ASSESSMENT CONTEXT

COMPANY	SYNTHETIC EXAMPLE — Physical AI / industrial simulation platform
STAGE	Post-Series A · €12M raised · €4.2M ARR · 38 employees
MARKETS	DACH + Benelux (live) · France, UK (2026 target)
COMMISSIONED BY	SYNTHETIC EXAMPLE · Follow-on consideration: €8M
ASSESSMENT PERIOD	30 April – 28 May 2026 · Lead assessor: Jose Lopez, CompoundWorks

Figures: *Fictional, for format illustration only.*

SSMF PROFILE — THREE DIMENSIONS · FOUR LEVELS

TECHNOLOGY	L1	L2	**L3**	L4	L3 · Defined
ORGANISATION BINDING CONSTRAINT · ⚡ OSCILLATION DETECTED	L1	**L2**	L3	L4	L2 · Managed
TRUST	L1	**L2**	L3	L4	L2 · Managed

BINDING CONSTRAINT · ORGANISATION — L2 · MANAGED

PRIMARY FINDING

Organisation is the binding constraint at L2. The architecture can absorb the deployment volume the follow-on implies. The organisation cannot yet deliver it. **Two of three co-founders remain personally required for key customer decisions** — not because the team is incapable, but because the authority structures that would allow others to resolve those situations without escalation have not been made explicit. Under current deployment volume this is invisible. At 3× deployments across two new markets it fractures.

Architecture and Trust are both at L2. Technology is ahead at L3 — the system was redesigned 14 months ago and can absorb new customer environments without significant rework. This creates an important asymmetry: the technology can scale, but the organisation and trust infrastructure required to deliver and capture that scale have not yet caught up. The ceiling is the co-founders' bandwidth.

OSCILLATION SIGNAL	Organisation shows inconsistent behaviour across delivery situations — a pattern consistent with **L2→L3 oscillation**. Under controlled conditions: formal processes are followed, roles are respected, escalation is the exception. Under pressure: co-founders are pulled in regardless of process, decisions that should be made by owners are renegotiated, commitments slip. The structure exists on paper but is not load-bearing. This compounds cost in trust, delivery speed and valuation faster than the underlying market or technical challenge.

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PER-DIMENSION ANALYSIS

01 TECHNOLOGY · L3 · Defined

The architecture was redesigned 14 months prior to this assessment — a decision taken under pressure from the company's largest customer and which, in retrospect, was the right one. The system now absorbs new customer environments without significant rework. Parallel workstreams are safe. The system can absorb the next 2× in deployment volume without structural intervention. **Technology is not the constraint.** The risk here is not collapse but drift: the architectural runway requires deliberate maintenance as the platform extends into the two new markets. This is a management discipline question, not a structural one.

02 ORGANISATION · L2 · Managed → Binding Constraint

Review of delivery processes and team interviews confirm the escalation pattern: key customer decisions route to co-founders regardless of the formal process — not by design, but because the decision rights that would allow others to resolve those situations have not been made explicit. The formal process exists; it is not load-bearing under real pressure. The hiring plan adds headcount. **It does not address the authority architecture.** The co-founders' bandwidth is the ceiling — and the ceiling moves down as deployment count increases. Three critical failure modes have been identified: founder routing becoming the delivery bottleneck at month 4–6 of accelerated deployment; governance structures reverting to heroics during the first major deployment crisis; and the inability to replicate delivery quality in markets where the co-founders are not personally present.

03 TRUST · L2 · Managed

Internally, trust is personal rather than structural: key individuals are trusted because of track record and relationships, not because the system makes their commitments verifiable. Externally, warm referrals have sustained all major procurement cycles to date; there is no evidence architecture available to a procurement team encountering the company for the first time. The first major institutional buyer reached through the fund's network — rather than through existing relationships — will encounter trust friction in the procurement cycle that the current relationship-based approach does not resolve. Trust runway has not been deliberately built.

WHAT BREAKS NEXT — IF UNADDRESSED

NEAR-TERM · 4–6 MONTHS
Co-founder escalation becomes the active delivery bottleneck as deployment count approaches 12 active accounts. The founders' calendar is already operating near capacity at 6. The €8M deployment plan assumes a cadence their current authority architecture cannot support.

NEAR-TERM · FIRST NEW-MARKET WIN
The first institutional buyer acquired outside the existing founder network hits procurement trust friction. No evidence architecture exists that a procurement team can verify independently. The demo wins; the deployment timeline extends. Relationship-based credibility does not transfer to new markets.

SYSTEMIC · L2→L3 OSCILLATION
Under the first major deployment crisis — a customer escalation, a key hire departure, a missed milestone — the organisation will revert to founder heroics. The process structure collapses under load. The oscillation compounds: each recovery leaves the system weaker and more personality-dependent than before.

SYSTEMIC · ROUND ASSUMPTION GAP
The investment thesis implicitly assumes L3 organisation behaviour — delivery at scale, replicable across markets, without founder dependency. The current organisation is L2. The gap between the assumed maturity and the actual maturity is the primary value-creation risk in the round.

INVESTOR READ

Strong technology thesis; organisation must cross first.

The technology investment case is sound. The architecture can absorb what the €8M follow-on is buying. The organisation is at L2 and will fracture at the deployment volume and market breadth implied by the round. This is a known, solvable, structural problem — not a capability or character problem. The co-founders are operationally strong. The authority architecture around them has not been built.

CONDITION PRIOR TO CLOSE
Require a focused organisation-architecture workshop to define: explicit decision rights, load-bearing escalation paths, and delivery commitments defined as system contracts rather than individual intentions.

90-DAY MILESTONE POST-CLOSE
Trust runway formalised: evidence architecture for institutional procurement deployable in markets outside the existing network. Internal delivery commitments operating as structural contracts, verifiable without founder involvement. Oscillation pattern broken by demonstrable performance under the first delivery pressure event.

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