Southwood

Model Walkthrough Script

A first-person guide to presenting the five-year model live to investors

This is a script, not a slide. Walk the model tab by tab in this order; the numbers below are the Base case. Speak to the story, then let them drive the scenario switch themselves — it's more convincing when they change the assumptions and watch it hold together.

Step 1 Start with the wedge, not the spreadsheet

Open: *Cover, then Assumptions*

“Before I show you a single number, here's the idea the whole model rests on. Toolkit is our wedge — an training-led product with very low acquisition cost. It builds the base. Suite is the higher-value platform, and it converts customers from inside the Toolkit base. So we're not buying two sets of customers; we're acquiring cheaply through Toolkit and upselling into Suite. Everything you'll see flows from that one dynamic, and it's all driven from this Assumptions tab — there's a single scenario switch in the corner, and I'll invite you to flip it yourself shortly.”

Step 2 Show the customer engine

Open: *Customer_Build*

“This is the cohort engine. You can see Toolkit starting at 143 customers and Suite at 15 — Toolkit is roughly ten times the base early on, which is the point. We model churn explicitly here, month by month, so the customer numbers aren't just typed in; they're built up from new adds and retention. By Year 5 we're at 5,800 unique customers, deduplicated for the overlap between the two products.”

Step 3 Walk the revenue, and be honest about recognition

Open: *Revenue Monthly*

“Combined ARR builds to $64M by Year 5 — $36M Suite, $28M Toolkit. One thing I want to be upfront about: recognised revenue ties exactly to the ARR figures we've shared with you — we haven't inflated the headline. Suite bills monthly; Toolkit, because it sells through an association channel where annual contracts are normal, has half its customers paying twelve months upfront. Keep that in mind — it matters a lot when we get to cash.”

Step 4 The P&L — and why it isn't too good to be true

Open: *P&L Monthly and P&L Annual*

“Gross margin runs from 80% to 87% — it's a software business. Now, EBITDA. We get to 20% by Year 5, and I want to head off the obvious question: that's strong, but it's not a fantasy number, because we've loaded in every cost a careful reviewer would look for. US-weighted salaries as we scale, explicit channel commission to channel partners, stock-based comp, payment processing in COGS. After all of that, 20%. We turn EBITDA-positive in Year 2.”

Step 5 Founder-led early years

Open: *Headcount & Costs*

“The first eighteen months are deliberately lean. Founders do the selling, the team is engineering-heavy, and sales-and-marketing program spend is held to around 12 to 15% of revenue — we're proving product-market fit cheaply before we deploy capital into a go-to-market machine. You can see the team is 65 people at Year 5, which is lean for the revenue — that's the channel doing distribution for us.”

Step 6 The tax and R&D incentive block

Open: *P&L Annual — tax section*

“We model the New Zealand R&D incentives properly. The RDTI gives us 15% of eligible R&D back; the RDLTC lets us cash out losses in the early years. Both come in with the real one-year lag, and we've made sure losses cashed out through the RDLTC don't also shelter future tax — no double-dipping. I mention this because it's the kind of thing your accountant will check, and I'd rather you see it's done right.”

Step 7 The cash story — the part that matters most

Open: *Cash Flow Monthly, then Balance Sheet Monthly*

“Here's where the early discipline pays off. The lowest the cash balance ever gets, across all sixty months, is $693K — and there are no negative-cash months in any scenario. Two things protect that: the founder-led cost discipline we just talked about, and the Toolkit annual-prepay cash coming in ahead of recognition. The pre-seed bridge extends us to the institutional seed. And notice the balance sheet down here balances to zero every single month — the three statements fully articulate.”

Step 8 Unit economics — lead with the honest number

Open: *Unit Economics*

“I'll give you the blended number, not a flattering one. CAC on actual go-to-market spend rises from $2K to $7K as we add paid and channel acquisition on top of founder selling. Blended LTV to CAC holds at a healthy ~2x throughout. That's a sustainable efficiency — not a 40x number that would tell you our inputs are wrong.”

Step 9 Hand them the scenario switch

Open: *Assumptions — cell C4*

“Now flip this yourself. Change it to Conservative — Year-5 ARR drops to $43M and everything recalculates, the balance still balances, we still don't run out of cash. Aggressive takes us to $87M. The point isn't any single number; it's that the model is internally consistent under stress. Whatever you believe about the growth rate, the structure holds.”

Step 10 Close on the ask

Open: *Summary / Dashboard*

“So: $64M ARR, 20% EBITDA, 5,800 customers, 65 people by Year 5 — built on a wedge that acquires cheaply and expands into higher value. We're raising a $500K pre-seed bridge at $5M pre to extend runway, then a $3M institutional seed at $13.5M post to fund the US push and the go-to-market ramp. And everything I've shown you deliberately excludes the upside — other Toolkit modules, in-account expansion, and geographic expansion into Canada, Ireland, the UK and Singapore. This is the conservative base.”

Delivery notes

Keep it conversational — the model is the proof, you're the narrator. The two moments that land hardest are letting them flip the scenario switch themselves (Step 9) and being visibly honest about the unit economics and the EBITDA margin (Steps 4 and 8). Investors discount founders who present only the best case; you win trust by showing you've already stress-tested it harder than they will.