

## *ABOUT THIS DOCUMENT*

*This is an anonymized example of Team Due Diligence assessment conducted for a game studio seeking follow-on investment. All identifying details have been redacted to protect client confidentiality. This sample demonstrates the assessment methodology, analysis depth, and decision framework used to evaluate execution risk before capital deployment.*

*This assessment resulted in conditional funding with mandatory restructuring, transforming an unfundable team into a viable investment.*

## EXECUTIVE SUMMARY: STUDIO GREEN (ANONYMIZED)

Strategic Partnership Investment: \$1.5M | Timeline: 9 months | Ship Probability (current): <5%

### RECOMMENDATION: CONDITIONAL FUND

Fund the strategic partnership with mandatory Partner Team integration. Current team configuration will fail; restructuring creates viable path to success.

### THE PROBLEM

Critical Finding: Fundamental Leadership Vision Conflict

- Studio Head (absent): Wants to build an executive technology demo for IP owner C-suite (correct for partnership approval)
- Design Lead (controls day-to-day): Building children's game for ages 6-12 (incompatible with strategic objective)
- Result: Unimpressive demos that fail to showcase technology to executives who must approve partnership

Additional Critical Issue:

- Lack of shipping experience: Design Lead has not shipped a commercial title; both leaders are conflict-averse

### THE SOLUTION: PARTNER TEAM INTEGRATION

Identified experienced development team with prior working relationship to Studio Green. Partner Team brings:

- Operational control: Assumes day-to-day development responsibility; establishes executive demo as singular vision
- Proven capability: Multiple shipped titles; experience building executive-facing technology demonstrations
- Right-sized: 6-8 people; scaled to augment rather than replace, reducing organizational shock while enabling delivery
- Time zone aligned: Enables real-time collaboration; eliminates 12-24 hour decision delays
- Tactical intervention: Not permanent fix; scaffolding to deliver impressive demo, then reassess

### CONDITIONS FOR FUNDING

Capital deployment contingent on:

1. Partner Team formalized: Full operational control and creative authority within 30 days
2. Vision unified: Executive technology showcase established as singular objective; children's game direction eliminated
3. First milestone defined: Impressive executive demo ready for IP owner presentation within 90-120 days

### BOTTOM LINE

Strategic partnership opportunity too valuable to decline. Current team will fail without intervention. Partner Team restructuring creates viable execution path while preserving strategic access. Ship probability increases from <5% to ~65% with restructuring. Investment justified only with mandatory Partner Team integration.

*This assessment identified structural failure patterns early enough to implement corrective action. Without this intervention, the investment would likely have resulted in total capital loss within 6-9 months. The conditional funding approach preserved strategic access while de-risking execution.*

*To discuss whether a deep dive Team Due Diligence assessment could de-risk your portfolio investments, contact Colin MacKie at [colin@cmackie.com](mailto:colin@cmackie.com)*

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## TEAM DUE DILIGENCE ASSESSMENT REPORT

**Studio:** Studio Green (Anonymized)

**Time Embedded:** 3 weeks [~21 hours total]

**Team Size:** 8 FTEs

**Funding Request:** \$1.5M Strategic Partnership Investment

**Assessment Lead:** Colin MacKie

**Report Date:** 2/12/2025

**Distribution:** Confidential

### OVERVIEW

Investment Recommendation

RECOMMEND FUNDING

**CONDITIONAL FUNDING**

DO NOT FUND

The strategic partnership opportunity is extremely valuable and warrants investment. However, the team, in its current configuration, is structurally unable to ship a market-ready product within the required timeline. The design director lacks shipping experience, the team operates across incompatible time zones spanning three continents, and there is fundamental misalignment between creative vision, technical capability, and target market. Recommendation: **Fund with mandatory structural intervention.** Partner with an identified third-party development team to assume majority development responsibility and creative oversight. This restructuring will provide experienced leadership, resolve time zone fragmentation, and align technical execution with market reality.

### Key Findings (Top Three)

**Finding 1:** Fundamental Leadership Vision Conflict

**Impact:** Critical | Time Horizon: Immediate

**Summary:** Studio Head wants executive technology demo for IP owners (multinational game company C-suite). Design Lead, who runs day-to-day operations, pursues cute children's game. Both are conflict-averse; misalignment never addressed. Result: unimpressive demos serving neither audience, with game design written for six-year-olds presented to industry executives.

**Finding 2:** Severe Time Zone Fragmentation

**Impact:** Critical | Time Horizon: Immediate

**Summary:** Team distributed across three continents with engineering in opposite time zone to creative leadership and art team split geographically between them. This ensures no functional overlap between disciplines and creates compounding communication delays

**Finding 3:** Severe Audience Misalignment

**Impact:** Critical | Time Horizon: Immediate

**Summary:** Game design is written as if the audience is six-year-olds, but the actual

audience is C-suite executives at [a multinational game corporation] (the IP owners).  
Engineering builds technology showcase features; creative simplifies them for children.  
Result: unimpressive demos that fail to showcase technology to the executives who must approve the partnership.

## Shipping Confidence Assessment

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Overall probability of shipping as planned: <5% (current configuration) | 65% (with restructuring and oversight)

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Factor	Score	Weight	Rationale
Leadership Capability	2	25%	Design director has zero shipping experience and demonstrates conflict avoidance.
Team Execution	2	25%	Time zone fragmentation prevents functional collaboration across disciplines.
Scope Realism	3	20%	No coherent game design; only a demographic target and novel technology with no application.
Technical Risk	3	15%	Sophisticated AI built for executives but simplified for children; unimpressive to both audiences.
Cultural Health	6	15%	Team morale is positive; individuals are collaborative and motivated despite leadership dysfunction.

### Timeline Outlook

**Studio-Stated Milestone:** Q4 2025 Launch (9 months)

**Base Case:** Ship failure inevitable without restructuring

**Upside Case:** On-time delivery with stretch goals (with partner team integration)

**Downside Case:** Project abandonment within 6-9 months of unproductive iteration

### Immediate Focus (Next 30 Days)

The strategic value of this partnership justifies investment, but only with immediate structural intervention. Without restructuring, continued spending will not materially improve ship probability.

### Must Address Immediately

1. Formalize partnership with identified third-party development team
2. Transfer majority development responsibility and creative veto authority to partner team
3. Implement feature-gating system to align creative vision, technical capability, and schedule

## SECTION 1: LEADERSHIP CAPABILITY

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This section evaluates whether the studio's leadership can consistently make good decisions under pressure, and whether the team trusts those decisions. Because teams often "perform" for investors, the assessment focuses on observed behaviors such as alignment, clarity, decisiveness, and accountability rather than stated intentions.

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**Studio Head:** [Name redacted]

**Assessment:** Weak

### **Strengths**

[Name redacted] correctly identified the strategic need: an impressive technology demonstration for IP owners at [a multinational game company]. They successfully secured the partnership opportunity and understand the high-level business objective.

### **Concerns**

The Studio Head is largely absent from day-to-day operations despite having the correct strategic vision. They have ceded operational control to the Design Lead, who is pursuing a fundamentally incompatible creative direction (cute children's game vs executive technology showcase). Both are conflict-averse, so this fundamental misalignment has never been addressed. The Studio Head has never shipped a commercial game, lacks pattern recognition for scope management, and avoids the difficult personnel decisions required to resolve the vision conflict.

### **Critical Challenge:**

Absence combined with conflict avoidance has created a leadership vacuum. The Studio Head knows what needs to be built but will not assert authority to align the team. The result: engineering builds for an executive demo while creative designs for six-year-olds, producing unimpressive results that serve neither audience.

**Design Lead:** [Name redacted]

**Assessment:** Weak

**Evidence:** The Design Lead runs day-to-day operations and has pursued a "cute kid's game" vision despite the strategic need for an executive technology demo. They understand basic game systems but lack shipping experience and market awareness. Most critically, their creative direction actively undermines the strategic objective: features designed for six-year-olds reduce the technical sophistication of the showcase, resulting in demos that impress neither children nor C-suite executives. They are conflict-averse and will not challenge the Studio Head's stated vision, but also will not implement it, instead pursuing a different direction without explicit disagreement.

**Lead Engineer:** [Name redacted]

**Assessment:** Adequate

**Evidence:** The Lead Engineer is technically competent and has built sophisticated AI systems. However, they operate in a completely different time zone from creative leadership, making synchronous collaboration impossible. They have built impressive technology but without clear application to gameplay. The engineering team is executing well on technical objectives, but those objectives are poorly aligned with product needs.

**Producer:** [Name redacted]

**Assessment:** Strong

**Evidence:** The Producer exhibits strong organizational discipline and reliability. They are well positioned to support an expanded team structure, including integration with the Partner Team. The Producer effectively manages all recurring meetings, leads bug triage processes, and maintains accurate, up-to-date task and defect tracking systems. As a result, core production workflows remain structured, and reasonably transparent.

## SECTION 2: TEAM EXECUTION CAPABILITY

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This section assesses the team's practical ability to execute, including whether the right roles are in place, whether critical knowledge is concentrated in risky single points of failure, and whether collaboration patterns support delivery. The goal is to answer a simple question: can this specific group ship this specific plan, as currently staffed and operating.

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### 2.1 Team Composition & Coverage

Discipline	Headcount	Adequacy	Notes
Engineering	3	Under	Insufficient for current design, technically competent.
Design	1	Adequate	Sufficient headcount, but Insufficient experience with target demographic; lacks shipping track record.
Art	2	Adequate	Sufficient headcount, but geographically split resulting in minimal functional overlap.
Production	1	Adequate	Sufficient
QA	0	Adequate*	No dedicated QA but will become critical within 3-4 months.
Audio	0	Adequate*	No audio capability; planned for contract later.

#### Critical Gaps

The most critical gap is not headcount but structure. Time zone fragmentation creates a situation where engineering, creative, and art never functionally overlap. Daily decisions that require cross-discipline consultation instead become asynchronous message chains with 12-16 hour delays, compounding indefinitely. Additionally, the team lacks experienced leadership who has shipped titles in the target market segment.

**Overall Team Skill Level:** Adequate individually, structurally impaired collectively

**Morale:** Good

**Turnover Risk:** Moderate

Individual contributors demonstrate solid technical and creative skills. However, the

geographic distribution ensures that collaboration is minimal, and decision velocity is glacial. Team members express mild frustration with the pace of progress but are optimistic for the opportunity.

## 2.2 Individual Contributor Risk

### Key dependencies

**Dependency:** AI Engineer

**Risk:** Moderate

**Mitigation needed:** No

The AI engineer represents a moderate dependency risk. He has been engaged on the project for ~3 months and is currently the sole individual contributor with deep familiarity with AI. This concentration of knowledge creates a single point of failure. In the event of his departure or reduced availability, critical milestones would likely be delayed while another engineer ramps up, increasing delivery risk and reducing schedule predictability.

**Mitigation:** Proactively distribute ownership of this system by onboarding at least one additional engineer from the partner team. Establish shared documentation, code reviews, and paired development workflows to ensure knowledge transfer. This will reduce reliance on a single contributor, strengthen continuity, and materially lower the risk of schedule disruption.

## 2.3 Communication & Collaboration

**Stand-Ups:** Inadequate

**Cross-Functional Collaboration:** Limited

**Conflict Resolution:** Extreme conflict avoidance

**Evidence:** Time zone fragmentation compounds a more fundamental issue: leadership vision conflict. Engineering builds technology showcase features (per Studio Head's direction for executive demos), while creative "simplifies" them for children (per Design Lead's day-to-day control). Both leaders are conflict-averse; the Studio Head capitulates to any pushback, the Design Lead superficially agrees then pursues their own agenda. The result is not iteration but constant contradiction, with engineering and creative working at cross-purposes while art attempts to serve two incompatible visions.

Engineering built a sophisticated AI interaction system to demonstrate technical capability to IP owners. Creative team "simplified" it to be "age-appropriate for kids," removing the impressive technical elements. The demo shown to executives was neither technically impressive nor coherently designed, satisfying no stakeholder. When asked about this, both leaders blamed "miscommunication" rather than acknowledging the fundamental vision conflict.

## 2.4 Velocity & Delivery Signals

**Velocity Trend:** Declining

**Milestone Trajectory:** Behind schedule and diverging

**Technical Debt:** Accumulating rapidly

**Rework Frequency:** Common

**Evidence:** The team has built three different AI interaction prototypes. Engineering intended to optimize each for technical sophistication to impress IP owners. Creative team subsequently simplified each to be age-appropriate for kids, removing the showcase elements. The resulting demos are neither technically impressive to executives nor coherently designed for children. When confronted with this, the Studio Head acknowledged the need for executive-facing demos but did nothing to override the Design Lead's simplification agenda.

## SECTION 3: SCOPE & ROADMAP VIABILITY

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This section tests whether the roadmap is realistic by comparing the stated milestone to observed capacity, dependency clarity, and evidence of scope discipline. It makes explicit what must be cut, deferred, or re-sequenced to protect timelines and reduce the risk of late-stage surprises.

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**Assessment:** Fundamentally incoherent due to leadership conflict

The roadmap reflects two incompatible products being built simultaneously. Studio Head directs engineering to build an impressive technology showcase for IP owners (multinational game company C-suite). Design Lead, who controls day-to-day operations, designs a simplified children's game. Neither vision is properly scoped or realistic within the 9-month timeline, and the collision between them ensures neither will be achieved. The Q4 2025 launch target is aspirational rather than grounded in capacity analysis.

### 3.1 Scope Reality Check

**Studio-Stated Deliverable (Sanitized):**

**Launch:** Q4 2025

**Overview:** Studio Head states: AI-powered technology demonstration for IP owners showcasing partnership potential. Design Lead describes: Accessible children's game with educational elements. These are fundamentally incompatible products, and the team is attempting to build both simultaneously.

**Required Adjustments:** The current approach is unrealistic and structurally unsound. A children's game optimized for six-year-olds cannot impress C-suite executives evaluating partnership potential. An executive technology showcase with reduced technical complexity for children loses its demonstrable value. The team must commit to one audience and one vision. Given the strategic partnership context, the Studio Head's direction (executive demo) is correct, but execution authority must align with strategic direction.

With partner team integration, scope must be unified: build impressive technology demonstration optimized for executive audience (IP owners who will approve partnership). Eliminate children-focused simplification. Ensure all features showcase technical sophistication and partnership value proposition.

### 3.2 Dependency & Critical Path Review

**Top Dependencies**

- **Validated core gameplay loop:** Currently under-designed. Team is building systems without knowing what the game is.
- **AI system integration:** Sophisticated technology with no clear application to target demographic.

**Key Concern:**

Dependencies are underestimated and often unrecognized. The team operates as if “build cool technology” will naturally converge into “shippable children’s game.” This is the classic trap of technology-driven development without product discipline. Partner Team integration addresses this through experienced design leadership that establishes clear requirements.

## SECTION 4: TECHNICAL RISK

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Section 4 identifies technical risks that can quietly extend timelines, such as fragile architecture, compounding technical debt, or systems that appear impressive but do not translate into a shippable product. The focus is on what could break delivery, how likely it is, whether leadership understands the risk, and what mitigation is feasible within current constraints.

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### 4.1 Architecture Health

**Architecture Maturity:** Early stage with concerning patterns

**Debt Level:** Moderate and accelerating

**Evidence:** Engineering has built sophisticated AI systems, but creative direction actively undermines their showcase value by “simplifying for children.’ The resulting demos are neither technically impressive to executives nor engaging for children. The architecture itself is competent, but implementation reflects contradictory requirements: features are built to showcase capability, then simplified to be “kid-friendly,’ satisfying neither objective. There is minimal integration testing. Code reviews reveal repeated rewrites as requirements oscillate between “impress executives’ and “accessible to kids.’

### 4.2 Material Technical Risks

Feature	Risk	Mitigation
AI technology showcase	Critical	Commit to executive demo audience. Eliminate “kid-friendly’ simplification that undermines showcase value.
Unified product vision	Critical	Partner team establishes single target audience and vision within first 30 days.
Educational content system	At Risk	Defer entirely. Focus on engaging gameplay first; educational framing can be added post-launch.
Core gameplay loop	Critical	Partner team to define and validate loop within first 60 days.

### 4.3 AI Feature Risk Assessment

The core technology is built around AI-driven interaction systems. This introduces characteristic risks that warrant attention, though the engineering team demonstrates appropriate awareness and preparation.

AI System Components:

- **Adaptive response generation:** AI generates contextual responses to user input in real-time
- **Behavioral modeling:** System adapts interaction patterns based on user engagement
- **Natural language processing:** Interprets and responds to varied input formats

Common AI Implementation Risks:

1. **Consistency:** AI systems can produce unpredictable outputs that break game flow or introduce inappropriate content. This is particularly acute in executive demonstrations where a single unsuitable response can undermine credibility.
2. **Reliability:** Model performance degrades under edge cases, unfamiliar input patterns, or scaled user loads. Latency spikes and timeout failures can render features unusable during critical presentations.
3. **Cost:** API-based AI systems incur per-request costs that scale with usage. Demonstration periods and early user testing can generate unexpected expenses if not properly monitored and rate-limited.

#### AI Feature Mitigation Assessment:

The engineering team demonstrates appropriate awareness of these risks and has implemented foundational safeguards:

- Guardrails and filtering: Output validation layers to catch inappropriate or off-topic responses before user exposure
- Fallback mechanisms: Scripted responses trigger when AI confidence scores fall below thresholds
- Cost monitoring: Usage tracking and rate limiting in place to prevent runaway expenses

**Assessment:** The lead AI engineer has prior experience with production AI systems and understands the failure modes. The team approaches this feature with appropriate caution rather than assuming the technology will “just work”; This is a positive signal. However, the Partner Team integration remains critical: AI features require iterative refinement based on real user exposure. The Partner Team’s role includes ensuring AI implementation focuses on showcase value rather than technical sophistication for its own sake.

### 4.4 Platform & Certification

**Readiness:** Not applicable. Executive demo does not require platform certification. If partnership advances to commercial product, certification requirements will need to be scoped at that stage.

## SECTION 5: PRODUCT & MARKET ALIGNMENT

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Section 5 evaluates whether the product vision is clear and shared across the team, and whether there is a grounded understanding of the target audience and competitive landscape. It is not a full market analysis, but rather a credibility check that decisions are anchored in a coherent product thesis rather than internal preference or drift.

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### 5.1 Vision Clarity

**Clear Product Vision:** No. Two incompatible visions exist: Studio Head pursues executive technology showcase for IP owners; Design Lead implements children's game. Neither leader will assert authority to resolve conflict.

**Team Alignment:** Below Standard. Engineering describes building an impressive demo for executives. Creative describes making content accessible for kids. Art team is caught between both.

**Observed Disconnect (if any):**

When asked "who is this for?" Studio Head said "IP owners evaluating partnership potential." Design Lead said "children ages 6-12." This is not semantic disagreement; it reflects fundamental product confusion. The resulting demos satisfy neither stakeholder. Executives see simplified technology that fails to demonstrate value. If presented to children (which it won't be), they would encounter confusing AI systems optimized for executive evaluation.

### Market Understanding

**Audience Definition:** Severely misaligned. The actual audience is C-suite executives at a multinational game corporation (IP owners) evaluating partnership viability. The Design Lead is optimizing for children ages 6-12. These are not overlapping markets; they are incompatible evaluation criteria.

**Competitive Awareness:** Not particularly relevant.

**Evidence:** When asked about the partnership opportunity, Studio Head correctly identified the need to demonstrate technical sophistication and market potential to IP owners. When asked about target market, Design Lead discussed age-appropriate content for elementary school children. This is not nuanced market segmentation; it is fundamental product incoherence that will likely result in failure with both stakeholder groups.

## SECTION 6: CULTURAL & ORGANIZATIONAL HEALTH

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This section examines cultural and organizational health as a factor in execution risk, including morale, psychological safety, retention risk, and sustainability of the current pace. These are leading indicators, as teams that do not feel safe surfacing problems tend to accumulate hidden issues that become costly later.

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### Morale & Retention

**Morale:** Positive at surface level, underlying frustration emerging

**Active Flight Risk:** Moderate

**Key Retention Risks:** Lead AI engineer expressed private frustration about lack of product direction.

**Evidence:** During confidential one-on-ones, multiple team members stated some version of “I believe in the potential, but I don’t know what we’re building.” This is a leading indicator of attrition risk, particularly among the most talented contributors who have external options.

### 6.2 Psychological Safety

**Can concerns be raised safely?** Nominally yes, but discouraged in practice

**Culture:** Avoidant

**Evidence:** The Design Lead responds to criticism by immediately agreeing to the raised concerns, then subsequently pursuing their original direction without explicit discussion. When challenged on features or approach, they acquiesce in the meeting, but the agreed-upon changes are either not implemented or are quietly reversed. This pattern creates ambiguity about what has actually been decided and erodes team confidence in the decision-making process. Team members have learned that raising concerns leads to superficial agreement followed by no meaningful change, resulting in private frustration rather than productive debate.

### 6.3 Inclusion Signals

**Inclusion Assessment:** Geographic spread is creating real execution friction

**Evidence:** Team demonstrates genuine respect and collaborative intent across disciplines and geographies. However, time zone fragmentation creates de facto exclusion where decisions are made during overlapping hours that favor creative leadership over engineering, or vice versa. This is not a cultural failing but a structural dysfunction that Partner Team integration resolves."

### 6.4 Sustainability

**Workload:** Moderate but inefficient

**Crunch Pattern:** Not yet evident, but timeline pressure will inevitably lead to crunch if structural issues are not addressed.

## STRUCTURAL SOLUTION: PARTNER TEAM INTEGRATION

During the assessment, standard mitigation approaches were considered: replacing leadership, restructuring reporting lines, or declining the investment. However, the strategic partnership opportunity was too valuable to abandon, and the investor mandate was clear: find a path to success with the current team. Personnel changes were unacceptable given existing relationships and partnership dynamics.

The solution emerged from casual conversation about the team's development history. Team members mentioned a prior working relationship with an external development team (hereafter "Partner Team") that had provided support on an earlier project. This became the basis for an unconventional approach: rather than replace the existing team, augment it with experienced external support.

The Partner Team was evaluated against several criteria:

- **Availability:** Free during the required timeline (Q1-Q4 2025)
- **Track record:** Multiple shipped titles with proven delivery capability
- **Scale:** Small enough (6-8 people) that the original team retains meaningful ownership and involvement rather than being displaced
- **Familiarity:** Prior working relationship reduces onboarding friction and cultural mismatch risk

After consultation with both teams, the arrangement proved mutually agreeable. The Partner Team would provide:

- Creative leadership and product direction aligned with executive demo objectives
- Design expertise to establish coherent vision and scope discipline
- Engineering augmentation to support technical delivery
- Mature development pipeline and production structure

This is not a permanent organizational solution. It is a tactical intervention designed to deliver an impressive executive demonstration within 90-120 days, at which point the strategic partnership either advances (warranting further investment and more permanent structural changes) or does not (limiting exposure). The Partner Team serves as scaffolding: temporary support that enables delivery while preserving optionality for future decisions.

The following sections detail the execution risks this arrangement addresses and the conditions under which funding should proceed.

## PARTNER TEAM VALIDATION METHODOLOGY

The Partner Team integration was not assumed viable based solely on prior working relationship. A validation process was conducted to ensure capability match.

**Technical and Design Review** The Partner Team participated in feature set walkthrough sessions with both the investor representative and original team. Key areas evaluated:

- Core feature requirements for executive demo
- Current technical stack
- Design direction alignment
- Resource allocation

The Partner Team demonstrated passing familiarity with AI-driven systems. They identified the core issue (dual audience confusion) independently during technical review.

### Capability Gap Analysis

A comparison was conducted between required roles and Partner Team staffing:

**Engineering:** Partner Team provides 3 senior engineers with relevant gameplay experience; adequate coverage

**Design:** Partner Team provides 2 designers with shipped product experience

**Production:** Partner Team lacks dedicated producer; mitigation: shared resource arrangement with Studio Green's existing producer

**QA/Audio:** Planned as contract resources for later phases; acceptable given timeline priorities

### Availability and Contingency Planning

Partner Team confirmed resource availability through Q1 2026, extending well beyond the Q4 launch target. This provides buffer for:

- Schedule slippage without resource reallocation disruption
- Post-demo iteration based on IP owner feedback
- Transition planning if partnership advances to full production phase

### Cross-Team Synchronization Sessions

Multiple working sessions were conducted to validate compatibility:

**Creative alignment meeting:** Established executive demo as unified vision; Partner Team creative lead and Studio Green Studio Head aligned on showcase priorities

**Technical integration planning:** Engineering teams from both groups walked through handoff, code review standards, and integration testing approach

**Production kickoff simulation:** Dry-run of first sprint planning to identify process friction points before capital deployment

These sessions revealed strong cultural compatibility and confirmed Partner Team's willingness to assert creative authority when necessary while maintaining collaborative relationship with original team.

**Validation Outcome:** Partner Team demonstrates requisite capability, availability, and operational compatibility. The arrangement is tactically sound for the 90-120 day demonstration objective.

## RISK ANALYSIS: PARTNER TEAM SOLUTION

While Partner Team integration addresses the primary execution risks, this approach introduces new dependencies and failure modes that warrant explicit acknowledgment.

### Organizational Risks

**Risk:** Cultural friction between teams erodes collaboration

- **Likelihood:** Low. Prior working relationship and compatibility demonstrated in sync sessions.
- **Impact:** Moderate. Could slow velocity and reintroduce decision-making delays.
- **Mitigation:** Clear authority structure established upfront; Partner Team has final decision rights to prevent deadlock.

**Risk:** Original team disengagement or passive resistance

- **Likelihood:** Moderate. Studio Green members may resent loss of creative control.
- **Impact:** High. Original team still provides critical context and support; active sabotage or withdrawal would compromise delivery.
- **Mitigation:** Preserve Studio Green involvement in meaningful roles; Partner Team sized to augment rather than displace; Studio Head remains nominally in charge with Partner Team as "advisors with authority."

### Technical Risks

**Risk:** Integration overhead between teams exceeds benefits

- **Likelihood:** Low. Teams share similar tech stack and development practices.
- **Impact:** Moderate. Could consume first 30 days without meaningful progress.
- **Mitigation:** Partner Team assumes majority greenfield work; original team provides infrastructure and AI system support; minimize integration surface area.

**Risk:** Knowledge transfer gaps leave Partner Team building without critical context

- **Likelihood:** Moderate. Original team has 3+ months of domain exploration not fully documented.
- **Impact:** Moderate. Partner Team may make avoidable mistakes or overlook key constraints.
- **Mitigation:** Original team embedded as consultants; Partner Team creative lead conducts structured knowledge harvest first 2 weeks.

### Commercial Risks

**Risk:** IP ownership or contractual disputes emerge

- **Likelihood:** Low with proper structuring.
- **Impact:** Critical. Could block deployment or create legal entanglement.

- **Mitigation:** Formalize Partner Team as contractors to original studio; IP remains with Studio Green; clear work-for-hire provisions; investor legal review required before engagement.

**Risk:** Partner Team cost exceeds budget allocation

- **Likelihood:** Low. Fixed-price engagement for defined deliverable.
- **Impact:** Moderate. Could require additional capital injection or scope reduction.
- **Mitigation:** Fixed milestone-based payment structure; clear scope boundaries; Partner Team assumes delivery risk within budget.

**Overall Risk Assessment:** The Partner Team approach introduces manageable execution risks that are substantially lower than the baseline risk of funding the original team without intervention. The primary risk is not that Partner Team integration fails, but that it succeeds in delivering the demo while original team remains structurally incapable of sustaining development if partnership advances.

### CONTINGENCY: IF PARTNER TEAM APPROACH FAILS

While Partner Team integration materially improves execution probability, it is prudent to establish what failure looks like and what options remain available.

#### Failure Indicators (30-60 day checkpoints)

The following signals would indicate Partner Team integration is not producing expected results:

- Demos at 60 days show no meaningful improvement in executive appeal over baseline
- Partner Team and original team unable to establish functional working relationship (persistent conflict, decision paralysis)
- Partner Team creative lead unable or unwilling to assert authority over Design Lead's direction

#### Contingency Options

**Option 1: Partner Team Full Takeover (Escalation)** If cultural friction proves insurmountable, shift to Partner Team as primary development entity with original team fully subordinated or sidelined. This preserves investor relationship with original Studio Head while removing operational dysfunction.

- **Timeline impact:** 2-4 week reset as Partner Team assumes full control
- **Relationship impact:** High. Original team effectively removed; may damage investor-Studio Head relationship
- **Probability of success:** Moderate-High. Partner Team unconstrained, but loses original team's domain context

**Option 2: Pause and Restructure (Major Intervention)** If failure becomes evident by day 60, pause development and require structural changes before additional capital deployment:

- Replace Design Lead with experienced creative director (external hire)
- Require Studio Head active daily involvement or step aside
- Partner Team continues as interim leadership until permanent structure established
- **Timeline impact:** 3-6 month delay while recruiting and onboarding new leadership
- **Relationship impact:** Critical. Requires investor to demand personnel changes explicitly
- **Probability of success:** Moderate. New leadership may not integrate successfully

**Option 3: Wind Down (Exit)** If demo quality at 90 days remains insufficient and partnership window closes, structured wind down:

- Halt development; preserve whatever tech/IP has been created
- Return unspent capital to investor
- Original team dissolved or continues independently without investor support
- IP owners informed partnership will not proceed

**Timeline impact:** Immediate cessation

**Relationship impact:** Terminal. Investment lost; partnership opportunity lost

**Probability of success:** N/A (this is the failure case)

**Recommended Approach:** Establish clear 30-day and 60-day milestones with pre-agreed failure criteria. If Partner Team integration is not working by day 60, execute Option 2 (Pause and Restructure) rather than continuing to burn capital on a non-viable approach. The 90-120 day demo deadline provides natural forcing function: if restructuring cannot deliver impressive demo by that point, partnership opportunity likely lost regardless of further investment.

**Key Principle:** Partner Team integration is the highest-probability path to success, but it is not guaranteed. Maintaining optionality requires disciplined milestone evaluation and willingness to escalate intervention (Option 1-2) or exit cleanly (Option 3) rather than hoping the situation self-corrects.

## SECTION 7: RED FLAGS & MITIGATION

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Section 7 consolidates the findings into the most decision-relevant signals, highlighting critical red flags that threaten execution and positive indicators that increase confidence. It is designed to distinguish fixable issues and structural, deal-level risk.

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**Red Flag 1:** Absent Leadership Enabling Vision Conflict

**Critical Risk:** Two incompatible products being built simultaneously

**Severity:** Critical

**Mitigation Potential:** High via partner team with clear authority

The Studio Head correctly identified the strategic objective (executive technology showcase for IP owners) but is largely absent from day-to-day operations. The Design Lead controls execution and pursues a fundamentally different vision (children's game). Both are conflict-averse, so this misalignment has never been addressed. Engineering builds for executives; creative simplifies for children. The resulting demos are unimpressive to both audiences. This is not a communication failure; it is a leadership gap. Without active, present leadership that can assert unified vision and enforce alignment, the team will continue building in contradictory directions until resources are exhausted.

**Mitigation:** Partner team integration with explicit authority to establish and enforce a single product vision. Given the strategic partnership context, the correct vision is the Studio Head's (executive demo), but execution authority must align with strategic direction. Partner team acts as on-site leadership that the Studio Head should be but is not.

**Red Flag 2:** Time Zone Fragmentation Across Three Continents

**Critical Risk:** Collaboration impossible; decisions delayed by 12-24 hours

**Severity:** Critical

**Mitigation Potential:** High via restructuring

Game development requires rapid iteration and synchronous collaboration across disciplines. When engineering, creative, and art operate in different time zones with no functional overlap, decision velocity drops by an order of magnitude. A question that should take 5 minutes to resolve instead becomes a 16-hour asynchronous message thread, compounding across hundreds of daily decisions. This is not a communication problem; it is a structural impossibility.

**Mitigation:** Partner team consolidates majority of development in overlapping time zones, allowing real-time collaboration. Original team members remain involved but in support/specialist roles rather than core development.

**Red Flag 3:** Building for Wrong Audience Sabotages Strategic Opportunity

**Critical Risk:** Unimpressive demos fail to secure IP partnership

**Severity:** Critical

**Mitigation Potential:** Moderate via immediate course correction

The entire strategic value of this investment depends on impressing IP owners (C-suite at multinational game company) to secure partnership approval. The Design Lead is optimizing demos for six-year-old children. Engineering builds sophisticated AI to showcase technical capability; creative “simplifies” it to be “kid-appropriate,” eliminating the impressive elements. The resulting demos are neither technically impressive to executives nor engaging for children. This is not a fixable product problem; it is an existential misalignment. If the team cannot produce demos that convince IP owners of partnership value, the entire investment thesis collapses.

**Mitigation:** Partner team immediately establishes executive demo as the singular product objective. Eliminate all “child-friendly” simplification. Build specifically to showcase technical sophistication, partnership potential, and market opportunity to the actual decision-makers. This requires partner team to have creative authority to override Design Lead’s children’s game agenda. Timeline is urgent: impressive demos needed within 90-120 days to maintain IP owner engagement.

## SECTION 8: RECOMMENDATIONS

**Funding Decision:** Conditional Fund with Mandatory Restructuring

### Recommendation Rationale

The strategic partnership opportunity is too valuable to decline. However, the current team configuration makes ship failure inevitable due to fundamental leadership conflict: Studio Head pursues executive technology showcase (correct for partnership approval); Design Lead, who controls day-to-day execution, implements children's game (incompatible with strategic objective). Both are conflict-averse; neither will resolve the misalignment. Result: unimpressive demos that fail to showcase value to IP owners.

Standard playbook would recommend walking away. Instead, this assessment leveraged discovery to identify a structural solution: during team interviews, a third-party development team was mentioned who has existing ties to the organization, complementary skill sets, proven shipping track record, and appropriate time zone alignment. Critically, this partner team has experience building executive-facing technology demonstrations and can immediately align execution with strategic objective.

This creates a path to Yes: fund the strategic partnership, but mandate structural integration with the partner team as a condition of investment. Partner team assumes operational control, establishes executive demo as singular vision, and delivers impressive showcases to IP owners within 90-120 days.

### Required Intervention

Investment is contingent on the following structural changes being implemented within 30 days:

- **Unified vision establishment:** Partner team establishes executive technology showcase as the singular product vision. Eliminate conflicting children's game direction entirely. All features must demonstrate value to IP owners evaluating partnership potential.
- **Partner team integration:** Formalize partnership with identified third-party development team who will assume operational control and majority development responsibility. Original team provides support but no longer controls direction.
- **Creative authority transfer:** Partner team granted full creative and product authority. Design Lead's children's game agenda must be overridden. Studio Head's executive demo vision must be executed, not just stated.
- **Executive demo milestones:** Deliver impressive technology demonstration to IP owners within 90-120 days. Showcase must convince C-suite executives of partnership value, technical capability, and market potential.
- **Monthly progress reviews:** Investor validates demos are optimized for executive audience (not children), showcase technical sophistication (not simplified), and advance partnership approval (not deferred).

### Reassessment Criteria

Deployment of capital should occur only after:

- Partner team operational control is formalized with clear authority over product vision and execution
- Executive technology showcase is established as singular vision; children's game direction is eliminated
- First demo is prepared specifically for IP owner executive audience (not children), showcasing technical sophistication
- 90-day milestone defined: impressive executive demo ready for presentation to IP owner C-suite

This restructuring transforms an un-fundable team into a viable investment by eliminating the leadership conflict that was producing unimpressive demos. Partner team brings both operational capability and the willingness to assert clear vision that the Studio Head should provide but does not. The strategic partnership remains accessible while execution is aligned with strategic objective: impressing IP owners to secure approval.

## **REPORT CERTIFICATION**

This assessment reflects the professional judgment of the evaluator based on direct, embedded observation and participation within the studio over a three-week period. The evaluation included attendance at daily stand-ups, leadership and team meetings, review of technical and design documentation, hands-on examination of development workflows, and informal interviews with key personnel.

Findings and recommendations are based on conditions observed during the assessment period and represent an independent, good-faith analysis of execution risk, organizational structure, and product viability. While reasonable efforts were made to ensure accuracy and objectivity, this report does not constitute a guarantee of future performance and should be considered within the broader context of investor due diligence.

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**Date:** 2/12/25