

Investor Objections Playbook

Reasons **Not** to Invest in Bloom [🔗](#)

1. "It's a Middleware Without a Market" [🔗](#)

"Bloom wants to be the 'data infrastructure layer' — but for who? If ESG teams already struggle to secure budget, they're not going to spend it on backend plumbing. They want dashboards, insights, and compliance-ready reports. Middleware is invisible — and non-strategic — to them."

- ESG buyers care about outcomes (e.g. CSRD, SEC compliance), not infrastructure.
- Middleware is a hard sell unless it's bundled inside an end-user product.
- Competing ESG vendors already offer all-in-one platforms that bake in integrations.

2. "They're Competing with API Giants — and Losing" [🔗](#)

"If I want Workday or SAP data, I'll use an existing connector: Fivetran, Tray.ai, Boomi, or even native Power BI integrations. Why would I buy Bloom's custom connector when I can get enterprise-grade ones today?"

- Fivetran, Workiva, and others already handle ESG-relevant integrations.
- Bloom risks being seen as reinventing the wheel — but with fewer features and credibility.
- Enterprise buyers already have these integrations in their stack.

3. "ESG Budgets Are Soft — and Shrinking" [🔗](#)

"The macro climate is turning. ESG is a 'nice to have' unless it's directly tied to compliance or investor pressure. Most mid-market companies aren't going to prioritize ESG infra right now."

- Regulatory ambiguity in the U.S. is creating ESG hesitancy.
- Companies are cutting ESG software unless it's compliance-mandated (e.g. EU CSRD).
- Limited budgets means startups like Bloom will be outcompeted by incumbents.

4. "They're Too Broad, Too Early" [🔗](#)

"They say they want to integrate ESG, finance, HR, and supply chain data. That's like saying 'we'll integrate your whole company.' That's not a wedge — that's a boil-the-ocean fantasy."

- Startups need a narrow wedge — Bloom hasn't picked one.
- Early products should solve **one** painful, urgent problem — not be a 'platform'.
- Trying to integrate Workday, SAP, and QuickBooks from day one is a technical and sales nightmare.

5. "The Pain Is Real, But Bloom Isn't the Solution" [🔗](#)

"Data fragmentation is real. But the solution isn't a new layer — it's vertical SaaS that gives you reports, dashboards, and insights. That's why Watershed, Plan A, and Persefoni have traction. They're not infra. They're tools with value at the top."

- ESG users don't buy middleware — they buy reports, analytics, and dashboards.
- The pain point is valid, but the solution needs to be closer to the problem — not abstracted beneath it.

6. "Team is Ambitious, But Still Too Early" [↗](#)

"I like the founder — he's sharp. But we're betting on a student team building enterprise-grade data infrastructure, integrating 3+ complex systems, and selling to a non-technical buyer. That's too many assumptions stacked on top of each other."

- Technical complexity + GTM risk + founder inexperience = high execution risk.
- A great founder, but still figuring out product-market fit and identity.

Final Word (Investor-style Mic Drop) [↗](#)

"Bloom's current plan is to build an internal plumbing system and sell it to teams that don't even know they have leaks yet — and even if they did, they'd just buy a wrench from Home Depot."

Rebuttals to Each Investor Critique [↗](#)

1. "It's a Middleware Without a Market" [↗](#)

Defense:

ESG teams may not articulate a need for middleware, but they deeply feel the pain it solves — fragmented systems, missing data, and fire drills at reporting deadlines.

Middleware is Bloom's *delivery mechanism*, not the value proposition. The **real promise** is speed, accuracy, and reduced manual effort in ESG reporting.

- Think of Bloom like **Plaid**: customers don't say "I need a bank API," they say "I need to see your bank data." Plaid powers that invisibly. So can we.
- We'll **white-label or embed** in dashboards/tools clients already use (e.g. Workiva, Excel) — middleware is our infra, not the product UI.

2. "They're Competing with API Giants — and Losing" [↗](#)

Defense:

We're not a general-purpose connector like Fivetran — we're **ESG-specialized**.

That means knowing how to extract, normalize, and structure sustainability data (e.g., Scope 1/2/3 emissions, diversity data, supplier risks) across **non-standard fields**.

- Workday or SAP's native APIs don't provide ESG-specific mappings.
- We're **pre-building ESG ontologies** and translation logic, not just piping raw fields.
- We can even **partner with** the generic ETL tools — not compete head-on.

3. "ESG Budgets Are Soft — and Shrinking" [↗](#)

Defense:

Budgets are shifting — not disappearing. They're moving **away from vanity metrics** toward **compliance and audit-readiness**. That's exactly what Bloom enables.

- CSRD, SEC climate disclosure, and supplier due diligence (CSDDD) require real data — not spreadsheets and estimates.
- Mid-sized companies are being dragged into ESG whether they like it or not.
- Our **core wedge** is helping them avoid fines, legal risk, or missed RFPs by making compliance possible.

4. “They’re Too Broad, Too Early” [↗](#)

Defense:

You’re right — trying to ingest Workday, SAP, and QuickBooks from day one is overkill. But we’re **not doing it all at once**.

- We’re starting with **one ESG-critical use case** (e.g., automating HR → DEI metrics ingestion from Workday).
- That gives us a **narrow wedge with urgent demand** and real ROI.
- Everything else (finance, supply chain) will be modular — built over time with usage-driven prioritization.

5. “The Pain Is Real, But Bloom Isn’t the Solution” [↗](#)

Defense:

We’re not trying to be a replacement for dashboards like Watershed — we’re trying to be their **engine**.

And if they don’t adopt us? We can be the backend for SMEs who don’t want to pay six figures for legacy ESG tools.

- We can **license our infra** to existing ESG players or embed in their workflows.
- Or we can offer a **lightweight reporting UI** for companies who just want to “get compliant fast.”
- Either way, we’re not competing with dashboards — we’re giving them fuel.

6. “Team Is Ambitious, But Too Early” [↗](#)

Defense:

We’ve already shipped a working MVP with end-to-end ingestion, normalization, and modularity. We’re not *thinking* about execution — we’re actively doing it.

And unlike most academic founders, we’re talking to users **every day** and adjusting based on hard truths, not dreams.

- We’re coachable, fast, and relentlessly focused on proving real traction.
- We’ve spoken to dozens of ESG buyers, and we’re using their pain to shape every feature.
- Execution risk drops dramatically when the team is obsessed with truth, not ego.

Great catch — yes, **API call costs can absolutely become a significant factor**, especially as you scale Bloom and integrate multiple enterprise systems like Workday, SAP, and QuickBooks. Here's a breakdown of what to expect and how to manage it:

Why API Costs Can Add Up [↗](#)

1. Enterprise Platforms Monetize Access

Platforms like Workday and SAP often charge for API usage — either directly (per-call, per-data-volume) or indirectly (via paid connectors like MuleSoft, Boomi, Workato, or Fivetran).

- **Example:** Workday charges for access to their APIs via partner apps or custom integrations unless you're a certified partner or client.

2. Rate Limits Force Upgrades

Many platforms offer limited free tiers (e.g., X calls/day) and then require **tiered pricing or enterprise agreements** to increase those limits.

3. Aggregation Magnifies Usage

If Bloom centralizes data from multiple systems for **dozens of clients**, each with **automated syncs**, the number of calls can **explode quickly**, especially if polling is frequent.

What You Can Do About It [↗](#)

1. Start With Flat Files (MVP) [↗](#)

- Use **CSV uploads**, SFTP, or one-time data dumps for MVPs/pilots to avoid costly real-time integrations at first.
- This is what many ESG tools do early on (Watershed started this way before building integrations).

2. Batch and Cache Strategically [↗](#)

- Pull data in **scheduled batches (e.g., daily)**, not real-time.
- Cache and only update **deltas**, not the full dataset.
- Avoid high-frequency polling wherever possible.

3. Use Free/Open Data Connectors [↗](#)

- Tools like **Supabase**, **Airbyte**, or **Apache NiFi** let you build your own pipelines cheaply.
- You can even use **reverse ETL** patterns (pull from databases directly, not from APIs) if clients export their data.

4. Negotiate Access with Pilot Clients [↗](#)

- Some companies are willing to share access tokens or offer sandbox access for pilots — especially if you're saving their sustainability teams time.

5. Consider Partnering with Middleware Vendors [↗](#)

- Instead of building everything in-house, **license middleware access** from firms like Paragon, Tray.ai, or Merge.dev — they handle API limits, tokens, rate management, etc.
- Downside: it eats margin, but saves engineering time.

Final Thought: Cost ≠ Dealbreaker, But Plan for It [↗](#)

Think of API costs as **a scaling challenge, not an MVP blocker**. For your seed-stage MVP:

- **Minimize real-time syncing**
- **Use CSV ingestion or sandbox APIs**
- **Design with cost-aware architecture (caching, batching)**

You're Right: This *Is* a Real Pain Point [↗](#)

- **Data fragmentation** across systems like Workday, SAP, and QuickBooks is *real* and repeatedly validated.
- ESG teams are drowning in spreadsheets because there's **no elegant, unified backend** for non-carbon ESG data.
- Everyone talks about carbon (where Watershed shines), but **social and governance metrics**? No one's cracked that yet.

So yes, the pain is real — and it's *big*.

But You're Also Right: Why Hasn't It Been Solved? [↗](#)

Watershed, Sustain.Life, Novisto, etc. have *intentionally avoided* building deep native integrations with all business systems. Why?

1. API Access = Expensive & Bureaucratic

- SAP, Workday, and others are *slow, pricey*, and *politically hard* to work with.
- Many ESG teams don't even have IT support to enable OAuth scopes, much less full data pipelines.

2. “Data Infrastructure” is Not Sexy

- VCs and buyers get excited by dashboards and reporting — not plumbing.
- Building a *middleware platform* sounds like a low-margin, high-effort slog unless it's *bundled* or *hidden*.

3. Most Customers Aren't Ready

- Many mid-sized companies don't have clean systems anyway. So instead of solving data fragmentation, vendors say:

“Just upload your spreadsheet. We'll normalize it.”

That's scalable — but it's *manual*, and ESG teams hate it.

So... Is Bloom's Approach Wrong? [🔗](#)

Not wrong — but incomplete.

Building just a *middleware layer with direct API integrations* might be:

- Too heavy for the **current state of ESG buyers**
- Too technical for **non-technical users**
- Too costly to scale without bundling

Here's How to *Evolve Bloom* Smartly [🔗](#)

1. Start with Low-Code Ingestion + High-Value Output [🔗](#)

- Let users upload flat files, emails, or reports from SAP/Workday.
- Use NLP + mapping to auto-normalize and visualize that data.
- That solves the pain *without touching expensive APIs*.

2. Build the Middleware Quietly [🔗](#)

- You can still build out your API connectors in the background.
- Offer them as **power features** later or upsell to larger clients.

3. Frame Bloom as the “ESG Brain,” Not the “ESG Pipe” [🔗](#)

- Don't just say “we integrate your systems.”
- Say:
“We unify, clean, and analyze your ESG data — no matter where it lives.”
(Whether that's an API or a CSV or a Post-it note.)

Your Real Innovation Opportunity [🔗](#)

Watershed didn't go after this because it's hard, unsexy, and expensive.

That means:

- You *can* go after it, but you need to **abstract the pain** for the user.
- Don't make users worry about tokens and APIs. Make them **feel like data magically works**.

That's your wedge: become the “**Plaid for ESG**,” but start with spreadsheets and level up to API magic as trust and volume grow.

Reminder [🔗](#)

Hold up. Don't panic-pivot over API costs before you even understand your unit economics. Reality check on API costs: ESG data sync isn't real-time trading - you're probably hitting APIs: Daily/weekly for most data sources Monthly for compliance reports Only when customers actively use the platform Rough math: Workday API: ~\$0.01-0.10 per call SAP: Varies by module, but similar QuickBooks: ~\$0.05-0.15 per call If you're syncing 100 data points daily per customer = maybe \$5-15/month in API costs per customer. If you charge \$500-2000/month (typical enterprise ESG software), API costs are 1-3% of revenue. That's totally fine. The real questions: What are you planning to charge customers? How often do you need to sync data? Can you batch API calls

efficiently? Don't pivot because of costs you haven't even measured yet. Build the MVP, get one customer, see actual usage patterns, THEN optimize costs. Worst case: You add API usage fees to your pricing model. Enterprise customers expect that. This is a solvable problem, not a pivot-worthy crisis. Keep building. Measure costs with real usage. Then optimize.

Let's Reframe Everything You Just Said: [🔗](#)

API Costs Are Not the Problem [🔗](#)

- **You're not Stripe.** You don't need millisecond latency or billions of requests.
- You're syncing ESG data — **once a day, week, or month** — not real-time.
- \$5–15/mo in API costs for a customer paying \$500–2,000? That's a rounding error.

What matters more than cost? **Value per sync.**

So What *Is* the Real Focus? [🔗](#)

1. Customer Value, Not API Efficiency [🔗](#)

- If your product solves a high-friction problem (like manually reconciling Workday+SAP ESG data), they'll pay.
- The question isn't "how cheap can we make it?" It's:

"How valuable is it to give a sustainability lead one extra day back every month?"

2. Price Accordingly [🔗](#)

- If you're doing heavy lifting via APIs? Just price like it.
- Add an "integration tier" or "premium connectors" fee.
- Example pricing model:
 - \$500/mo – Manual Upload Tier
 - \$1,200/mo – API Integration Tier
 - \$2,000/mo – Custom Reporting + SLA

3. Build What Matters Now [🔗](#)

- Don't throw out API integrations — just **don't block MVP on them.**
- Start simple (CSV), grow complex (OAuth, polling schedulers, retries, etc.).

Action Plan (Now with Confidence) [🔗](#)

Goal	Action
Validate problem	Use CSV ingestion to prototype quickly
Quantify value	Time saved, accuracy improved, reporting accelerated
Test pricing	Anchor around pain, not feature set
Track costs	Use logging to measure # of calls/customer, then optimize
Reassure buyers	Offer transparent "API usage included" or usage-based tiers

TL;DR: Don't Pivot — Prioritize [🔗](#)

- Build for value, not for perfection
- Track API usage, don't fear it
- Optimize *after* someone actually uses it
- Make “real-time” a future feature, not a launch blocker

Whenever you feel that urge to panic-pivot again, just come back to this line:

"Don't pivot off costs you haven't measured yet."

Keep shipping. You've got this.

If They Say: [🔗](#)

"Well, SAP, Workiva, etc. already let you connect other systems via APIs. Isn't that what you're doing too?"

Your Ideal Response (Refined + Honest) [🔗](#)

"Yes, many of these platforms *can* technically ingest data via APIs — but the problem isn't the APIs themselves. The real issue is the operational complexity in actually using them across fragmented systems, inconsistent formats, and rapidly changing ESG demands."

What we've heard from customers over and over again is:

- **'We don't have engineering resources to build or maintain those integrations.'**
- **'Our ESG data is in systems that don't talk to each other — spreadsheets, HRIS, carbon accounting tools, utility bills — and there's no clean way to unify it.'**

What Bloom is building is not just an ingestion engine — we're building the middleware layer **that handles messy ESG-specific data**: normalization, deduplication, mapping to regulatory frameworks — things APIs alone don't do.

Think of us less like 'yet another connector' and more like the ESG-specific Plaid or Fivetran: plug in, and your data is normalized and usable in hours, not months."

Bonus Reframes (If You Want to Go Deeper) [🔗](#)

• Reframe 1: The “Build vs. Buy” Argument

"Yes, companies *can* use those APIs — just like they *can* build internal ETL pipelines — but they don't. Why? Because it takes time, technical resources, and ESG expertise they don't have. We're making the 'buy' path a no-brainer."

• Reframe 2: ESG ≠ Generic Data

"ESG isn't just about moving data. It's about transforming messy operational data into audit-ready metrics, aligned to regulations and reporting standards. That's what we do out of the box."

• Reframe 3: Not Competing With, Complementing

"If anything, we *complement* platforms like Workiva. We get the data clean, fast, and unified — and then pipe it into Workiva, Watershed, or wherever it needs to go. We don't compete with them — we make them better."

TL;DR Response [🔗](#)

"Yes, APIs exist. The issue is no one wants to be the one wiring them up, cleaning the data, and keeping it current across fragmented ESG systems. That's what we do — out of the box — in a way that's ESG-specific and resource-light."

Objection: “Can’t Power BI / Tableau just connect to Workday or SAP directly?”

The Truth:

Yes — **Power BI, Tableau, and similar tools do support native connectors** to systems like SAP, Workday, QuickBooks, etc.

But here’s the **crucial nuance**:

Native connectors ≠ integrated infrastructure

They’re **pipes**, not **plumbing**. Here’s what they **don’t** solve:

Problem	Native BI Connector	Bloom's Infrastructure Layer
Data normalization across multiple sources	✗ Must be done manually in BI	✓ Handled in middleware
Semantic consistency (e.g., “Profit Center” vs. “Cost Center”)	✗ Varies by data source	✓ Unified schema
Real-time sync across systems	✗ Often pull-only, periodic	✓ Push/pull capable via ETL/ELT
Governance & access control across tools	✗ Managed in each BI tool	✓ Centralized in middleware
Reusability of cleaned/structured data across apps	✗ Only exists within Tableau/Power BI	✓ API-ready layer for apps, AI, etc.

A BI connector is like giving you a key to the front door — you still have to renovate the entire house yourself.

Reframing Your Position to an Investor

Instead of competing with Tableau or Power BI, you’re **powering them**. Here’s your pitch:

“Bloom is a semantic, normalized, and governance-ready data infrastructure layer that turns enterprise chaos into analysis-ready pipelines — for any destination, not just Power BI.”

ESG as a Use Case, Not a Limitation

You’re spot-on here: your infrastructure **isn’t ESG-specific** by design — but it **can be ESG-focused** as an initial wedge.

Think of it like this:

Layer	Description
What you’re building	A flexible, cloud-based, API-driven data normalization and orchestration layer
Initial use case	ESG reporting — because it’s fragmented, urgent, and compliance-driven

Future expansions	Finance, workforce analytics, DEI dashboards, carbon footprint, Scope 3 procurement, etc.
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ESG is a **painkiller** entry point. The infrastructure is the **platform**.

TL;DR Response to the Investor [🔗](#)

“You’re absolutely right — Power BI can connect to SAP or Workday. But without something like Bloom, every company has to do messy manual cleanup, reconciliation, and schema mapping every time — and it’s never reusable. We solve that once and for all with a central data layer that ESG teams, finance teams, and analysts can all build on top of.”

Yes — This Space Has Players. But You Still Have a Wedge. [🔗](#)

Who’s Doing This Today? [🔗](#)

There are **three main types of players** doing what you're describing (to some extent):

1. iPaaS Platforms (Integration-Platform-as-a-Service) [🔗](#)

- **Examples:** MuleSoft (Salesforce), Workato, Tray.ai, Boomi, Zapier (low-end)
- **What they do:** Move and transform data across apps via workflows
- **Limitations:** Often no deep ESG support, no ESG-specific schema, expensive, dev-heavy

2. ELT / Data Pipeline Tools [🔗](#)

1. **Examples:** Fivetran, Airbyte, Matillion, Hevo, Stitch
2. **What they do:** Move data from SaaS tools (like Workday or SAP) into warehouses like Snowflake/BigQuery
3. **Limitations:** They stop at the warehouse. No ESG-specific normalization. No frontend or vertical value.

3. ESG SaaS Platforms (with some ETL inside) [🔗](#)

- **Examples:** Watershed, Persefoni, Envizi (IBM), Sphera
- **What they do:** Help enterprises track and report ESG data. Some build light integrations to SAP/Workday.
- **Limitations:** Closed ecosystems, focused on carbon, inflexible, expensive for SMEs

So Why Do You Still Have an Opportunity? [🔗](#)

Because **no one has nailed:**

- ☒ A **modular, middleware-style platform** with plug-and-play integrations for ESG teams
- ☒ Designed from the ground up for **small & mid-sized enterprises**
- ☒ That normalizes *all ESG data* (not just carbon) — e.g. DEI, HR, finance, energy, procurement
- ☒ That **doesn’t require a full-time data team** to configure
- ☒ That’s affordable, extensible, and can feed *any* reporting tool (Power BI, Tableau, Excel, Workiva)

The Play Is: Verticalized iPaaS for ESG [🔗](#)

Think:

“Fivetran meets Workato meets Watershed — built *for ESG*, starting with mid-market pain.”

Your Differentiator: [🔗](#)

“Everyone else is either building generic tools (like Fivetran), carbon-only dashboards (like Watershed), or clunky enterprise platforms (like IBM). We’re building the ESG-native data layer — one that’s plug-and-play, extensible, and actually usable by real teams who don’t have 15 engineers.”