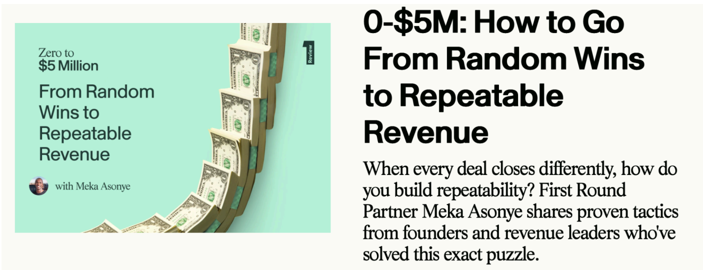
VERTICAL: NEWS AND THOUGHTS ON PROPERTY TECH

ARTICLE SUMMARIES

Week 1, July 2025

[0-$5M: How to Go From Random Wins to Repeatable Revenue]



Many startups mistakenly hire more salespeople to drive growth after landing initial customers through founder-led sales. These early wins often come from personal networks and luck. Without sales repeatability - a formula where a known number of leads convert into customers - adding sellers only accelerates cash burn without sustainable growth. To build repeatable revenue, startups must embrace a structured framework:

1. Focus on a narrow target market. Do not pursue every lead, choose two or three ideal customer profiles instead.
2. Map and document the customer journey. Break down your sales process into stages—awareness, interest, evaluation, and conversion—and analyze early deals to identify what truly moves prospects forward.
3. Track funnel metrics meticulously. Monitor meetings set and executed, qualified opportunities, trials, and closed deals. Conversion rates reveal bottlenecks and enable accurate forecasting, helping you know how many leads you need to hit revenue goals.
4. Founders' passion and credibility close early deals but can't be cloned. Early sales hires must decode and replicate what worked, while founders need to delegate and leverage connections.

Critical insights include:

- validating product-market fit through deep market research,
- aligning go-to-market strategy and messaging,
- emphasizing recurring revenue models,
- and avoiding premature scaling by hiring only when pipeline demand exists.

Read the Full Article here.

[Capital Intensity Isn't Bad]

Capital Intensity Isn't Bad

William Godfrey x Packy McCormick

The conventional wisdom that hard tech startups are inherently more dilutive than software companies has become venture capital's most expensive Boogeyman.

While hard tech startups [1], or Vertical Integrators, can require more capital than software startups, those capital needs don't necessarily translate into more dilution for equity investors. In fact, hard tech startups that master structured finance achieve *lower* dilution than software companies burning equity on customer acquisition.

- Myth Debunked: Hard tech startups are not inherently more dilutive than software startups; structured finance can achieve less dilution.
- Capital Intensity: Hard tech companies require more capital, but this capital often builds deeper value than software companies' marketing spend.
- Competitive Advantage: Capital intensity can be an advantage. Companies who raise and deploy large capital face less competition.
- SpaceX Example: Despite high capital needs, SpaceX experienced less dilution than software aggregators like Uber/ Airbnb, largely due to strategic use of gov funding and smart capital structuring.
- Source of Capital: The source of capital matters (equity, gov, debt, or asset-backed financing).
- Asset-Backed Financing: Underutilized by hard tech startups, this approach helps finance growth by borrowing against deployed, cash-generating assets rather than just the company's credit.
- All Debt Is Not Equal: Corporate debt is riskier and more expensive for startups; asset-backed debt is cheaper because it's secured by specific assets and cash flows.
- Two Acts of Growth:
    - Act I: Equity funds R&D, proving technology and market fit.
    - Act II: Financial engineering—packaging assets/cash flows to attract institutional debt, enabling cheaper, scalable growth.
- Transition Challenge: Many hard tech companies fail to move from Act I to Act II, remaining stuck with expensive equity and missing out on cheaper, scalable capital.
- Key Takeaway: Understanding and leveraging asset-backed financing is crucial for hard tech startups to scale efficiently and minimize dilution.

Read the Full Article here

[You Don't Need More AI. You Need a Better Spoon.]

Right now, the real estate industry is flooded with AI products, but most of them miss the mark. Everyone's building "AI wrappers" that sit on top of data, promising instant insights and flashy tech. Yet, few actually solve the real, painful problems that professionals face every day.

The real issue isn't a lack of AI—it's a lack of focus on what users actually need. Instead of starting with technology, the most successful companies start by identifying a specific, expensive, and frustrating problem. Only after that do they use AI to make the solution faster or easier.

I scrunched my eyes, trying not to look too skeptical.

My friend was pitching me on a new startup he'd found, led by a repeat founder.

> "It seems like a great opportunity. AI that sits on top of your data would be awesome, right? And he said you can ask it stuff like, 'What will the next 12 months of rents be?' and it answers you just like that. They're looking for BD [business development] help, and there'll pay a referral fee. I thought of you immediately. Would you be interested?"

If I had a dollar for every call like this, I'd be retired. Okay not retired, but I'd definitely be sipping overpriced mocktails on the regular. Okay fine, I kind of do this already. But still!

(For the record, I love that this colleague/friend thought of me first for this. Very kind of him.)

While he was talking, I was already jotting down three companies doing the same exact thing: AI wrappers for your data. All real estate-specific. Two more came to mind while we were on the call. And since then? I've thought of even more.

Because right now, everyone and their seed-stage cousin is building AI for real estate. Don't believe me? Check out the **Blueprint conference agenda**. Our panel — cleverly titled *All AI Do Is Win*, thank you very much — is one of like 5 panels about AI.

It's all anyone in CRE is talking about. It's what every founder is pitching. It's what every VC is funding. (The last two are a bit of a chicken-and-egg situation, but you get the point.)

And yet — when my friend asked if I was interested — I said no.

Key points:

- The market is saturated with similar AI offerings, but most don't stand out because they skip the crucial step of nailing the problem first.
- Real estate professionals are overwhelmed by too many systems and just want tools that make their workday easier and help them make decisions quickly.
- The companies that succeed don't try to build platforms that do everything. They build clear, actionable solutions that tell users exactly what to do next.

Example, HelloData didn't pitch itself as "cool AI." Instead, it focused on a critical pain point: slow, fragmented market surveys. Faster, easier, and more reliable, and then used AI to enhance it. EliseAI did something similar by solving the comms chaos between prospects, residents, and leasing teams.

- Simply adding AI to messy, unstructured data doesn't work. If you ignore the underlying problems, you'll end up running a services business, not a scalable software company.
- To build something valuable, you need to - ***pick a real problem***, and ***create a simple, effective solution***. Only then, add AI if it truly makes things better.

Don't start with the magic—start with the spoon. The companies that win are the ones that make things obvious, easy, and genuinely useful.

Read the Full Article [here]