

Canada now puts a legal clock on construction payments. The subcontractors waiting on that money still can't see it.

Theme. SMB working capital: money that is earned but not yet collected. **Recommendation.** Test a **prompt-payment cash desk for Canadian specialty trade contractors (10–99 staff), Ontario first.** It would show when each progress invoice and holdback is *legally* due and which receivable protects the next payroll, then finance invoices the law has already made payable.

Status: desk research only; no customer interviews, pilots or LOIs yet. Market figures are my scenario model, not published forecasts.

Clickable prototype (synthetic data): abdullahmanini.github.io/proper-venture-concept

HOW I GOT HERE

I started with "AI-assisted short-term cash management for SMBs" and mapped 18 products. QuickBooks Canada already predicts invoice payment dates, Chaser ranks cash-at-risk receivables, and Float and Dryrun run scenarios,¹⁰ so a horizontal "which invoice matters before payroll" tool is a feature incumbents can ship (and a C\$4.7M market on my model, 8× smaller than the one below). I looked instead for a segment where cash timing is structural, measurable and newly regulated. Construction trades fit.

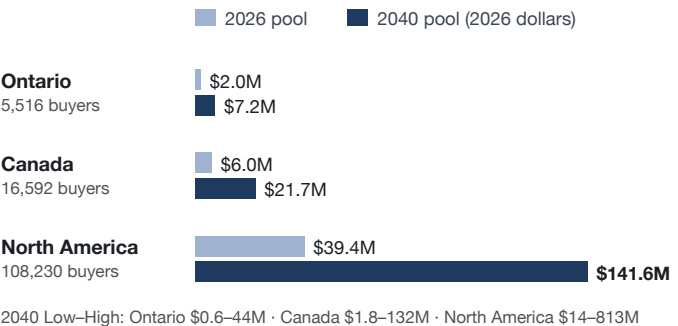
PAIN POINTS

- **Last in the payment chain.** Money flows owner → general contractor (GC) → trade, and each tier waits on the one above. Before Ontario's 2019 reform, 30-day terms routinely stretched to 60–120 days.³
- **Weakest liquidity.** 70.7% of construction businesses had three months of cash in Q3 2026, against 75.8% of all businesses and 81.3% in professional services.² This is a timing problem, not a solvency crisis.
- **Holdback ties up cash.** 10% of each progress payment is withheld by statute,⁶ which can mean several hundred thousand dollars for a trade billing C\$6M a year (illustrative).
- **Rights go unused.** Ontario requires payment within 28 days of a proper invoice unless a notice of non-payment is issued within 14, and contracts can't extend that.³ Yet only 269 adjudications began in FY2023¹³ across ~34,700 trade locations.¹ *Open question:* is that complexity (fixable) or fear of losing the GC (fatal)?
- **Payroll is the hard deadline.** 27% of Canadian SMEs reported payment delays in a 6-month window (2024).¹⁴

MARKET TIMING

- **Tailwind: Ontario's Jan 2026 amendments.** Invoices are deemed proper unless disputed within 7 days, holdback must be released annually, and private adjudicators are allowed.^{3,4,6} Each rule creates a computable date.
- **Tailwind: a national pattern.** Alberta's regime is in force, BC's Act passed in Nov 2025 but is *not yet in force*, and federal projects are covered.^{6,7} Rules differ by province, which a US tool would have to learn.
- **Tailwind: cheaper document reading.** LLMs can pull data from invoices and contracts; the legal dates still come from a deterministic rules engine.
- **Headwind: payment rails aren't ready.** Real-Time Rail launches in phases from Q4 2026 without the largest banks in the first wave,⁸ and open-banking regulations are only proposed (Jun 2026).⁹ Neither makes a GC pay sooner.
- **Headwind: adoption.** The construction cycle, GC bargaining power, low software use and provincial fragmentation.

MARKET SIZE: BOTTOM-UP, 2026 AND 2040 (MY MODEL, CAD, BASE CASE)



- **Method:** buyers × fit × paid adoption × price, plus early-pay fees. Buyer counts come from StatCan (June 2026)¹ and US Census SUSB (2022);⁵ every rate is a labelled assumption in the workbook. North America 2026: TAM C\$390M → SAM C\$175M (45% fit) → C\$39M pool (20% paid adoption, plus early pay); C\$187M nominal by 2040.
- **What it says:** C\$1M ARR would take 278 Ontario customers, about 11% of fit buyers, and Canada alone is ~C\$6M. Venture scale needs US localization and early-pay revenue (~30% of the 2040 pool). US trades billed US\$1.29T in 2022.⁵

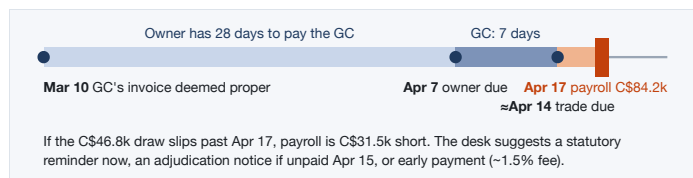
COMPETITION: VENTURE-BACKED AND INCUMBENT

Company	Backing (dated snapshot)	What it does	Gap for this wedge
Siteline (US)	US\$18.4M incl. Menlo-led Series A, 2022 ¹¹	Pay applications and AR tracking for trades	Closest product and most likely to copy. Built for US pay apps and retainage; no Canadian legal-date features found.
Billd (US)	US\$7.3M raise led by MissionOG, Nov 2025 ¹²	Materials financing and early-pay programs	Financing without statutory leverage. Canada not verified.
Earlytrade (US, Australian origin)	~US\$25M total; 2026 round led by S3 Ventures, Brick & Mortar ¹⁵	Early-pay marketplace funded through GCs	Early pay alone is not a moat. Needs GCs to opt in.
Procore (Levelset), Trimble Pay, Oracle Textura, GCPay	Public / corporate; Procore bought Levelset in 2021	GC-run payment portals	Serve the GC; a trade logs into each one, with no cross-GC view of cash.
QuickBooks, Xero, Float, Chaser, Plooto, Float Financial	Incumbents; Plooto US\$20M Series B (2022); Float Financial C\$70M Series B (2025) ¹⁰	Forecasts, collections, payments	Strong substitutes with no construction legal dates or holdback.
ConTracs, GetMarkup (Ontario)	Unknown	Prompt-payment-aware invoicing	Local demand signal and a direct threat.

Read: no product I found combines Canadian legal due dates, holdback and a payroll-level decision for trades, but Siteline or Procore could add it. Defensibility would have to come from Canadian rules depth, distribution through trade associations and bookkeepers, and payment data that improves early-pay underwriting. All three are unproven.

VENTURE ANGLES

★ **1. Prompt-payment cash desk, then early pay (recommended).** The core interaction, with synthetic data (try it):



2. Holdback financing. Annual release turns holdback into dated receivables a lender could finance.

3. Fallback: GC-side compliance. GCs face the same 28-day and payment-cascade rules; if trades won't pay, GCs might.

Model: SaaS (assumed C\$3,600/yr), then a net take on early pay (assumed 0.75%) through a lending partner, only once the SaaS is used, because lending adds credit risk, capital needs and regulatory review.

Bigger risks: GC concentration, a construction downturn, and a fast follower such as Siteline or Procore.

FIRST VALIDATION TEST (4 WEEKS, ~C\$0)

- 20 interviews with owners or controllers of Ontario commercial trades (electrical, mechanical, drywall), found through associations and bookkeepers.
- A C\$500 concierge audit for 5 firms: the legal due date of every invoice in 6 months of AR exports, computed by hand.
- **Go** if ≥8 of 20 had an invoice paid more than 35 days after it became proper that forced a costly action, ≥3 pay for the audit or sign a C\$300/month LOI, and audits find ≥15% of receivable value past its legal date.

WHAT WOULD KILL OR NARROW IT

- Trades won't use statutory rights at all for fear of GC retaliation. *Pivot to angle 3 or stop.*
- GC portals already show legal due dates for most invoices.
- Data setup takes over an hour per customer.
- No lender prices early pay below ~2%. *Stay a smaller SaaS business.*

SOURCES (ACCESSED SEP 30 – OCT 23 2026; FULL LEDGER IN THE WORKBOOK)

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13. ODACC FY2023 annual report, as summarized on Mondaq. mondaq.com
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