

AI Company Revenue Quality: Diligencing Bookings, Compute Costs and Concentration

A Global Transaction Diligence Framework for Buyers, Investors, Lenders and Boards

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Abstract

An AI company's commercial momentum can be described through bookings, annual recurring revenue, total contract value, remaining performance obligations, recognised revenue, invoices, cash receipts or usage. These measures answer different questions. Their quality depends on contract enforceability, cancellation rights, delivery capacity, acceptance, consumption, service credits, collectability and the costs required to serve the customer. A large booking can therefore coexist with delayed revenue, negative unit economics, customer concentration or substantial capital commitments.

This paper develops a global transaction-diligence framework for AI company revenue quality. It defines the revenue perimeter; reconciles contract, bookings, remaining obligations, accounting revenue, invoices, cash and usage; tests recognition under the applicable accounting policy; and links each revenue stream to compute, data, model, support and delivery costs. It examines committed, consumption, subscription, licence, professional-services and channel models. It adds customer concentration, renewal, expansion, backlog, gross-margin, receivables, capacity, related-party, control and scenario analysis. A ten-day diagnostic and thirty-day implementation plan connect diligence findings to valuation, transaction protection and an operating revenue-control office.

The analysis draws on IFRS 15 and the IFRS Foundation's 2024 post-implementation review; US Securities and Exchange Commission guidance on non-GAAP measures; PCAOB revenue-risk standards; and current SEC filings by AI software, AI cloud and cloud-platform issuers. The filings illustrate distinct business models and disclosure practices; they are not transaction comparables without further analysis. The actual company, contracts, accounting framework, jurisdictions, customers and infrastructure require current accounting, audit, legal, tax, commercial, cyber and technical advice. Worked values, thresholds, probabilities and timelines are management assumptions created solely to demonstrate the method.

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Keywords: artificial intelligence, revenue quality, bookings, remaining performance obligations, compute costs, customer concentration, gross margin, transaction diligence

1. Revenue quality is an evidence chain

AI revenue diligence begins with the economic promise. A customer may reserve compute, subscribe to software, commit to a minimum spend, pay for tokens, buy a licence, fund implementation or purchase an outcome. Each promise creates a different relationship among contract value, delivery, recognition, cash and cost.

A booking records a commercial event under a company's internal definition. It is not a standardised accounting measure. The booking can include cancellable amounts, options,

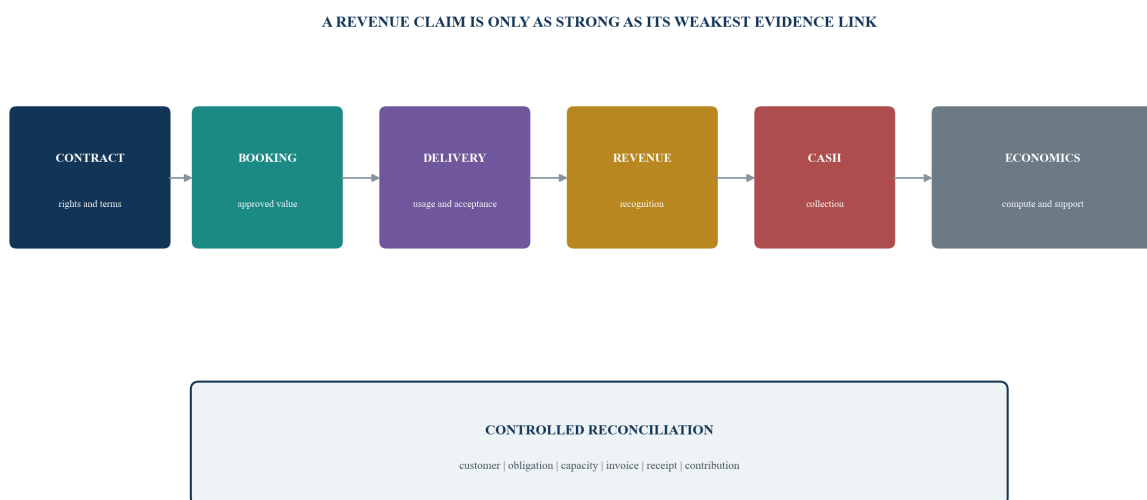
estimated consumption, renewal periods, implementation, pass-through infrastructure or future capacity that remains unavailable. The diligence team should obtain the definition, policy, approval trail and source contract for every material booking.

Recognised revenue reflects the applicable accounting framework and policy. Cash can precede or follow recognition. Remaining performance obligations can include contracted consideration that is still unbilled or undelivered. Usage can be lower than reserved capacity. Compute or data obligations can arise before the related customer workload is ready.

Quality therefore means more than accounting compliance. A high-quality revenue stream has identified customers, enforceable rights, clear performance obligations, evidence of delivery, sustainable renewal behaviour, collectable invoices, manageable concentration and positive contribution after the resources required to serve it. Its definition and controls remain consistent across periods.

For a transaction, the evidence chain should support valuation, debt capacity, working capital, earnout design, representations, warranties and integration planning. Breaks in the chain become quantified diligence adjustments or closing conditions rather than narrative caveats.

Figure 1. The AI revenue evidence chain



Each commercial claim should reconcile through delivery, accounting, cash and service economics.

2. Define the company, product and revenue perimeter

The perimeter identifies every entity that contracts, invoices, collects, hosts, licenses technology, employs delivery teams or incurs infrastructure costs. It maps parent, subsidiaries, variable-interest entities, resellers and related parties. Intercompany revenue and cost should be eliminated consistently.

The product map distinguishes foundation models, applications, agents, developer platforms, data products, AI cloud, specialised hardware, implementation and managed services. A single customer agreement can contain several products and performance obligations with different margins and recognition patterns.

The route to market matters. Direct enterprise contracts, hyperscaler marketplaces, resellers, system integrators, embedded distribution and government procurement create different rights, fees, credit exposure and evidence. The named end user may differ from the accounting customer and invoiced counterparty.

The diligence period should include at least monthly actuals for a sufficient historical range, the current forecast, budget and forward contract schedule. Rapidly changing companies need weekly or daily usage and capacity data. The cut-off date should be common across CRM, billing, general ledger, bank, data warehouse and cloud systems.

Currency, geography and tax treatment should be explicit. Revenue can be recorded in one entity while compute, people and cash sit elsewhere. Foreign-exchange movements, withholding, indirect tax and transfer pricing can affect reported growth and cash conversion.

The output is one controlled revenue universe. Every metric, sample and model should reconcile to that universe or show the documented reason for exclusion.

3. Build a metric dictionary before accepting the dashboard

Management dashboards often place bookings, annual recurring revenue, total contract value, backlog and remaining performance obligations on one page. Each metric needs a written definition, system source, approval, calculation, period treatment and reconciliation to accounting records.

Bookings can represent signed value, purchase orders, expected consumption or approved opportunities. Annual recurring revenue can use current monthly revenue, contracted recurring value or annualised usage. Net retention can include or exclude price, services, inactive customers, acquisitions and currency. Gross retention can be calculated on revenue, annual recurring revenue or customers.

The diligence team should reproduce each metric from transaction-level data. It should retain the original dashboard and a corrected version. Definition changes belong in a dated policy log and historical series should be restated when comparability is material.

Table 1. AI company commercial-metric dictionary

Metric	Decision it supports	Required definition	Primary evidence
bookings	sales momentum and pipeline conversion	signed, approved and included contract value	executed agreement and approval record
total contract value	maximum contracted economics	fixed, variable, optional and cancellable components	contract, order forms and amendments
remaining performance obligations	contracted revenue not recognised	accounting-policy inclusion and timing	revenue subledger and disclosure workpaper
annual recurring revenue	recurring run-rate indicator	product scope, annualisation and exclusions	customer-product monthly bridge
usage	service delivered or consumed	unit, source, free tier and credits	immutable product and metering logs
recognised revenue	accounting performance	policy, performance obligation and cut-off	general ledger and contract workpaper
billings	invoicing and working capital	gross invoice, credits, tax and timing	billing system and invoice register
cash collection	liquidity conversion	settled amount, currency and allocation	bank receipt and accounts-receivable match
gross retention	protected customer base	cohort, denominator and contraction treatment	customer cohort bridge
net retention	expansion economics	cohort, expansion, contraction, churn and currency	customer-product movement file

Definitions are transaction-specific and should be reconciled to source systems and accounting records.

4. Read the contract before scoring the booking

The contract file should contain the master agreement, order forms, statements of work, service levels, data-processing terms, security schedule, amendments, purchase orders and side correspondence that changes rights. Electronic signature, authority and counterparty identity should be verified.

The review identifies fixed and variable consideration, minimum spend, reserved capacity, usage price, term, renewal, termination, convenience rights, refund, acceptance, credit, penalty, most-favoured pricing and payment terms. It distinguishes binding purchases from options, forecasts and non-binding memoranda.

Delivery dependencies should be explicit. An AI cloud contract can begin on a fixed date or when specified capacity is available. Software revenue can depend on deployment, integration, customer data, security approval or production acceptance. A signed value that cannot start without unresolved capacity or customer prerequisites has a different timing profile.

Counterparty credit and strategic dependence matter. The customer may be a start-up supported by the same investor, a reseller without an end-customer commitment or a special-purpose entity. Parent guarantees, deposits, collateral and termination payments should be evidenced.

Table 2. Contract-to-booking evidence test

Contract feature	Diligence question	Revenue-quality effect	Evidence
minimum commitment	must the customer pay without consuming?	strengthens visibility when enforceable and collectable	signed order and remedy clause
termination right	can either party exit without substantive penalty?	reduces reliable contracted value	termination schedule and notice history
capacity condition	when does service become available?	defers start and can create service credits	acceptance and readiness records
variable usage	what drives quantity and price?	increases volume and forecast uncertainty	metering, rate card and usage history
acceptance	who confirms completion and when?	creates cut-off and dispute risk	signed milestone certificate
service level	what credits or refunds follow failure?	reduces transaction price and margin	uptime logs and credit ledger
renewal	is renewal automatic, optional or negotiated?	changes recurring-value interpretation	renewal clause and cohort history
channel	who controls service before transfer?	affects gross or net presentation	reseller and end-customer agreements
related party	are ownership or funding links present?	requires enhanced substance and disclosure review	ownership and conflict records

Legal and accounting advisers should determine enforceability and recognition for the actual contract and jurisdiction.

5. Apply the revenue-recognition model at obligation level

IFRS 15 requires an entity to identify the contract and distinct performance obligations, determine transaction price, allocate that price and recognise revenue when each obligation is satisfied. The standard addresses variable consideration, significant financing components, licences, contract costs and principal-versus-agent judgements. US GAAP Topic 606 shares the core five-step model, with framework-specific requirements and interpretations.

The diligence team should obtain the accounting policy, contract memos, stand-alone selling-price analysis, deferred-revenue schedules, remaining-obligation workpapers and auditor correspondence. It should select material, unusual, late-period and high-growth contracts for reperformance.

AI arrangements often combine platform access, usage, implementation, model customisation, support and licences. The analysis tests whether each promise is distinct and whether implementation changes the customer's asset or merely enables access. Recognition can occur over time, at a point in time or as usage occurs.

Variable consideration includes usage, performance bonuses, refunds, service credits and penalties. IFRS 15 constrains amounts when a significant reversal is probable under the standard's threshold. The transaction model should show the history of credits and the sensitivity of revenue to availability or performance failures.

Principal-versus-agent analysis is particularly relevant for marketplaces, resold cloud, third-party models and data. Gross presentation can overstate scale and suppress reported margin when the company arranges rather than controls the specified service. The conclusion should be supported

for each material stream.

The SEC's non-GAAP guidance warns against changing the pattern of revenue recognition or presenting gross revenue when net presentation is required, and the inverse. Diligence should reconcile investor metrics to the accounting basis and explain every adjustment.

6. Reconcile bookings, obligations, revenue, invoices and cash

The master bridge begins with executed gross contract value. It removes cancellation rights, optional periods, uncommitted consumption, contingent amounts and unsupported bookings. It then maps the enforceable balance to performance obligations and expected timing.

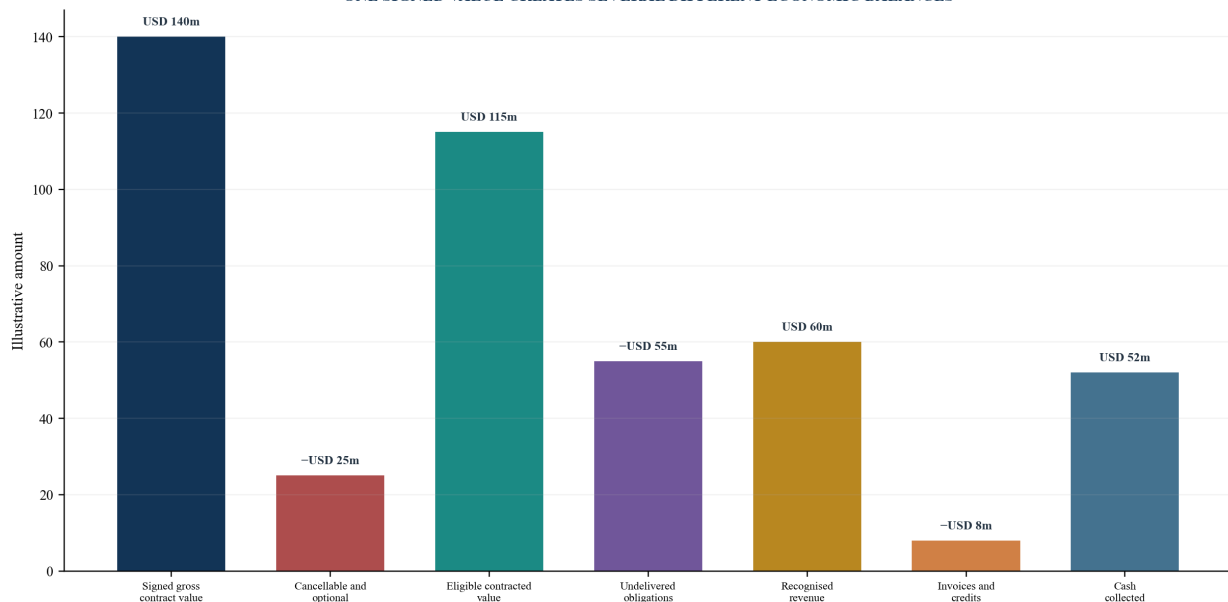
Remaining performance obligations are an accounting measure, not a cash balance. A current SEC filing by CoreWeave states that its RPO includes billed and unbilled consideration and reflects estimated variable consideration, including service credits and delivery delays. A current C3.ai filing describes RPO as contracted future revenue not yet recognised, including deferred and non-cancellable amounts that will be invoiced later. The definitions and business models differ.

Google's 2025 annual filing states that revenue-backlog timing depends on contract duration, delivery and customer utilisation. This illustrates why backlog alone cannot establish near-term revenue or cash.

The bridge should reconcile opening and closing balances by new contracts, expansion, contraction, cancellation, delivery, recognition, credit, foreign exchange and acquisition. Every movement should identify the customer, contract, product and approval.

Figure 2. Illustrative contract-to-cash bridge

ONE SIGNED VALUE CREATES SEVERAL DIFFERENT ECONOMIC BALANCES



Values are management assumptions and do not represent an observed company or transaction.

7. Separate committed, consumption and services economics

A committed contract reserves capacity or access for a fixed term and price, often with minimum payment. A consumption contract recognises value as usage occurs. A subscription grants access over time. A licence can create point-in-time or over-time revenue depending on rights and obligations. Professional services depend on milestones, time or outcomes.

The portfolio should be segmented by model because visibility and cost differ. Committed revenue can improve forecastability while creating capacity obligations and customer concentration. Consumption revenue can have lower contractual visibility but reveal genuine product use. Services can accelerate adoption while carrying lower margins and people dependency.

CoreWeave's 2025 filing describes multi-year take-or-pay contracts, RPO and significant infrastructure deployment. Oracle's fiscal 2026 filing describes consumption revenue recognised as services are performed. These disclosures illustrate two elements of a broad market; actual economics require contract-level work.

The diligence model should calculate contracted minimum, expected usage, actual usage, unused capacity, credits, renewal and gross margin separately. It should identify any free, subsidised or investor-funded usage.

Table 3. Revenue-model quality map

Model	Visibility strength	Primary risk	Core test
take-or-pay compute	enforceable minimum and term	delivery capacity, concentration and credit	reconcile reserved capacity, readiness, billing and cash
consumption compute or API	observable usage	volatility, price decline and abuse	verify metering, rate, credits and unit cost
software subscription	recurring access	shelfware, renewal and implementation delay	connect active use, seats, renewal and support cost
licence	contractual right	recognition timing and upgrade obligations	identify licence nature and remaining promises
professional services	statement-of-work value	milestone acceptance and people intensity	verify time, completion, acceptance and margin
channel or marketplace	distribution reach	gross-versus-net and end-customer opacity	establish control, fees, end use and collectability
outcome-based AI	alignment to customer value	measurement, dispute and variable consideration	validate baseline, attribution, acceptance and constraint

The assessment depends on executed terms, delivery evidence, customer behaviour and the applicable accounting policy.

8. Prove that capacity can deliver the contracted revenue

AI revenue can depend on GPUs, data-centre space, power, networking, cloud reservations, third-party models, licensed data and specialist teams. A booking becomes operationally valuable when the required capacity is available, accepted and economically matched to the contract.

The capacity ledger should identify owned, leased, reserved and spot resources by region and date. It should show vendor commitments, minimum purchases, cancellation, prepayment, price escalation, useful life, financing and security interests. Customer workloads should map to the

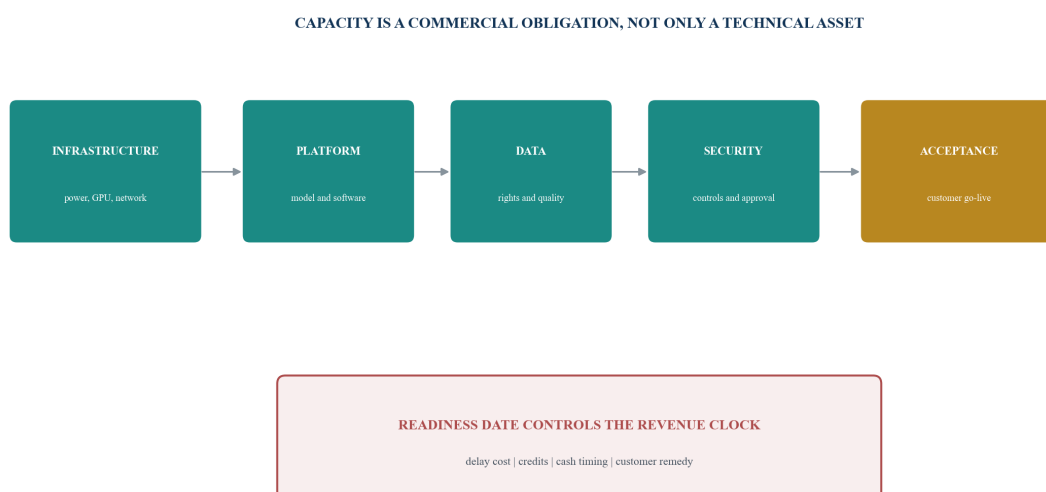
same units.

Contract start dates may depend on delivery. The team should compare promised and actual readiness, commissioning, customer acceptance, uptime and service credits. A delayed cluster can push revenue while facility, financing and procurement costs continue.

Capacity fungibility matters. A resource reserved for one architecture, region, security level or customer may not be redeployable. The diligence model should separate technically usable capacity from contractually and operationally available capacity.

Utilisation should be measured at the appropriate bottleneck: accelerator hours, tokens, requests, memory, power, rack, storage, network or delivery team. A single blended percentage can conceal stranded resources.

Figure 3. Capacity-to-revenue readiness gate



Contracted revenue becomes deliverable only when infrastructure, software, data, security and customer acceptance align.

9. Calculate compute contribution at customer and workload level

Reported cost of revenue may include third-party cloud, colocation, power, depreciation, data, inference, support and operations. Some infrastructure expense can sit in research and development or another operating line. Diligence should construct an economic cost view alongside the accounting presentation.

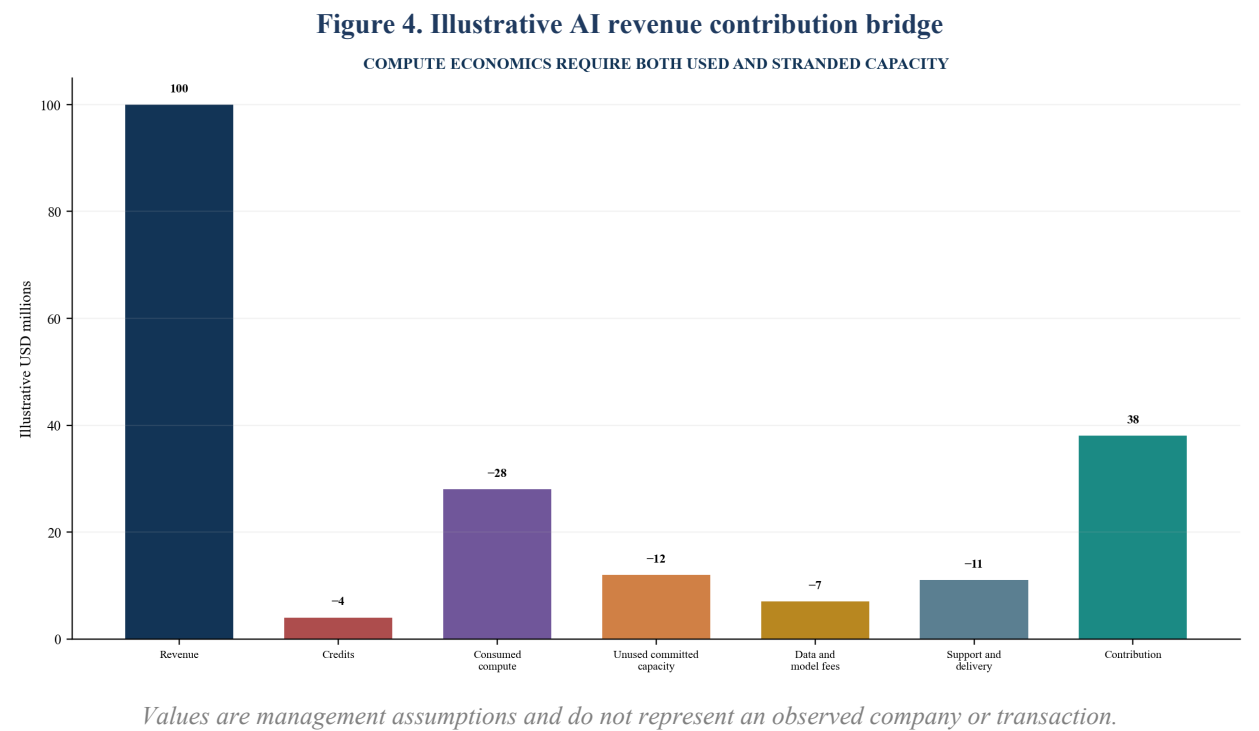
The unit depends on the product. AI cloud can use accelerator hour, reserved cluster or megawatt. Model APIs can use input and output tokens, requests or compute seconds. Applications can use user, workflow, task or outcome. Each unit should connect price, utilisation and cost.

Direct compute cost includes committed capacity used and unused. A customer can show positive margin on consumed units while an associated minimum cloud commitment remains stranded. The customer-product ledger should allocate reserved-cost exposure using a documented rule and show sensitivity.

Model training and inference need separation. Training can support future products and be classified outside current cost of revenue, subject to accounting policy. Inference serves current

customer usage. Fine-tuning, retrieval, data licences, observability, safety, support and human review can be material.

The output is a contribution bridge by customer, product, geography and cohort. It distinguishes reported gross margin, adjusted contribution and cash contribution after capacity commitments.



10. Normalise gross margin without losing the operating truth

The gross-margin bridge begins with reported revenue and reported cost of revenue. It identifies reclassifications, capitalisation, credits, pass-through items, stock compensation, depreciation, cloud commitments, free usage, professional services and one-time migration.

The objective is a repeatable operating view, not a preferred percentage. Costs that recur to deliver the product should remain visible even when accounting classification places them elsewhere. Temporary launch inefficiency can be shown separately with evidence and a dated remediation plan.

The model should show price and cost by customer cohort. Early strategic customers may receive discounts, capacity priority, free services or warrants. Expansion can improve margin through utilisation or weaken it through bespoke work and support.

Infrastructure useful lives and depreciation assumptions affect reported margin. Cash economics also depend on equipment purchases, prepayments, leases, financing and minimum cloud commitments. Reported and cash contribution should be presented together.

Table 4. Illustrative gross-margin normalisation

Bridge item	Reported treatment	Diligence treatment	Illustrative effect
reported revenue	accounting revenue	starting point	USD 100m
service credits	netted or accrued	reconcile to incident and contract	negative USD 4m
direct compute	cost of revenue	retain by customer and workload	negative USD 28m
unused commitment	operating or infrastructure cost	attribute to contracted capacity and portfolio	negative USD 12m
third-party model and data	cost or operating expense	retain when required for delivery	negative USD 7m
delivery and support	split across cost and operating expense	include recurring customer-serving cost	negative USD 11m
economic contribution	derived measure	revenue less recurring delivery resources	USD 38m
growth investment	research, sales and platform	disclose separately from current delivery	assessed outside contribution

Values and classifications are management assumptions for method demonstration; the actual accounting treatment requires current professional analysis.

11. Measure concentration across customer, counterparty and dependency

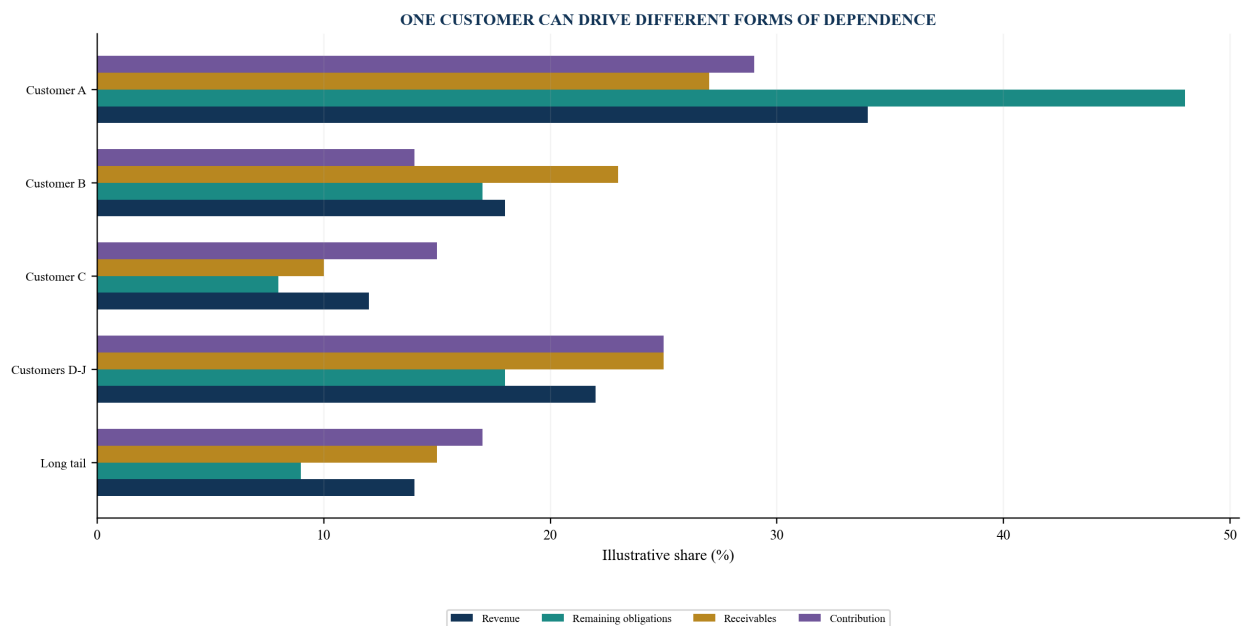
Customer concentration should be measured on revenue, bookings, remaining obligations, receivables, cash and contribution. A customer can represent a small share of current revenue and a large share of contracted future capacity. Another can represent high revenue and low contribution.

The analysis should aggregate related entities and end customers. Marketplace, reseller and integrator channels can obscure underlying dependence. Credit exposure belongs to the invoiced counterparty, while product and renewal dependence can sit with the end user.

Current SEC filings demonstrate the range of disclosure. Ambiq's 2026 registration filing reported substantial end-customer concentration for its disclosed periods. CoreWeave's filings discuss large committed customers, take-or-pay arrangements and changing backlog concentration. C3.ai's fiscal 2026 filing reports revenue and receivable concentration by customer entity. These are company-specific disclosures rather than sector benchmarks.

Concentration can be strategically rational during early scale. Transaction value still depends on contract durability, counterparty quality, renewal, bargaining power, capacity dedication and substitution time. The model should test loss, contraction, price reset, payment delay and workload migration.

Figure 5. Illustrative multi-dimensional concentration map



Shares are management assumptions and do not represent an observed company or transaction.

12. Test cohorts, usage, renewal and expansion

Customer-level cohorts reveal whether growth comes from durable use, price, expansion, new logos or services. The file should show opening recurring value, expansion, contraction, churn, reactivation, currency and closing value by month.

Usage belongs beside contract value. Active users, workloads, tokens, accelerator hours, production deployments and business processes provide different evidence. A paid contract with low use can be strategically valid during deployment, yet extended shelfware increases renewal risk.

Renewal analysis should control for contract term and eligibility. Early-stage companies can report high retention from a small or immature cohort. Multi-year contracts delay the first renewal observation. Concentration can cause net retention to move sharply with one account.

Expansion should be decomposed into volume, price, new product, acquired revenue and contract extension. A renewal signed early can increase bookings without changing near-term consumption. A customer-funded implementation can increase revenue while masking product friction.

The diligence team should interview selected customers with authorised access and a controlled script. Evidence should cover procurement, decision owner, production use, value achieved, alternatives, security, service, roadmap, renewal and pricing. Management-selected references should be identified as such.

The resulting score combines contractual durability, actual adoption, business criticality, switching cost, realised value, budget ownership, satisfaction and competitive position. It should retain the supporting evidence and unanswered questions.

13. Examine channel, related-party and circular economics

AI companies can sell through hyperscaler marketplaces, system integrators, distributors, affiliates and portfolio-company relationships. The diligence perimeter should identify who contracts, pays, consumes, provides the service and bears performance risk.

Principal-versus-agent conclusions affect gross or net revenue. The accounting memo should identify the specified service and whether the company controls it before transfer. Pricing discretion alone may not determine the conclusion. Marketplace fees and reseller discounts belong in customer economics.

Related-party revenue requires enhanced review of substance, arm's-length terms, collectability and disclosure. Investor-funded customers, reciprocal commercial arrangements or capacity purchases linked to financing can create growth that depends on the capital relationship. The review should trace ownership, board links, funding and side agreements.

Cloud credits and partner incentives can subsidise delivery or customer adoption. The model should identify expiry, restrictions and replacement cost. A gross-margin profile supported by temporary credits should show the post-credit economics.

Barter, warrants, marketing funds, referral payments and reciprocal procurement should be analysed together. The objective is to establish the independent economic exchange and cash consequence.

The transaction report should list every material channel and related-party adjustment with its effect on revenue, contribution, cash and valuation. Legal, tax, accounting and disclosure advice remains jurisdiction-specific.

14. Reconcile receivables, deferred revenue and cash conversion

Revenue quality reaches the bank account through invoicing and collection. The diligence team should obtain invoice-level accounts receivable, cash application, credit notes, disputes, days-sales-outstanding, write-offs and subsequent receipts.

Unbilled receivables can arise when revenue is recognised before the right to invoice becomes unconditional. Contract assets should be reconciled by customer, obligation and ageing. Deferred revenue represents consideration received or billed before recognition under the policy; it is not automatically free cash because future service costs remain.

Large prepayments can support infrastructure deployment while creating performance and refund obligations. CoreWeave's 2025 filing describes customer prepayments within its committed-contract model. The actual cash benefit depends on delivery, restrictions, security, credits and required capital expenditure.

Collections should be traced from customer invoice to bank receipt and general ledger. Concentrated customers can negotiate extended terms, dispute service levels or offset credits. Government and channel customers can have longer administrative cycles.

The working-capital model should separate invoicing cadence, contractual payment date, actual payment, tax, currency, credit and financing. It should forecast cash under base, delayed-delivery, credit and customer-loss cases.

Transaction mechanisms should address the identified risk. Options include normalised working-capital targets, specific indemnities, escrow, earnouts tied to collected contribution, deferred consideration, debt covenants or closing conditions. Each mechanism requires legal and tax design.

Earnout definitions should avoid reproducing the metric ambiguity found in diligence. The schedule should specify the customer and product perimeter, accounting policy, permitted contract changes, revenue and cost cut-off, credits, bad debt, infrastructure allocation, foreign exchange, acquisitions, discontinued products and dispute procedure. Collected contribution can be more decision-useful than bookings when the commercial concern is conversion into cash and sustainable margin. The selected measure remains transaction-specific.

A buyer should also preserve the source data and calculation environment used at signing. Post-close changes to CRM stages, billing logic, cloud allocation or customer identifiers can make a historical earnout difficult to reproduce. A controlled baseline, access rights, monthly certificates and an independent review route improve the evidential record. These provisions require drafting by the parties' current advisers.

15. Stress revenue, capacity and cash together

A revenue stress should change price, volume, delivery timing, service credits, churn, customer concentration, cloud price, utilisation and cash timing in one model. Testing only revenue growth can miss a larger cost or liquidity effect.

The base case should reconcile to executed contracts, delivery capacity, pipeline conversion, historical cohorts and board-approved forecast. Upside should require named evidence. Downside should include events that are plausible for the product and customer set.

The model should calculate revenue, gross contribution, cash, capacity commitments, headroom and covenant effects. It should identify the first date at which an action is required and the owner.

Table 5. Illustrative integrated AI revenue stress matrix

Scenario	Revenue effect	Cost and capacity effect	Cash effect	Transaction implication
base delivery	contracted starts and cohort trend	planned utilisation and support	agreed billing and collection	valuation follows evidenced plan
largest customer delays	recognition shifts six months	dedicated capacity remains payable	prepayment or invoice timing moves	working-capital and concentration protection
consumption falls 30%	usage revenue declines	minimum cloud spend remains	lower receipts with fixed outflow	contribution and liquidity adjustment
service availability failure	credits reduce transaction price	remediation and duplicate capacity rise	refunds or offsets delay cash	warranty, reserve and control remediation
compute price rises 20%	price response may lag	direct unit cost increases	supplier cash precedes repricing	margin adjustment and pricing covenant
renewal loss	forward recurring value declines	stranded people and capacity remain	collections fall after contract end	earnout and retention condition
collection delay	accounting revenue may remain	delivery continues	receivables and funding need rise	debt headroom and working-capital adjustment

16. Run a ten-day revenue-quality diagnostic

Days one and two define the entities, products, customers, revenue models, accounting frameworks and source systems. The team freezes the cut-off and gathers contracts, CRM, usage, billing, general ledger, bank, infrastructure and customer-success data.

Days three and four build the metric dictionary and contract universe. Material bookings, amendments, side letters, cancellation, acceptance, service levels, payment and channel terms are indexed.

Days five and six reconcile bookings, remaining obligations, revenue, invoices, credits and cash. The team re-performs selected recognition conclusions and period cut-off.

Days seven and eight build customer-product contribution, capacity, cohort, concentration and cash-conversion models. It tests reported margin against compute, data, support and stranded commitments.

Day nine runs integrated downside scenarios and ranks accounting, commercial, technical, customer, capacity and liquidity gaps. Day ten is the transaction gate: proceed; reprice; restructure; add protection; obtain evidence; defer; or decline.

The ten-day period is a management target. Complex contract populations, incomplete data, multiple jurisdictions, specialist accounting or technical testing can require longer. Unresolved items should remain explicit.

Table 6. Ten-day AI revenue-quality diagnostic

Period	Workstream	Decision	Completion evidence
days 1-2	perimeter and data freeze	what business and records are being diligenced?	entity, product, customer and system map
days 3-4	definitions and contracts	what is binding, cancellable and deliverable?	metric dictionary and contract register
days 5-6	accounting and cash bridge	what converts to revenue, invoice and receipt?	seven-ledger reconciliation and sample workpapers
days 7-8	economics and concentration	which customers and workloads create contribution?	customer-product margin, cohort and capacity models
day 9	integrated stress	what event breaks value or liquidity first?	scenario matrix and severity-ranked gaps
day 10	transaction gate	proceed, reprice, protect, remediate or decline?	signed decision and conditions

Scope, owners and timing should be adapted to the company and transaction.

17. Implement a thirty-day revenue-control office

The first week establishes governance, definitions, data ownership and a controlled customer-contract master. Sales, finance, product, infrastructure, legal and customer success agree the metric dictionary and exception process.

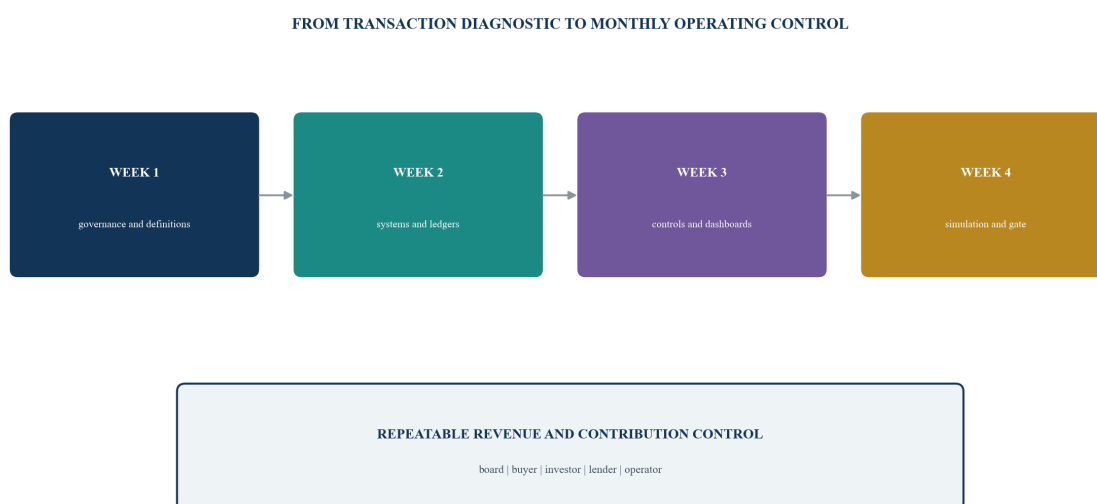
The second week connects CRM, contract, metering, billing, revenue subledger, receivables, bank and compute-cost data. Customer and product identifiers are reconciled. Access, change and approval controls are tested.

The third week implements dashboards for bookings quality, obligations, delivery, credits, recognition, invoices, collections, capacity, contribution, concentration, cohorts and renewal. Maker-checker controls cover material contracts and period-end cut-off.

The fourth week runs close, forecast and transaction simulations. Teams test a late contract, delayed capacity, service credit, disputed invoice, customer loss, price change, renewal and supplier-cost shock. Failed controls enter a dated remediation plan.

Ongoing retained work can include monthly revenue and contribution review, contract and metric governance, customer and cohort monitoring, infrastructure-cost optimisation, forecast challenge, lender or investor reporting, transaction preparation and post-close integration. The engagement scope and evidence standard should be explicit.

Figure 6. Thirty-day AI revenue-control implementation



A controlled revenue model links commercial momentum to delivery, accounting, cash and transaction decisions.

18. Conclusion

AI company revenue quality sits at the intersection of contract, delivery, accounting, cash and compute economics. Bookings, remaining obligations, annual recurring revenue, recognised revenue and cash should retain distinct definitions and reconcile through one controlled customer-product model.

The framework begins with the legal and product perimeter, tests contracts and performance obligations, and connects every material booking to delivery capacity. It then calculates customer and workload contribution after compute, data, model, support and unused commitments. Cohort, concentration, channel, related-party, receivables and cash analysis establish whether growth is durable and financeable.

IFRS 15, SEC guidance and PCAOB standards reinforce disciplined definitions, recognition, presentation and revenue-risk controls. Current issuer filings show how committed AI cloud, consumption, software and hardware models disclose obligations, customer dependence and infrastructure costs. Their facts cannot replace company-specific diligence.

For buyers and investors, the result is an evidence-based valuation and protection map. For lenders, it connects contracted cash visibility to capacity, contribution and collection. For boards and operators, it provides a route from ten-day diagnostic to a thirty-day revenue-control office and ongoing performance management. Commercial demand and fees remain unverified until evidenced by signed engagements and collected payments.

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About the Author

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