = New paid × blended CAC.

3. Operating result excludes any non-cash items and assumes steady staffing from Month 7.

4. The illustrative operating result remains negative because headcount is held in anticipation of the pilot and partner programs; the unit economics are healthy, and break-even becomes a function of acquisition pace and OPEX.

Interpretation. The model shows attractive unit payback and LTV:CAC, while aggregate profitability depends on the pace of partner-led acquisition relative to fixed cost. This is consistent with an early-stage B2B SaaS pattern where the path to break-even is governed by channel scale-up rather than price or unit margin.

5.10.3 Scenarios and sensitivities

Table 5.10c Scenario inputs and outcomes (Month 24)

Parameter	Bear	Base	Bull
Blended CAC	£140	£90	£70
Monthly churn	5.00%	3.00%	2.00%

	78%	82.50%	85%
GM			
New paid per month (steady-state)	24	29	45
Payback (months)	**6.4**	**3.9**	**2.9**
LTV:CAC (x)	**3.7**	**8.6**	**14.8**
ARR at Month 24 (£k)	**150**	**209**	**350**

Sensitivity ranking (impact on Month-24 ARR and on payback)

1. Partner scale (new paid per month)

2. Churn rate

3. Blended CAC

4. Gross margin

5. ARPA mix (Core vs Pro vs Plus)

A simple tornado chart in the appendix can visualise these drivers: vary each parameter by ±20 per cent and display the effect on payback and ARR.

5.10.4 Contribution margin and cost structure

Table 5.10d Unit contribution (per new Core-weighted account, base case)

Component	Amount (£/month)
Revenue (ARPA)	28
COGS (hosting, support, payments)	4.9
Gross profit	**23.1**
CAC amortised over first 12 months	7.5
Contribution after CAC (months 1–12)	**15.6**
Contribution after CAC (months 13+)	23.1

This framing makes visible that the account becomes cash generative at the end of Month 4, consistent with the payback calculation.

5.10.5 Cash runway view

To connect economics to funding needs in Section 5.13, a simple cash view is recommended:

- Opening cash: as per budget.

- Net burn per month = OPEX + CAC spend − Gross profit.

- Break-even month occurs when gross profit growth from cohort accumulation exceeds OPEX plus CAC spend. In the base case above, break-even requires either higher partner throughput (for example, 50–60 new paid per month by Month 12) or a staged OPEX profile.

5.10.6 Implications

- The unit story is strong: sub–four-month payback and healthy LTV:CAC under base inputs.

- The path to aggregate breakeven is a distribution problem, not a pricing or unit-margin problem. Priority should be the partner flywheel and retention workstreams defined in Section 5.6.

- The scenario table informs guardrails for Section 5.12 (risks) and the Sources and Uses in Section 5.14: if CAC drifts toward the bear case or churn does not improve, additional runway will be required, or OPEX must be phased.

5.11 Financial Projections (36 months)

Purpose. This section summarises the 36-month trajectory for subscribers, revenue, unit economics, P&L and cash, with a simple sensitivity on conversion and CAC. Full model and monthly tables are in Appendix E.

5.11.1 Key modelling assumptions (base case)

- **Start:** Oct-2025; horizon 36 months.

- **Pricing & ARPU:** Two-tier early packaging (Core £19; Pro £39) with initial 80/20 mix → ARPU £23.

- **Adoption funnel:** trials ramp from 200/month, Activation→Snapshot ramps 50%→60% by Month 6 and holds; Snapshot→Paid conversion ramps 10%→15% by Month 6 and holds.

- **Churn:** 3% monthly (early-stage SaaS norm for SME tools).

- **Gross margin:** 80% (COGS 20%).

- **OpEx:** Year-1 spend = £220k (as per Section 5.10), distributed evenly across 12 months; Years 2–3 scale modestly (1.25×, then 1.5×) to reflect a small team expansion and partner enablement.

- **Funding**: £220k at Month 1; no further external capital assumed in base (runway reported below).

5.11.2 36-month revenue model & subscriber trajectory

Metric	Month 12 (Sep-2026)	Month 24 (Sep-2027)	Month 36 (Sep-2028)
Subscribers (EoM)	258	624	1,025
MRR (£)	5,935	14,361	23,583
CAC (from GTM spend) (£)	103	90.7	85.8
CAC payback (months)	5.62	4.93	4.66

5.11.3 P&L summary (monthly view; full detail in Appendix E)

- Revenue grows from near-zero to £5.9k/m (M12), £14.4k/m (M24), and £23.6k/m (M36).

- Gross margin (80%): £4.7k/m (M12), £11.5k/m (M24), £18.9k/m (M36).

- Operating profit remains negative while investing in product and partner enablement: −£13.6k (M12), −£11.4k (M24), −£8.6k (M36).

- Operating leverage improves, and the unit economics are sound (payback < 6 months) once scale is reached or OpEx is right-sized.

5.11.4 Cash flow & runway

- Opening cash: £220k (Month 1).

- Ending cash (M12): £26.3k (still positive following the base 12-month plan).

- Runway: Cash turns negative in Month 14 (Nov-2026) in the base case without additional funding or cost moderation.

- Implication: Consistent with Section 5.10, the £220k round is designed to reach G3–G4 gates; a small top-up/bridge, earlier monetisation (e.g., Pro adoption), or OpEx pacing can extend runway to G5 while preserving guardrails (CAC payback ≤ 6m; NRR ≥ 95%).

5.11.5 Sensitivity

Representative view at steady-state Month 6(see appendix E)

Scenario	Activation	Conv→Paid	New Paid (m)	GTM Spend (£)	CAC (£)	Contribution / m / cust (£)	Payback (months)
Low	50%	12%	17	3,667	219	18.4	11.9
Base	60%	15%	26	3,056	116	18.4	6.32
High	65%	18%	34	2,445	72	18.4	3.92

Modest gains in **activation** and **conversion** (already targeted in Section 5.8 via UX and partner coaching) compress payback materially. Conversely, if activation stalls near 50% and conversion at 12%, payback stretches beyond our 6-month guardrail—signalling a need to (i) slow GTM spend, (ii) iterate Snapshot flow, and (iii) push bank/accountant cohorts for higher-intent traffic.

5.11.6 Notes & limitations

- Projections are **decision-support** for stage-gates—not forecasts. Key drivers (activation, conversion, churn, channel mix) are explicitly tied to **pilot thresholds** in Section 5.8.2.

- Balance sheet is **minimal** (cash + retained earnings proxy). Detailed working capital is immaterial at early subscription scale and can be added if invoice terms are introduced.

- All tables can be regenerated from the Excel model (Appendix E).

5.12 Risks, assumptions, and mitigations

This section consolidates venture risks emerging from the primary dataset (H1–H6) and secondary sources, and specifies mitigations and near-term tests. Risks are grouped across market, product, compliance, partnership, economics and credibility domains. The register is deliberately evidence-linked: survey signals are cited as "P", and external sources as "S".

5.12.1 Risk register

Table 5.12a Top risks, RAG status, mitigations and tests

#	Risk (domain)	Likelihood	Impact	RAG	Evidence (P/S)	Mitigation (owner)	Near-term test / KPI
1	Insufficient demand within price point (Market)	Medium	High	moderate	P: H1 gap; H5 WTP concentrated at £11–£25	Entry plan ≤£25; value messaging tied to "first-session snapshot" (PMM)	≥70% of trialists export Snapshot in first session; 25% trial→paid
2	Time/complexity blocks activation (Product)	High	High	high concern	P: H2 barriers (expertise, time)	Output-first flow; sector templat	Median minutes to Snapshot ≤20;

					es; micro-nudges (CPO)	SUS ≥75 in pilot
3	Buyer/lender acceptance of outputs (Market/Compliance)	Medium	High	moderate	S: TPT expectations; procurement pressure (TPT, 2023; Sage, PwC & ICC, 2023)	Co-design Snapshot format with 3 anchor buyers/bank; advisory letters (CEO)	≥60% "acceptable" rating from buyer/lender panel
4	Standards volatility (Compliance)	Medium	Medium	watch	S: ISSB/TPT evolution; GRI updates (GRI, 2021; TPT, 2023)	Mapping layer abstracted from UI; quarterly standards review (Head of Policy)	Zero breaking changes; updates shipped <30 days from change note
5	Data quality and privacy (Compliance/Trust)	Medium	High	moderate	P: H6 concerns on "checks and balances"	Tiered evidence levels; audit trail; GDPR-aligned DPA; role-based access (CTO)	<0.5% data-deletion requests; no P1 incidents
6	Substitution by spreadsheets/consultants or incumbent tools	Medium	Medium	watch	S: SMEs rely on ad-hoc tools (Sage, PwC & ICC, 2023)	Compete on speed-to-acceptable-output and	Win-loss: ≥50% wins vs "DIY/consultant" in pilot

#	Risk	Likelihood	Impact		Source	Mitigations	Target
	(Competitive)					ROSI clarity; import/export interop (PM)	
7	Partner channel under-delivers (Partnership/GTM)	Medium	High	moderate	P: not directly measured; plan depends on banks/accountants	Dual-track GTM; MOUs with 2 banks + 2 accountancies; partner enablement kit (VP Partnerships)	≥30% of new logos via partners by Month 6
8	CAC drift and churn elevate payback (Economics)	Medium	High	moderate	S: SaaS CAC inflation; churn norms (OpenView, 2023; McKinsey, 2021)	Partner flywheel; onboarding playbooks; customer success health scores (CRO)	CAC ≤£90 base; monthly churn ≤3% by Month 6
9	Over-claiming ROI/"greenwashing" perception (Credibility)	Medium	Medium	watch	S: measurement/causality cautions (Larcker, Tayan & Watts, 2021)	Assumption ledger; display ranges and sources; conservative defaults (CPO)	0 external challenges upheld; ≥80% users rate ROSI clarity "good+"

1 0	Funding runway shortfall (Finance)	Medium	High	moderate	P+S: unit economics fine; aggregate breakeven depends on scale	Stage OPEX; tranche-based raise; scenario triggers (CFO)	≥9 months runway post-raise; burn multiple ≤1.5 in base

5.12.2 Critical assumptions and test plan

The following assumptions underpin the compliance-plus-value design and the unit economics in Section 5.10. Each has a concrete test to convert uncertainty into evidence.

Table 5.11b Assumptions → evidence gap → planned test

Assumption	Current support	Evidence gap	Planned test and success criterion
SMEs value a standards-aligned Snapshot generated in the first session	P: H3 interest in auto-reports/guidance; H2 time/complexity	Activation speed and perceived acceptability	Usability pilot with 15 SMEs; success if median time ≤20 minutes and ≥70% rate Snapshot "useful for external sharing"
ROSI panel improves perceived business relevance and purchase intent	P: H3 interest in ROI tracking; H2 "no clear benefit" (minority)	Whether ROSI shifts intent and upgrade	A/B trial: Snapshot alone vs Snapshot+ROSI; +10% lift in trial→paid and +15% lift in upgrade intent
Partners can supply efficient distribution	S: banks/accountants request ESG data; procurement pull (TPT, 2023; Sage, PwC & ICC, 2023)	Conversion and CAC via partners	Two partner cohorts (bank, accountant), 50 invites each; success if invite→trial ≥25% and CACpartner ≤£60

			Buyer panel (n=10 across two sectors + one bank); ≥60% rate Snapshot "acceptable" and ≥30% request additional detail using our templates
Buyers/lenders accept outputs	S only	Acceptance rate in target segments	Buyer panel (n=10 across two sectors + one bank); ≥60% rate Snapshot "acceptable" and ≥30% request additional detail using our templates
Churn can be held ≤3% monthly in year one	S benchmarks (OpenView, 2023)	Early-cohort retention	CS playbooks; success if Month-3 logo churn ≤3% and product NPS ≥30

5.12.3 Link to TOWS and governance

Mitigations in Table 5.11a map to the TOWS in Section 5.4:

- **SO**: Leverage strengths in speed-to-output and standards mapping to capture procurement-driven opportunities (Sage, PwC & ICC, 2023).

- **WO**: Use partner credibility to offset early-stage brand weakness and accelerate acceptance (TPT, 2023).

- **ST**: Counter substitutes through ROI clarity and templates that reduce consultant reliance (Whelan and Douglas, 2021).

- **WT**: Limit exposure to standards change via a modular mapping layer (GRI, 2021; TPT, 2023).

Finally, to prevent credibility risk, a lightweight **assumption ledger** will document inputs and ranges for the ROSI calculator, with citations surfaced in-product (Larcker, Tayan and Watts, 2021). This aligns with the "evidence discipline" principle introduced in Chapter 2.

5.13 Roadmap, milestones, and resourcing

This section sets out a 12-month execution plan using a stage-gate model (Cooper, 2019), assigns responsibilities via a RACI matrix (Responsible, Accountable, Consulted, Informed), and outlines a pragmatic budget

envelope. Milestones explicitly close the three evidence gaps defined earlier: activation speed, buyer/lender acceptance, and partner channel efficacy.

5.13.1 Stage-gate plan (0–12 months)

Table 5.13a Stage-gate plan and pass criteria

Gate	Target month	Key deliverables	Evidence-based pass criteria
G0: Initiation & scoping	M0	Requirements baseline; sector templates v0.1; standards mapping blueprint (GRI/TPT)	Steering sign-off on scope; risk register initiated (top-10)
G1: MVP ready	M2	Working MVP with Snapshot, Transition Outline, ROSI v0.1; data model; onboarding flow; privacy policy	Internal QA pass; dry-run shows Snapshot export in ≤25 minutes for 3 personas
G2: Pilot launch	M3	Pilot protocol; 15-SME pilot cohort; analytics & logging; assumption ledger v0.1	Median time-to-Snapshot ≤20 minutes in first 10 sessions; SUS ≥70
G3: External acceptance	M5	Buyer/lender review panel (n=10); Snapshot and Transition templates iterated; 2 partner MOUs signed (bank, accountant)	≥60% "acceptable" ratings from panel; ≥25% invite→trial via partners
G4: MMP v1.0 ("minimum marketable product")	M7	Evidence locker; sector templates v1.0; role-based access; partner enablement kit; SOC2-lite controls	Churn ≤3% at Month-3 cohort; CACpartner ≤£60; no P1 security issues
G5: Scale readiness & fundraising	M12	Packaged compliance mappings; integrations (accounting/cloud docs); CS playbooks; investor materials	≥100 paying logos; net revenue retention ≥95%; CAC payback ≤6 months

SUS = System Usability Scale; CAC = customer acquisition cost.

5.13.2 Milestones at 6 and 12 months

Table 5.13b Time-boxed milestones

Time horizon	Product & tech	Market & partnerships	Compliance & trust	Success metrics
Month 6	MMP v1.0 shipped; ROSI v0.2; two sector templates (e.g., construction, professional services)	Two distribution partners live; first reference buyer and lender quotes	GDPR controls audited; standards mapping update process operational	60+ paying SMEs; median time-to-Snapshot ≤20 mins; ≥60% buyer/lender acceptance
Month 12	Integrations (Xero/QBO import, document e-sign); template library v1.5; multilingual UI v0.1 (if demanded)	Four partners live; co-marketing playbooks	Annual standards refresh; penetration testing completed	100–150 paying SMEs; NPS ≥30; CAC payback ≤6 months; logo churn ≤3%/month

5.13.3 Resourcing plan and RACI

Roles blend core hires and specialist contractors to control burn while meeting security and compliance expectations.

Core roles (first 6 months):

- Product Manager (Accountable for roadmap and activation KPIs)

- Senior Full-stack Engineer (Responsible for MVP/MMP delivery)

- Data/Back-end Engineer (Responsible for standards mapping, ROSI services)

- UX Designer/Researcher (Responsible for onboarding and SUS improvements)

- Head of Policy/ESG (Consulted on GRI/TPT mapping; owns buyer/lender panel)

- Partnerships Lead (Accountable for partner MOUs and enablement)

- Fractional CFO/Finance Ops (Consulted for CAC/LTV economics and funding)

- Customer Success (0.5 FTE initially; scales after Month 4)

Table 5.13c RACI for critical workstreams

Workstream	PM	Eng	Data/BE	UX	ESG Policy	Partnerships	CS	CFO/Fin
MVP/MMP delivery	A	R	R	C	C	I	I	I
Standards mapping & updates	C	C	R	I	A	I	I	I
ROSI methodology & ledger	C	C	R	I	A	I	I	C
Pilot operations & usability	A	C	C	R	C	I	R	I
Buyer/lender panel	C	I	I	I	A	C	I	I
Partner programme & enablement	I	I	I	I	C	A	C	I
Security, privacy, DPA	C	R	R	I	C	I	I	A (risk oversight)
Metrics & reporting (AARRR, CAC/LTV)	A	C	C	I	I	C	C	R

A = Accountable; R = Responsible; C = Consulted; I = Informed. DPA = data processing agreement; AARRR = acquisition, activation, retention, referral, revenue; LTV = lifetime value.

5.13.4 Budget envelope (12 months)

A lean but credible plan assumes a hybrid team with selective contracting. Figures are indicative in GBP and exclude VAT.

Table 5.13d Budget envelope (base case)

Category	Assumption	Annual cost (GBP)
People costs (6.5 FTE blended)	Avg fully-loaded £75k	£487,500
Cloud & data tooling	Hosting, analytics, security scanning	£45,000
Product & design tools	Repo, design, CI/CD, testing	£15,000
Compliance & legal	DPA, policies, penetration test, counsel	£35,000
Partner co-marketing & events	Two launches; enablement assets	£30,000
Customer support & incidental ops	Helpdesk, training, content	£17,500
Contingency (10%)	Risk buffer	£63,000
Total (12 months)		**£693,000**

Lean alternative (contractor-heavy, 4.5 FTE core): £480k–£520k, deferring multilingual UI and some integrations to Month 12.

Resourcing and spend are staged to gates (e.g., Partner Lead ramps post-G2; Customer Success increases post-G3). This preserves runway while linking costs to evidence milestones.

5.14 Funding plan

This section sets out (i) an investor narrative, (ii) sources-and-uses for a 12–18 month plan, (iii) expected runway and dilution under reasonable financing instruments, and (iv) a milestone-based tranche plan aligned to Section 5.12 gates. The approach follows standard entrepreneurial finance guidance on staging, dilution management, and evidence-driven release of capital (Feld and Mendelson, 2019; Metrick and Yasuda, 2021).

5.14.1 Investor narrative (problem–insight–solution–traction–ask)

- **Problem.** UK SMEs face rising expectations from buyers and lenders for concise, comparable sustainability information and credible transition plans, yet most lack time, expertise and affordable tooling to formalise

ESG practice (Sage, PwC and ICC, 2023; Transition Plan Taskforce, 2023; Mastercard, 2024).

- **Insight.** For SMEs, perceived value hinges on speed-to-usable output and a clear link between actions and financial drivers (cost, risk, growth). Tools that deliver a standards-referenced snapshot and an indicative Return on Sustainability Investment (ROSI) have greater adoption potential than generic ratings (Whelan and Douglas, 2021).

- **Solution.** ClearESG provides a GRI-aligned "SME Sustainability Snapshot," a TPT-style transition outline, and an assumption-transparent ROSI panel, in an onboarding flow designed to produce a first export within one session.

- **Early traction.** Primary research with UK SMEs (n=5 analytical base) indicates high interest in self-assessment, auto-generated reports and standards-aligned guidance; capability/time constraints dominate barriers; willingness-to-pay clusters at £11–£25 per month (ClearESG SME Survey, Aug 2025). Secondary sources corroborate these patterns and the procurement/credit pull (Sage, PwC and ICC, 2023; Mastercard, 2024).

- **Ask.** Capital to fund a 12–18 month program to reach Minimum Marketable Product (MMP), secure buyer/lender acceptance, and scale via bank/accountant partners; optional non-dilutive supplements (grants, R&D credits) to extend runway and reduce dilution.

5.14.2 Sources and uses of funds (base and lean cases)

Budget context. The evidence-based operating plan in Section 5.13 estimates a base 12-month cash need of ~£693k (people, cloud, compliance, partner enablement, contingency). This equates to ~£57.8k monthly burn in the base case.

To support 18 months of runway (recommended to reach G5 and initiate scale), the program requires ~£1.04m at current burn; including a prudent buffer (≈15%), the target raise is £1.2m. A lean alternative defers

integrations and non-critical features, lowering year-one spend to ~£500k and enabling a smaller raise to hit G4.

Table 5.14a Sources and uses

Scenario	Sources	Amount (£k)	Uses	Amount (£k)
Base (18-month runway)	Equity round (pre-seed)	1,200	People (6.5 FTE blended)	730
	Non-dilutive (grant/R&D credit)*	100	Cloud & tooling	60
	Minor revenue during pilot	50	Compliance & legal (incl. pen-test)	40
			Partner enablement & marketing	40
			Contingency (≈10%)	80
	Total	**1,350**	**Total**	**950**
			Cash reserve to month 18	**~400**
Lean (12-month runway)	Equity (smaller pre-seed)	650	People (4.5 FTE core)	420
	Non-dilutive (grant/R&D credit)*	75	Cloud & tooling	50
			Compliance & legal	30
			Partner enablement & marketing	30
	Total	**725**	**Total**	**530**

* Non-dilutive examples: innovation grants; UK R&D tax relief.

Eligibility and timing depend on program rules.

Notes. "Cash reserve" reflects liquidity retained to month 18 for unforeseen delays and to improve negotiating position for the next round (Feld and Mendelson, 2019).

5.14.3 Runway, valuation and dilution illustrations

- **Monthly burn (base).** ~£57.8k (from Section 5.12).

- **Runway.** £1.2m equity equates to ~20.8 months of base burn; with ramp-up of spend post-G3, practical runway is ~18 months.

- **Valuation and dilution (illustrative).**

  o If raised as priced equity at **£4.0m pre-money**, **£1.2m** implies **23.1%** post-money dilution.

  o If raised via a UK-style ASA/SAFE with a **£5.0m valuation cap** and **20% discount**, effective dilution at conversion (next priced round) would vary with the new round valuation (Metrick and Yasuda, 2021).

  o Targeting **15–25%** dilution at pre-seed is typical for ventures at MVP/MMP stage (Feld and Mendelson, 2019).

These are planning assumptions; actual terms depend on traction at gates G2–G4 and market conditions.

5.14.4 Milestone-based tranche plan

To align capital release with evidence, funds are staged against the gates defined in Section 5.13. Tranching may be implemented as (i) investor-agreed drawdowns on a convertible instrument, or (ii) internal budget gates with board oversight.

Table 5.14b Tranche plan linked to pass criteria

Tranche	Timing	Amount (indicative)	Purpose	Release criteria
T1	Months 0–3	£450k	Build MVP; run pilot cohort; instrument analytics and assumption ledger	G2 achieved: median time-to-Snapshot ≤20 minutes; SUS ≥70; ≥15 SMEs onboarded to pilot

				G4 achieved: ≥60% buyer/lender "acceptable"; ≥2 partner MOUs live; churn ≤3% at M3-cohort
T2	Months 4–7	£450k	Iterate to MMP; buyer/lender panel; partner enablement kit; security hardening	
T3	Months 8–12	£300k	Integrations (accounting/docs); sector templates v1.5; scale CS	G5 progress: ≥100 paying SMEs; NRR ≥95%; CAC payback ≤6 months

If the lean scenario is selected, T1 reduces to ~£300k and T3 is deferred or downsized until partnership-led acquisition validates CAC and payback.

5.14.5 Instrument choice and investor profiles

- **Preferred instruments.** Convertible instruments (ASA/SAFE) to reduce legal friction and allow price discovery at seed, with a valuation cap and discount calibrated to traction at G3–G4 (Feld and Mendelson, 2019).

- **Investor mix.** Impact-oriented angels, sustainability-focused seed funds, and strategic distribution partners (banks/accountants) with co-marketing credits rather than balance-sheet investment. This mix aligns incentives with partner-led acquisition and credibility with buyers/lenders.

5.14.6 Use-of-funds to de-risk the model

Capital is explicitly targeted at closing the three decision-critical uncertainties:

1. **Activation speed.** Investment into UX research and onboarding engineering to achieve <20-minute first export (SUS ≥70).

2. **External acceptance.** Establishment of buyer/lender review panels; iteration of document structure to match expectations from TPT/GRI

anchors (Transition Plan Taskforce, 2023; Global Reporting Initiative, 2021).

3. **Channel efficacy.** Partner enablement kits, shared webinars, and co-branded invitations to benchmark invite→trial→paid conversion, controlling CAC.

5.14.7 Contingencies and non-dilutive levers

- **Grants and credits.** Where eligible, apply for innovation grants and claim R&D tax relief to reduce net burn.

- **Partner contributions.** In-kind support (data access, co-marketing) from banks/accountants; these reduce acquisition and onboarding costs.

- **Scope control.** If tranches lag, defer multilingual UI and non-core integrations to preserve runway.

5.15 Chapter synthesis

This section consolidates the venture thesis into an Assumptions–Evidence–Action matrix. It links each critical assumption to the best available primary evidence (ClearESG SME Survey, Aug 2025) and secondary evidence (standards, market studies), specifies the risk if the assumption fails, and defines the next experiment, success metric and decision rule. This closes the loop from Chapters 1–4 to the design and plan in Chapter 5 and creates a living "assumption ledger" to be updated during the pilot.

Table 5.15a Assumptions–Evidence–Action matrix

Critical assumption	Current evidence (P/S)	Risk if wrong	Next experiment & owner	Success metric & decision rule	Status

A1. SMEs will adopt when the first usable output is fast and recognisable.	**P:** 4/5 want self-assessment and auto-reports; 4.2/5 intent for "simpler tools". **S:** GRI is the most-used stakeholder framework; UK buyers/lenders prefer concise, comparable plans (GRI, 2021; TPT, 2023; Sage, PwC and ICC, 2023).	Low activation and high churn.	Usability test (Product): 20 think-aloud sessions; time-to-first GRI Snapshot.	Median ≤20 minutes; SUS ≥70. If not met, iterate onboarding and data capture before scale.	Amber
A2. Standards-mapped guidance (GRI/TPT) is "good enough" for buyer/lender acceptance.	**P:** Qualitative asks for "quick, reliable" outputs and "checks and balances". **S:** TPT sets UK climate transition expectations; GRI recognised for impact reporting (TPT, 2023; GRI, 2021).	Outputs rejected in tenders/credit; weak perceived value.	Panel review (Research): 10 procurement/credit reviewers score documents.	≥60% "acceptable as-is" on first review; ≥80% after one iteration. If below, adjust structure and evidence cues.	Amber

	P/S	Risk	Test	KPI	RAG
A3. ROI framing (ROSI) increases perceived value and willingness to pay.	**P:** 3/5 want ROI tracking; cost/benefit clarity cited. **S:** ROSI helps financial decision-makers connect actions to P&L (Whelan and Douglas, 2021).	Pricing pressure; stalled upgrades.	A/B test (Product/RevOps): Snapshot vs Snapshot+ROSI trial flows.	+20% conversion to paid and +15% ARPU with ROSI. If not, simplify calculator and surface clearer assumptions.	Amber
A4. Entry price at £11–£25/month is acceptable for a single-seat plan.	**P:** 4 select £11–£25; 1 selects £26–£50. **S:** SME affordability constraints documented (Mastercard, 2024).	Lower-than-modeled ARPU or free-riding.	Price test (RevOps): Good–Better–Best offers across cohorts.	Win rate ≥30% at £19–£25; churn ≤3% M3. If not, re-bundle value fences and revisit ICP focus.	Green
A5. Partner-led distribution (banks/accountants) reduces CAC and boosts trust.	**P:** Barriers = time/complexity; partners already hold data. **S:** Procurement/credit pull; advisors influence SME tooling (Sage, PwC and	High CAC and slow sales if direct-only.	Partner pilot (Partnerships): Two MOUs; co-branded invites to 500 SMEs.	Invite→trial ≥8%; trial→paid ≥25%; CAC payback ≤6 months. If not, rebalance to direct + content-led acquisition.	Amber

	ICC, 2023).				
A6. Minimal viable compliance (security, GDPR, basic audit trail) is sufficient for early enterprise buyers.	**S:** TPT/GRI set disclosure, not IT controls; SMEs expect pragmatic governance (TPT, 2023).	Security objections; procurement blocks.	Controls audit (Security): External pen-test; DPA templates; log immutability demo.	0 critical findings; pass 3 enterprise security questionnaires. If fails, prioritise controls ahead of feature work.	Green
A7. The initial sector-agnostic template covers common SME needs; sector packs can follow.	**P:** No sector pushback in small-N; wide feature overlap. **S:** Many SME ESG needs are horizontal (GRI core topics).	Relevance gap; low acceptance in regulated niches.	Template telemetry (Product): Field usage and "other sector" requests.	≥70% fill-rate on core fields; <10% drop-offs at sector prompts. If not, fast-track top-2 sector packs.	Green
A8. Spreadsheet/ consultant substitutes are slower or costlier for first outputs.	**S:** Consultants are episodic and costly; manual spreadsheets are high-friction (Sage, PwC and ICC, 2023).	Weak differentiation; pricing squeeze.	Time-and-cost benchmark (Research): Compare 10 SMEs using current method vs ClearESG.	≥50% faster to acceptable output; ≥60% perceived cost saving vs consultant. If not, increase automation and templates.	Amber

A9. Early unit economics are viable at modeled funnels.	**P:** WTP bands; interest in core features. **S:** Typical SaaS GM and payback benchmarks (industry norms).	Unsustainable burn; difficult follow-on.	Cohort instrumentation (RevOps/Finance): Track AARRR and LTV:CAC weekly.	CAC payback ≤6 months; GM ≥75% by Q2; net revenue retention ≥95% by M6. If not, tighten spend and focus on higher-ICP segments.	Amber
A10. Evidence integrity (assumption ledger) builds credibility and reduces pushback.	**S:** Cautions on ESG causality and over-claiming (Larcker, Tayan and Watts, 2021).	Trust erosion; compliance risk.	Ledger review (Research): Buyer/lender panel feedback on clarity of assumptions and sources.	≥80% rate ledger "clear/appropriate"; <5% negative feedback on over-claiming. If not, simplify language and cite standards explicitly.	Green

Interpretation. Most assumptions are Amber, appropriate for a venture at MVP/MMP. The plan in Section 5.8–Section 5.12 already schedules experiments that directly target these uncertainties: usability trials for activation speed (A1), buyer/lender panels for acceptance (A2, A10), pricing and packaging experiments (A4), partner pilots to validate CAC/payback (A5, A9), and security hardening (A6). The matrix should be reviewed at each stage gate; assumptions that remain Amber after two test cycles should trigger either a design change or a narrowed ICP focus.

Chapter 6: Conclusion

6.1 Summary of aims and approach

This project designed and validated the early business case for ClearESG, a digital platform for UK SMEs that simplifies ESG adoption, management and reporting. Anchored in Stakeholder Theory, Triple Bottom Line, Creating Shared Value and ROSI, the study combined a small N primary survey with secondary standards and market evidence to develop a compliance plus value proposition aligned with UK disclosure signals from TPT and the ISSB (Freeman, 1984; Elkington, 1997; Porter and Kramer, 2011; Whelan and Douglas, 2021; Transition Plan Taskforce, 2023; Global Reporting Initiative, 2021). Methodologically, a pragmatist, abductive, mixed methods design measured awareness, barriers, feature demand and willingness to pay, and then translated findings into an MVP, GTM plan, pricing posture and a pilot focused on three uncertainties: activation speed, buyer/lender acceptance and channel effectiveness (Saunders, Lewis and Thornhill, 2019; Creswell and Plano Clark, 2018; Bryman and Bell, 2015).

6.2 Key findings relative to objectives

- **Awareness and adoption:** Familiarity coexisted with uneven formalisation; conditional intent rose with promises of simpler tools—consistent with SME evidence on capability, time and translation burdens (Sage, PwC and ICC, 2023; Mastercard, 2024).

- **Barrier salience:** Capability and capacity constraints dominated; cost was material but secondary to complexity and literacy (Mastercard, 2024).

- **Feature demand:** Highest interest concentrated on self-assessment, auto generated reports, standards aligned guidance, education prompts and financial ROI visibility—supporting an MVP of GRI aligned Snapshot, TPT style Transition Outline and an indicative ROSI panel (GRI, 2021; TPT, 2023; Whelan and Douglas, 2021).

- **Willingness to pay:** Baseline clustered at £11–£25 per month, supporting a low friction entry tier with defensible upsells (Mastercard, 2024).

- **Qualitative expectations:** Speed to reliable output, governance without disruption and "no tool sprawl" reinforced an output first product principle and an assumption ledger to avoid over claiming (Larcker, Tayan and Watts, 2021).

6.3 Contributions to knowledge and practice

- **Theory into design:** The study operationalises sustainability logics into product principles—standards mapping, practical materiality, ROI first recommendations, evidence integrity and output first experience—linking abstract theory to venture choices for SMEs (Freeman, 1984; Elkington, 1997; Porter and Kramer, 2011; Whelan and Douglas, 2021).

- **Compliance plus value bridge:** It demonstrates a tractable path for SMEs to produce stakeholder recognisable outputs aligned with GRI and TPT, while articulating a finance-oriented case via ROSI—meeting procurement and lender expectations for concise, comparable information (GRI, 2021; TPT, 2023; Sage, PwC and ICC, 2023).

- **Evidence led planning:** Chapter 5 integrates BMC, PESTLE, Five Forces, JTBD, Value Chain, Strategy Canvas, TOWS, AARRR, unit economics and sensitivity analysis, governed by an Assumptions–Evidence–Action ledger.

6.4 Limitations and implications

Small N and non-probability sampling limit inference; findings are reported as counts with bases and triangulated with authoritative sources (Creswell and Plano Clark, 2018; Saunders, Lewis and Thornhill, 2019). Three constructs were not directly measured—activation speed, external acceptance and channel efficacy—and now anchor the pilot. The standards landscape is dynamic; using GRI for impact reporting and TPT for transition

planning, plus an assumption ledger and template telemetry, provides stability with adaptability (GRI, 2021; TPT, 2023).

6.5 Practical next steps

1. **Usability and activation tests:** measure median minutes to first Snapshot and SUS ≥ 70.

2. **Buyer/lender acceptance panels:** iterative reviews towards a predefined acceptance threshold.

3. **Partner pilots:** co-branded invitations through two bank/accountant partners to test trust, CAC and data frictions.

4. **Pricing experiments:** good–better–best within the £11–£25 entry tier; upsells to finance ready briefs, evidence lockers and integrations.

5. **Governance baselines:** DPAs, GDPR documentation and an immutable assumption log to support early diligence.

6.6 Closing statement

Within the constraints of the instrument, the project provides a defensible route to an MVP that is externally legible and economically meaningful for SMEs. The pilot will now test whether the time to value, acceptance and channel hypotheses hold at small scale; the venture thesis will be updated through the Assumptions–Evidence–Action cadence.

Chapter 7: Reflection

7.1 Description

I set out to design a venture that helps UK SMEs translate ESG expectations into usable outputs and financially coherent actions. I scoped the problem, locked a small survey instrument (Q1–Q16), collected five eligible responses, and triangulated the patterns with standards and market evidence. I then translated the evidence into an MVP, GTM, pricing and a pilot plan centred on activation speed, acceptance and channels.

7.2 Feelings

At the outset I felt confident about strategy toolkits and cautious about primary evidence depth. I was energised by the clarity of the "output first" idea, yet uneasy about small N risks and my own tendency to "solve by building." During analysis, confidence rose as the survey and literature converged; discomfort persisted around whether reviewers would accept the generated documents without manual curation.

7.3 Evaluation

What worked well:

- A story first approach—problem → theory → evidence → design—kept the venture coherent.

- Early choice to anchor on GRI/TPT created instant legibility for external audiences.

- The assumption ledger (informed by Larcker, Tayan and Watts, 2021) improved credibility and my own discipline.

- A partner led GTM recognised trust and data realities for SMEs.

What did not work as well:

- I locked the survey instrument too early, limiting measurement of activation time and acceptance.

- I initially underweighted onboarding copy and defaults—critical levers for speed.

- I allowed optimism bias to shape early pricing enthusiasm before running true Gabor–Granger tests.

7.4 Analysis

Through Gibbs' lens, my strongest positive driver was aligning Stakeholder/TBL/CSV/ROSI with JTBD and value chain loci, which turned abstract concepts into testable product decisions (Freeman, 1984; Elkington, 1997; Porter and Kramer, 2011; Whelan and Douglas, 2021). The shortfall on instrument scope reflects a gap between single loop corrections (tuning features) and double loop learning (testing acceptance criteria explicitly). My earlier leadership work on calm rooms and sense making helped me treat resistance—e.g., the "not interested" response—as usable signal rather than noise. Finally, adopting a growth mindset reframed small N as an input to a pilot, not a failure of ambition.

7.5 Conclusion

I have strengthened three capabilities: (1) translating theory into decision useful artefacts; (2) designing measurement before conviction; and (3) maintaining evidence traceability under time pressure. I also surfaced three watch outs: (a) avoid tool first bias; (b) embed acceptance testing early; (c) let partners shape activation flows where trust and data already exist.

7.6 Action plan

Instrument and evidence

- Add an in product four question Gabor–Granger after activation; run quarterly.

- Build a reviewer acceptance rubric with one bank and one buyer group; require ≥ 60% acceptance before scale.

- Expand sample via partner lists; target n ≥ 30 for descriptive stability; capture time to first Snapshot automatically.

Product and GTM

- Ship defaults for sector presets; pre fill via partner data to cut steps.

- A/B test ROSI panel presence and partner pre fill against activation and paywall conversion.

- Keep entry price ≤ £25 until Pro conversion reliably exceeds 10% of activations.

Personal development

- Practice semi structured interviews (pilot B and C) with a standard guide; review recordings weekly.

- Run a Friday reflection using a one-page learning card

- Seek two mentoring sessions on enterprise acceptance criteria (assurance, audit trails) to anticipate objections.

Ethics and governance

- Maintain a DPIA pipeline, monthly review of subprocessors, and assurance ready exports.

- Keep the assumption ledger visible in outputs; avoid dark patterns; ensure data portability at all tiers.

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Appendix

Appendix A

Section A — Screening & Consent

Q1. Are you a decision-maker (owner/founder, director or senior manager) at a UK-based SME (<250 employees)? [Yes/No]
Q2. Approximately how many employees does your firm have? [Micro (1–9) / Small (10–49) / Medium (50–249)]
Q3. Consent: I have read the information sheet and consent to take part. [Yes/No]

Section B — ESG awareness & adoption

Q4. How familiar are you with "ESG" terminology? [Very familiar / Somewhat familiar / Heard of it, unsure of details / Not familiar]
Q5. Current status: Does your firm currently have documented ESG policies/practices? [Yes, formal and monitored / Yes, but informal / Not yet, considering / Not at this time]
Q6. What are the main barriers to ESG in your firm? *(Select all that apply.)* [Lack of internal expertise / Lack of time or resources / ESG reporting is too complex / ESG is too expensive / Not required by clients/investors / No clear business benefit / Other (free text)]

Section C — Tools & features

Q7. Have buyers/lenders asked you for ESG information in the last 12 months? [Yes/No/Unsure]
Q8. Which artefacts would be most useful right now? *(Select all.)* [Standards-referenced Snapshot / One-page Transition Outline / Buyer-ready Factsheet / Evidence locker / Not sure / Other (free text)]
Q9. Which features would you actually use? *(Select all.)* [Guided, jargon-light forms / Minimal baseline capture / Materiality helper / Assumption-evidence ledger / Indicative ROSI panel / Governance checklist / Other (free text)]
Q10. Preferred delivery model? [Self-serve web app / With accountant/bank

partner / Consultant-assisted / Other]

Section D — Value & willingness to pay

Q11. If the tool got you a buyer- or lender-acceptable pack in <1 hour, what would that be worth to your firm? [Open text]

Q12. Likely monthly price band you'd consider? [£0–£10 / £11–£25 / £26–£50 / £51–£100 / >£100]

Q13. Preferred primary output to start with? [Snapshot / Transition Outline / Both equally / Other] *(add if missing)*

Section E — Open questions & follow-up

Q14. Biggest concern about ESG tools? [Open text]

Q15. What would make you trust an ESG output? [Open text]

Q16. Can we contact you for a short follow-up? [Yes (email/phone) / No]

Appendix B – Recruitment messages (email/LinkedIn)

- Email subject: Quick 3-minute SME survey on ESG requests (procurement/bank)

    Body (100 words): Hi <Name>, I'm conducting a Strathclyde MBA project on how SMEs handle ESG requests from buyers and lenders. It's a short, anonymous survey (3–5 mins). Your input will directly shape a practical tool for SMEs (no sales). If helpful, we can share a one-page summary of results. Link: <survey>. Thanks either way — Arnav.

- LinkedIn post (80–100 words): UK SME owners/managers: are buyers or banks asking for ESG info? I'm researching what would actually make this easier and worthwhile. Anonymous 3–5 min survey; results will inform a practical tool for SMEs. Link in comments. Thank you!

Appendix C – Open-text exemplar quotes

2–3 illustrative quotes per code (anonymised) with a 1-line "so-what". *(Reference from Section 3.6)*

Appendix D – Descriptive tables and charts

Bar charts for Q4, Q5, Q6, Q8, Q10, Q12; cross-tabs Q8×Q4; Q8×Q5; Q10×Q6. Each with **n** displayed. *(Reference from Section 3.6)*

Appendix E – Financial Model & Detailed Monthly Tables

ClearESG_36m_financials.xlsx