

TeamACE Partnership - Cash Flow Conscious Options

Balancing Product Investment with Operational Reality

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Financial Reality

Constraint	Amount
Rozitech Monthly Operational Need	\$3,250/month
90-Day Development Period	3 months
Minimum Cash Required	\$9,750
Original Quote to TeamACE	\$37,212
Margin in Original Quote	~\$27,462 (74% margin)

Opportunity: With lower operational costs, Rozitech has flexibility to invest in product development while maintaining sustainability.

Option 1: Phased Payment Plan (Recommended)

Structure

TeamACE pays in installments aligned with development milestones, while Rozitech retains product IP for future market expansion.

Milestone	Timing	Payment	Rozitech Receives
Kickoff	Month 0	\$8,000	Covers Month 1 ops + buffer
Mid-Point	Month 1.5	\$6,000	Covers Month 2 ops
UAT Ready	Month 2.5	\$5,000	Covers Month 3 ops
Go-Live	Month 3	\$3,000	Final payment
Total	-	\$22,000	-

Terms

Aspect	Terms
TeamACE Pays	\$22,000 (41% discount from \$37,212)
IP Ownership	Rozitech retains product IP
TeamACE License	Perpetual, exclusive Nigeria use for 2 years
Hosting	\$350/month (reduced from \$500)
Future Customers	Rozitech can sell to non-Nigeria markets
Nigeria Referrals	TeamACE gets 20% commission

Cash Flow Impact

Month	TeamACE Payment	Rozitech Ops Cost	Net Position
Month 1	\$8,000	\$3,250	+\$4,750
Month 2	\$6,000	\$3,250	+\$2,750
Month 3	\$8,000	\$3,250	+\$4,750
Total	\$22,000	\$9,750	+\$12,250

Outcome: Rozitech covers operations + \$12,250 profit + retains product IP for future African market sales.

Option 2: Founding Customer (Product Investment)

Structure

Rozitech invests in building the full platform, TeamACE becomes founding customer with significant benefits.

Component	Details
Rozitech Investment	Full development cost absorbed
TeamACE Pays	\$10,000 setup + \$299/month subscription
IP Ownership	Rozitech owns 100%
TeamACE Benefits	24 months free, then 50% discount for life
Referral Commission	25% on all Nigeria sales

TeamACE Benefits Summary

Benefit	Value
Upfront savings	\$27,212 (vs custom build)
24 months free hosting	\$8,400 saved
Lifetime 50% discount	~\$1,800/year ongoing
Referral income potential	25% of Nigeria sales
Total 3-Year Value	~\$40,000+

Cash Flow Impact (Rozitech)

Month	Revenue	Ops Cost	Net
Month 1	\$10,000 (setup)	\$3,250	+\$6,750
Month 2	\$0	\$3,250	-\$3,250
Month 3	\$0	\$3,250	-\$3,250
Development Period	\$10,000	\$9,750	+\$250
Month 4-27	\$0 (free period)	\$0 hosting cost	\$0

Month	Revenue	Ops Cost	Net
Month 28+	\$150/mo (50% of \$299)	-	Ongoing

Outcome: Rozitech breaks even during development, owns product for African market expansion. Revenue grows as more customers added.

Option 3: Equity Partnership

Structure

TeamACE receives equity stake in exchange for reduced payment and market commitment.

Component	Terms
TeamACE Pays	\$10,000 (73% discount)
Equity Stake	20% of product revenue (Nigeria)
Payment Terms	\$5,000 kickoff + \$5,000 at go-live
TeamACE Role	Nigeria market advisor + reseller
Rozitech Owns	100% product IP, 80% Nigeria revenue

TeamACE Benefits

Benefit	Value
Reduced Price	\$10,000 (73% discount)
Revenue Share	20% of all Nigeria platform revenue
Founding Customer Status	Priority features, case study
Advisory Role	Quarterly product input sessions

Revenue Share Example

Year	Nigeria ARR	TeamACE Share (20%)
Year 1	\$36,000	\$7,200
Year 2	\$100,000	\$20,000
Year 3	\$200,000	\$40,000

Cash Flow Impact

Month	Revenue	Ops Cost	Net
Month 1	\$5,000	\$3,250	+\$1,750
Month 2	\$0	\$3,250	-\$3,250
Month 3	\$5,000	\$3,250	+\$1,750
Total	\$10,000	\$9,750	+\$250

Outcome: Rozitech barely breaks even, but gains committed Nigeria partner with aligned incentives.

Option 4: Full Product Investment (Zero Cost to TeamACE)

Structure

Rozitech fully invests in the platform as a product play. TeamACE pays nothing upfront.

Component	Terms
TeamACE Pays	\$0 upfront
Subscription	Free 12 months, then \$199/month
Rozitech Investment	~\$9,750 (3 months ops)
IP Ownership	100% Rozitech
TeamACE Commitment	Reference customer, 3-year contract

What TeamACE Provides

In exchange for free platform: 1. **Case Study** - Detailed success story for marketing 2. **Testimonials** - Video and written endorsements 3. **Logo Rights** - Use TeamACE logo in marketing 4. **Referrals** - Introduce 5+ HR firms in Year 1 5. **Feedback** - Monthly product feedback sessions 6. **3-Year Lock-in** - Committed customer

Cash Flow Impact (Rozitech)

Month	Revenue	Ops Cost	Net
Month 1-3	\$0	\$9,750	-\$9,750
Month 4-15	\$0 (free period)	~\$0	\$0
Month 16+	\$199/month	~\$50	+\$149/month

Break-even: Requires 2-3 additional paying customers within 6 months to offset investment.

Risk/Reward

Risk	Mitigation
No upfront revenue	Low ops cost makes it survivable
TeamACE doesn't refer	Contractual referral commitment
Product doesn't sell	TeamACE validates product-market fit

Outcome: Maximum TeamACE goodwill, strongest partnership, highest risk for Rozitech.

Option 5: Joint Venture (Nigeria Market)

Structure

Create formal partnership entity for Nigerian market.

Component	Details
Entity	“ConsultPro Nigeria” or similar
Ownership	Rozitech 70%, TeamACE 30%
TeamACE Contribution	Market access, domain expertise, \$5,000
Rozitech Contribution	Technology, development, hosting
Revenue Split	Per ownership (70/30)

What TeamACE Gets

- 30% ownership of Nigeria product company
- Minimal capital investment (\$5,000)
- Long-term wealth creation if product scales
- Decision-making role in Nigeria operations

What Rozitech Gets

- 70% ownership + technology control
- Local operations partner
- Skin-in-the-game from TeamACE
- Shared market development

Cash Flow Impact

Month	Revenue	Ops Cost	Net
Month 1	\$5,000	\$3,250	+\$1,750
Month 2	\$0	\$3,250	-\$3,250
Month 3	\$0	\$3,250	-\$3,250
Total	\$5,000	\$9,750	-\$4,750

Note: Rozitech would need ~\$5,000 buffer or other income to cover shortfall.

Outcome: True partnership with aligned long-term incentives, but requires Rozitech to partially fund.

Comparison Matrix

Option	TeamACE Pays	Rozitech Net	Risk	Best For
1: Phased Payment	\$22,000	+\$12,250	Low	Balanced deal

Option	TeamACE Pays	Rozitech Net	Risk	Best For
2: Founding Customer	\$10,000	+\$250	Medium	Product play
3: Equity Partnership	\$10,000	+\$250 + 80% rev	Medium	Long-term alignment
4: Full Investment	\$0	-\$9,750	High	Maximum goodwill
5: Joint Venture	\$5,000	-\$4,750 + 70%	High	True partnership

Recommendation

If Rozitech Prioritizes Cash Flow: Option 1 (Phased Payment)

Why: - Covers Rozitech operations + \$12,250 profit - TeamACE saves \$15,212 (41% discount vs original quote) - Simple structure, clear deliverables - Rozitech retains product IP for African market - Low execution risk

If Rozitech Prioritizes Product Play: Option 2 (Founding Customer)

Why: - TeamACE pays only \$10,000 (73% discount) - Rozitech breaks even during development - Full product ownership for future sales - Strong reference customer for marketing - 25% referral commission incentivizes TeamACE to sell

If TeamACE Wants Maximum Value: Option 3 (Equity Partnership)

Why: - Same \$10,000 cost as Option 2 - TeamACE gets 20% of Nigeria revenue forever - Potential \$40,000+/year in revenue share - True skin-in-the-game alignment

Proposed Conversation with TeamACE

Opening Position

"We've analyzed opportunities to make this a product for the African HR consulting market. We're prepared to invest in the platform and offer you significantly reduced pricing in exchange for being our founding customer and Nigeria partner."

Lead Offer: Option 2 (Founding Customer)

Element	Terms
Setup Cost	\$10,000 (73% discount from \$37,212)
Subscription	Free for 24 months
After 24 months	50% off standard pricing (\$150/month)

Element	Terms
Hosting	Included
Referral Commission	25% on Nigeria sales you refer
Priority Features	3 custom requests per year

If They Want Lower Cost

Move to Option 3: \$10,000 + 20% revenue share (they earn back their investment through referrals)

If They Want Zero Cost

Move to Option 4: \$0 but requires 3-year contract + 5 referral introductions + case study commitment

Walk-Away Point

Minimum \$10,000 to ensure some skin-in-the-game from TeamACE.

Summary: What Rozitech Needs

Scenario	From TeamACE	Rozitech Position
Break-even	\$9,750	Covers 3 months ops
Comfortable	\$15,000	+\$5,250 buffer
Profitable	\$22,000	+\$12,250 profit

Key Insight

With only \$3,250/month operational cost, Rozitech can afford to:

- Offer 73% discount (\$10,000 vs \$37,212)
- Absorb some development cost for product ownership
- Still break even or profit slightly
- Build a scalable product for African market

Best Scenario for Both Parties

Option 2: Founding Customer strikes the ideal balance:

Party	Gets	Gives
TeamACE	\$27,212 savings + 24mo free + 25% referrals	\$10,000 + reference commitment
Rozitech	Break-even + product IP + Nigeria partner	Development investment

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