

# TeamACE Partnership - Cash Flow Conscious Options

## Balancing Product Investment with Operational Reality

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### Financial Reality

Constraint	Amount
<b>Rozitech Monthly Operational Need</b>	\$3,250/month
<b>90-Day Development Period</b>	3 months
<b>Minimum Cash Required</b>	\$9,750
<b>Original Quote to TeamACE</b>	\$37,212
<b>Margin in Original Quote</b>	~\$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
<b>Kickoff</b>	Month 0	\$8,000	Covers Month 1 ops + buffer
<b>Mid-Point</b>	Month 1.5	\$6,000	Covers Month 2 ops
<b>UAT Ready</b>	Month 2.5	\$5,000	Covers Month 3 ops
<b>Go-Live</b>	Month 3	\$3,000	Final payment
<b>Total</b>	-	<b>\$22,000</b>	-

#### Terms

Aspect	Terms
<b>TeamACE Pays</b>	\$22,000 (41% discount from \$37,212)
<b>IP Ownership</b>	Rozitech retains product IP
<b>TeamACE License</b>	Perpetual, exclusive Nigeria use for 2 years
<b>Hosting</b>	\$350/month (reduced from \$500)
<b>Future Customers</b>	Rozitech can sell to non-Nigeria markets
<b>Nigeria Referrals</b>	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
<b>Total</b>	<b>\$22,000</b>	<b>\$9,750</b>	<b>+\$12,250</b>

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

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## Option 2: Founding Customer (Product Investment)

### Structure

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

Component	Details
<b>Rozitech Investment</b>	Full development cost absorbed
<b>TeamACE Pays</b>	\$10,000 setup + \$299/month subscription
<b>IP Ownership</b>	Rozitech owns 100%
<b>TeamACE Benefits</b>	24 months free, then 50% discount for life
<b>Referral Commission</b>	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
<b>Total 3-Year Value</b>	~\$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
<b>Development Period</b>	<b>\$10,000</b>	<b>\$9,750</b>	<b>+\$250</b>
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
<b>TeamACE Pays</b>	\$10,000 (73% discount)
<b>Equity Stake</b>	20% of product revenue (Nigeria)
<b>Payment Terms</b>	\$5,000 kickoff + \$5,000 at go-live
<b>TeamACE Role</b>	Nigeria market advisor + reseller
<b>Rozitech Owns</b>	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
<b>Total</b>	<b>\$10,000</b>	<b>\$9,750</b>	<b>+\$250</b>

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

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## 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
<b>TeamACE Pays</b>	\$0 upfront
<b>Subscription</b>	Free 12 months, then \$199/month
<b>Rozitech Investment</b>	~\$9,750 (3 months ops)
<b>IP Ownership</b>	100% Rozitech
<b>TeamACE Commitment</b>	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.

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## Option 5: Joint Venture (Nigeria Market)

### Structure

Create formal partnership entity for Nigerian market.

Component	Details
<b>Entity</b>	“ConsultPro Nigeria” or similar
<b>Ownership</b>	Rozitech 70%, TeamACE 30%
<b>TeamACE Contribution</b>	Market access, domain expertise, \$5,000
<b>Rozitech Contribution</b>	Technology, development, hosting
<b>Revenue Split</b>	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
<b>Total</b>	<b>\$5,000</b>	<b>\$9,750</b>	<b>-\$4,750</b>

**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.

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### Comparison Matrix

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

Option	TeamACE Pays	Rozitech Net	Risk	Best For
<b>2: Founding Customer</b>	\$10,000	+\$250	Medium	Product play
<b>3: Equity Partnership</b>	\$10,000	+\$250 + 80% rev	Medium	Long-term alignment
<b>4: Full Investment</b>	\$0	-\$9,750	High	Maximum goodwill
<b>5: Joint Venture</b>	\$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
<b>Break-even</b>	\$9,750	Covers 3 months ops
<b>Comfortable</b>	\$15,000	+\$5,250 buffer
<b>Profitable</b>	\$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
<b>TeamACE</b>	\$27,212 savings + 24mo free + 25% referrals	\$10,000 + reference commitment
<b>Rozitech</b>	Break-even + product IP + Nigeria partner	Development investment

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