

LegalScan

AI red-flags + plain-language explanations of every clause in your contract — before you sign. Legal advice is \$300+/hour; ChatGPT misses context. LegalScan is purpose-built for personal contracts. \$19/scan or \$9/month unlimited.

Category	Set 8 · Mixed Round
Customer	Individuals reviewing personal contracts — NDA + employment offer + lease agreement + vendor contract + freelance agreement
Monetisation	\$19 per scan one-time · \$9/mo unlimited Standard · \$29/mo Pro (with attorney-Q&A) · ■399/mo India tier
Build effort	Low
Plan version	v1.0 — 2026-05

Executive Summary

LegalScan is AI-powered personal contract review. The structural opportunity: individuals regularly sign contracts they don't fully understand (NDAs + employment offers + lease agreements + vendor contracts + freelance agreements + consulting agreements + insurance policies); proper legal review costs \$300-1,500+ per contract (out of reach for most personal-use); ChatGPT generic review misses important context + can hallucinate.

Product: upload contract; AI analyses + provides plain-language explanation of every clause + flags red-flags (unusual terms + party-unfavourable clauses + missing-protections + ambiguous-language) + suggests negotiation points + provides standard-vs-this-contract benchmarking.

Year-1 target: 18,000 paid scans + 4,500 subscribers generating ■2.4 crore annual revenue against ■38 lakh costs. Cash-positive month 3.

The Problem

Individuals regularly sign personal contracts without proper review. Common categories: employment offer letters (compensation + restrictive covenants + IP assignment); NDAs (scope + duration + exceptions); lease agreements (deposit + maintenance + termination); freelance + consulting agreements (deliverables + payment + IP); vendor contracts (service-levels + liability + termination).

Existing options. Lawyer review: \$300-1,500+ per contract; impractical for personal-use. ChatGPT generic review: produces output but misses contract-specific context + hallucinates clauses that don't exist + lacks negotiation suggestions. DIY reading: most non-lawyers cannot identify subtly-bad terms.

Market gap: focused contract-review with red-flag identification + negotiation guidance at consumer pricing.

The Solution

LegalScan's flow. Upload contract (PDF + DOC + photo). AI processes within 3-8 minutes: extracts clauses + categorises by type + provides plain-language explanation of each clause + flags red-flags + benchmarks against standard-template-for-contract-type + provides negotiation point suggestions.

Per-contract-type templates: employment offer + NDA + lease + freelance + vendor + consulting + insurance — each has structured analysis framework specific to common-issues-in-this-contract-type.

Red-flag categories: unusual terms (uncommon vs. standard practice); party-unfavourable clauses (signed party would bear disproportionate burden); missing protections (standard clauses that protect signer that are absent); ambiguous language (clauses that could be interpreted multiple ways).

Pro tier (\$29/mo): adds attorney-Q&A; access (vetted attorney panel for follow-up questions on AI analysis).

India tier (■399/mo): India-pricing with India-specific contract templates + Indian-law context.

Market Opportunity

Global individuals reviewing personal contracts: hundreds of millions of contract-events annually. Willing-to-pay segment for AI review: ~15-25M annually.

At blended \$35/yr ARPU + per-scan revenue, SAM is \$500M-\$1B globally. Realistic 4-year capture: 0.1-0.3% = \$500k-3M ARR.

Adjacent expansion. Year 2: B2B small-business contract review tier. Specific-contract-type deep tiers (real-estate-specific + employment-specific). Year 3: attorney-network marketplace expansion.

Target Customer

Primary persona: a 32-year-old professional reviewing employment offer letter from new job. Will pay \$19 per scan one-time.

Secondary persona: a 28-year-old freelancer signing 8-15 client contracts annually. Will pay \$9/mo Standard unlimited.

Tertiary persona: a 41-year-old founder reviewing 25+ vendor + employment + NDA contracts annually. Will pay \$29/mo Pro tier with attorney-Q&A; access.

Product

Contract upload: PDF + DOC + photo.

AI analysis: clause extraction + plain-language explanation + red-flag identification + benchmarking + negotiation suggestions.

Per-contract-type templates: employment + NDA + lease + freelance + vendor + consulting + insurance.

Red-flag categorisation: unusual + unfavourable + missing-protections + ambiguous.

Pro tier additions: attorney-Q&A; access for follow-up questions.

India tier: India-specific contract templates + Indian-law context.

Technical Architecture

Frontend: Next.js + Tailwind + React Native mobile.

Backend: Python on Hetzner cloud (multi-region for jurisdiction handling), Postgres + encrypted document storage.

AI: GPT-4o + Claude Sonnet for contract analysis (~\$0.30/scan).

Contract-type templates: structured per-type analysis framework maintained by in-house legal team.

Attorney-Q&A; workflow (Pro): vetted attorney panel + structured Q&A; workflow.

Payments: Stripe + Razorpay.

Compliance: clear scope-of-service (information not legal advice) + jurisdiction-aware framing.

Business Model & Unit Economics

Three structures. Per-scan \$19 one-time. Standard \$9/mo or \$89/yr unlimited. Pro \$29/mo (Standard + attorney-Q&A;). India ■399/mo.

Conversion: per-scan trial converts to subscription at 14% within 4 months. Distribution: 45% per-scan, 30% Standard, 15% Pro, 10% India.

Gross margin: 82%. Costs: AI inference + legal-content maintenance + attorney-Q&A; labour at Pro.

LTV: \$19 lifetime per per-scan customer (some repeat); \$108 × 16 mo = \$173 (Standard); \$348 × 22 mo = \$766 (Pro); ■4,788 × 14 mo = ■5,586 (India).

Unit Economics (Year-1 base case)

Year-1 paid scans	18,000
Year-1 paying subscribers	4,500
Year-1 revenue	■2.4 crore
Gross margin	82%
CAC	\$25 (subscription) / \$5 (per-scan)
Year-1 all-in costs	~■38 lakh
Year-1 net contribution	~■1.6 crore

Go-to-Market

Channel 1 — SEO (50%): high-intent contract-review queries ('NDA review' + 'employment offer review' + 'lease agreement review').

Channel 2 — Freelancer + consultant community (25%).

Channel 3 — Job-search-adjacent partnerships (15%): integrations with job-search platforms (referring offer-letter recipients).

Channel 4 — Paid acquisition (10%).

Roadmap (first 12 months)

- Month 1-3: MVP with employment + NDA contract types + per-scan + Standard tier. 1,500 paid scans.
- Month 4-5: Lease + freelance + vendor contract types + India tier, 5,000 paid scans + 800 subscribers.
- Month 6-8: Pro tier with attorney-Q&A; + 7 contract types coverage, 10,000 paid scans + 2,500 subscribers.
- Month 9-10: Negotiation-suggestion depth + jurisdiction-specific support, 14,500 paid scans + 3,800 subscribers.
- Month 11-12: 18,000 paid scans + 4,500 subscribers, ■2.4 crore year-1 revenue.

Key Risks

- Liability: AI legal-analysis errors could lead to user signing harmful contract. Mitigated by clear scope-disclaimer (information not legal advice) + professional indemnity insurance + recommend-attorney-for-high-stakes-contracts.
- Jurisdiction variance: contract law differs by jurisdiction (US states + UK + India). Mitigated by jurisdiction-specific templates + clear jurisdiction-scope warnings.

- ChatGPT improving on contract review natively — possible. Mitigated by purpose-built templates + red-flag depth + attorney-network access.
- Attorney-Q&A; scaling at Pro tier. Mitigated by vetted-attorney panel + structured Q&A; templates.
- Slow trial-to-subscription: per-scan-only customers may not convert. Mitigated by per-scan-still-revenue + subscription nudge after 3rd scan.