FLAGIUM - Product Specification (MVP-1)

1. Product Vision

Flagium is a financial risk detection engine that identifies early signs of deterioration in listed companies using quarterly financial data.
It does not predict stock prices or provide buy/sell recommendations. It detects financial stress patterns early.

2. Problem Statement

Investors often focus on valuation and growth while missing deterioration patterns. Existing platforms display data and ratios but do not systematically detect emerging financial stress. Flagium focuses on structured early-warning detection.

3. Target User (MVP-1)

- Serious retail investors
- Fundamental analysts
- Small PMS / RIAs
- Long-term focused investors seeking explainable risk detection

4. Core Value Proposition

Screener shows financial data.
Flagium detects when the financial structure begins to weaken.

5. MVP-1 Scope

Included:

- Quarterly financial ingestion (manual Excel)
- MySQL storage
- 3–5 deterministic red flag rules
- CLI risk report
- Risk scoring

Not Included:
- Stock price integration
- Web scraping
- UI/Dashboard
- Portfolio features
- ML models

6. Red Flag Engine (MVP-1 Rules)

F1: OCF < PAT in 2 of last 3 quarters (HIGH)
F2: Negative FCF for 3 consecutive quarters (HIGH)
F3: Revenue down YoY and Debt up YoY (MEDIUM)
F4: Interest Coverage < 2 (HIGH)
F5: Net Profit down > 50% YoY (MEDIUM)

7. Risk Scoring Model

Start Score: 100

HIGH severity: -30
MEDIUM severity: -15

Score Interpretation:
80–100: Stable
60–79: Early Warning
40–59: Elevated Risk
Below 40: High Risk

8. User Workflow

1. Create company in database
2. Upload quarterly Excel
3. Run flag engine via CLI
4. Receive risk report and score

9. Product Philosophy

- Deterministic over probabilistic
- Explainable over complex
- Deterioration-focused
- Trust over automation

10. Final Definition

Flagium MVP-1 is a locally executed, deterministic quarterly financial risk engine that generates explainable red flags and a risk score using manually ingested financial data.