TEACHING CASE

Kalpaka AI Labs: Ranking on a Shoestring

Planning a quarterly SEO budget for an AI-native startup in the age of AI Overviews

This case is fictitious. Kalpaka AI Labs, its people, competitors and all figures are invented and were developed solely as a basis for class discussion. The case is not intended to serve as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Read more cases at www.business-fundas.com

Context

On a humid Monday evening in late October 2026, Meera Iyer, Head of Growth at Kalpaka AI Labs, sat in a glass-walled meeting room in Noida's Sector 62 staring at two numbers that refused to reconcile. The first was ₹32.4 lakh, the quarterly retainer quoted by a Bengaluru-based SEO agency to make Kalpaka "visible where it matters." The second was ₹14 lakh, the ceiling that Kalpaka's CFO, Sanjay Malhotra, had pencilled in for all search engine optimisation (SEO) activity in the fourth quarter of FY2026-27 (January to March 2027). The board would review the growth plan on 2 December. Meera had four weeks to turn the gap between those two numbers into a plan she could defend.

The pressure was not new, but its shape had changed. Through 2025 and 2026, Google had steadily expanded AI Overviews and AI Mode across its results pages. For a buyer typing "AI agent for customer support India" or "document AI for insurance claims," the first thing on screen was increasingly a synthesised answer that cited three or four sources, followed by sponsored listings, and only then the familiar blue links. Industry trackers reported that click-through rates on informational queries fell sharply wherever an AI summary appeared, while the few sources cited inside the summary captured a disproportionate share of trust and traffic. Being on page one was no longer enough. Kalpaka needed to be among the sources Google's own AI chose to quote.

At the same time, the market for "AI-native" products, software designed around large language models rather than retrofitted with a chatbot, had become crowded. Global platforms with marketing budgets larger than Kalpaka's entire revenue were publishing thousands of pages a month, and two Indian rivals had raised fresh rounds in 2026. Paid search costs for core terms had nearly doubled in eighteen months; Kalpaka's average cost per click on "conversational AI platform" had climbed to ₹186.

Rohan Bhatia, Kalpaka's co-founder and CEO, had framed the problem bluntly at the last leadership huddle: "If someone searches for exactly what we build, why do they find everyone except us?" Organic search already delivered about a sixth of Kalpaka's sales-qualified leads, but only after two years of largely unplanned blogging. Rohan wanted organic search to become the company's most capital-efficient acquisition channel before a planned Series B fundraise in late 2027.

Meera believed the answer lay in combining on-site work, such as technical fixes, product-led content and structured data, with off-site authority building through digital PR, partnerships and community. But every rupee had a competing claim. Engineering wanted GPUs, sales wanted trade shows, and Sanjay wanted eighteen months of runway, not fifteen. The question was not

whether to invest in SEO. It was how to slice a startup-sized quarterly budget so that it compounded rather than evaporated.

Background of the Company

Kalpaka AI Labs was founded in March 2023 by Rohan Bhatia and Dr. Neha Kulkarni. Rohan, an engineering graduate who had spent six years in product management at a Gurugram-based SaaS unicorn, had watched enterprise clients struggle to move generative AI pilots into production. Neha, who held a PhD in natural language processing and had worked at the research lab of a global technology firm, was convinced that Indian enterprises needed AI that could speak, read and reason in Indian languages, not merely in English with a polite accent. The name Kalpaka, borrowed from the mythical wish-fulfilling tree, was chosen in a late-night brainstorm; a co-founder later joked that investors liked it because it "sounded like revenue."

The company began as a services firm, building custom large language model applications for banks, non-banking finance companies (NBFCs) and insurers. By mid-2024, the founders noticed that most client projects repeated the same three needs: automating customer conversations, extracting data from documents, and answering questions over internal data. They productised those patterns, keeping a smaller services arm for complex deployments. A seed round of ₹12 crore in 2023 was followed by a ₹10 crore bridge in late 2024 and a ₹92 crore (about US$11 million) Series A in August 2025, led by a Singapore-based venture fund (Exhibit 2).

By September 2026, Kalpaka had annual recurring revenue (ARR) of about ₹41 crore, 140 paying product customers across India, the Middle East and Southeast Asia, and 118 employees, 64 of them in engineering and research. Revenue for FY2025-26 was ₹28.6 crore, and management projected ₹47.5 crore for FY2026-27 (Exhibit 1). Like most growth-stage AI companies, Kalpaka was loss-making. Its monthly burn of roughly ₹3.1 crore, driven by talent and GPU costs, left it with about ₹46 crore in the bank, or fifteen months of runway.

Marketing had historically been an afterthought in an engineering-led culture. Neha's oft-repeated line was "our product is our SEO," and for the first two years the website was maintained by whichever engineer had a free Friday. Meera Iyer joined in January 2026 from a listed edtech company, where she had scaled organic traffic tenfold. She inherited a nine-person team: two content writers, a designer, a performance marketer, a product marketer, an events manager, a marketing operations executive and an intern. Nobody was a dedicated SEO specialist; one content writer "did keywords" on the side.

Her early audit was sobering. The main website, rebuilt in 2024 on a JavaScript framework that rendered most content in the browser, was slow to be crawled. The blog lived on a separate WordPress subdomain, and product documentation sat on a third subdomain, splitting whatever authority the brand had earned. Of 260 blog posts, fewer than 40 attracted any organic traffic. The domain had a Domain Rating of 34 and links from just 312 referring domains, against 600 to 2,100 for Indian competitors and over 14,000 for the leading global platform (Exhibit 6). Meera summed it up to her team: "We have a Ferrari of a product parked behind a building with no signboard." Total marketing spend for FY2026-27 was budgeted at ₹9.6 crore, or about ₹2.4 crore

a quarter, of which paid search and events together took more than half. SEO, at ₹14 lakh, was less than 6% of the quarterly pie.

Service and Product Lines

Kalpaka sold four products and one services offering (Exhibit 3). Each had a different buyer, a different sales motion and, crucially for Meera, a very different search landscape.

Kalpaka Converse: agentic customer support

Converse was the company's flagship and its cash engine, contributing about 52% of ARR from 78 customers. It deployed AI agents that resolved customer queries over WhatsApp, web chat and voice in fourteen Indian languages, handing off to human agents when needed. A typical customer was an NBFC handling two million loan-servicing queries a month, or a direct-to-consumer brand drowning in "where is my order?" messages. Pricing combined a platform fee with a charge of ₹4 to ₹9 per resolved conversation.

Converse competed in the noisiest part of the search market. Head terms such as "conversational AI platform," "WhatsApp chatbot for business" and "AI customer support agent" attracted thousands of monthly searches in India and tens of thousands globally, carried keyword difficulty scores in the high fifties to seventies, and almost always triggered an AI Overview (Exhibit 5). Kalpaka ranked between positions 24 and 52 for most of these terms. Its one bright spot was multilingual voice: for queries such as "Hindi voice bot," it ranked on page one, largely because few competitors had published credible content on Indic speech recognition. Meera saw two plays here: deep comparison and "alternatives" pages for buyers already shortlisting vendors, and authoritative content on multilingual support, where Kalpaka had genuine expertise and data from millions of conversations.

Kalpaka DocMind: document intelligence

DocMind, launched in 2024, extracted and verified data from know-your-customer (KYC) documents, insurance claims, invoices and trade documents, including handwritten and regional-language forms. It generated about 24% of ARR from 31 customers, with the highest average contract value in the portfolio because each deployment replaced large back-office teams. Buyers were operations heads and chief risk officers, who searched less often but with sharp intent, using phrases such as "KYC document OCR API" or "insurance claims automation AI."

Search volumes for DocMind were modest, often under 2,500 a month in India, but keyword difficulty was lower and cost per click was the highest in the portfolio, reaching ₹245 for claims automation. Kalpaka already ranked ninth for KYC document AI. The opportunity was in use-case and industry pages, case studies with measurable outcomes, and structured data that would help search engines understand the product. Because buyers in regulated industries cared about accuracy and compliance, Meera believed DocMind content needed visible expertise: named authors, published benchmarks and references to regulatory guidelines. These signals of experience, expertise, authoritativeness and trust mattered for traditional rankings and, increasingly, for being cited inside AI-generated answers.

Kalpaka Pulse: AI analytics copilot

Pulse, launched in 2025, let sales and marketing teams ask plain-language questions of their CRM and campaign data, such as “Which region’s pipeline slipped most this month, and why?” Unlike the enterprise products, Pulse was sold through product-led growth: a free tier, self-serve onboarding and upgrades by credit card. It contributed about 9% of ARR from 22 paying teams, but 1,840 free workspaces had been created, and the conversion funnel depended entirely on a steady stream of top-of-funnel visitors.

That made Pulse the most search-dependent product and the most exposed to AI Overviews. Informational queries such as “how to analyse sales pipeline” were exactly the kind Google now answered directly. Kalpaka did not rank in the top 100 for “CRM AI copilot” or “AI analytics for sales.” The product team had proposed programmatic pages, such as one for every CRM integration (“Ask questions of your Zoho data in plain English”) and templates for common analyses. Meera liked the idea but worried about thin, repetitive pages; Google’s spam policies explicitly targeted content produced at scale primarily to manipulate rankings, whether written by humans or machines.

Kalpaka Forge: developer platform

Forge, launched in June 2026, was Neha’s favourite child. It offered APIs and tools for developers to build their own AI agents using Kalpaka’s Indic language models, along with evaluation and guardrail tools. Revenue was small, about 3% of ARR from nine paying accounts, but 2,600 developers had signed up in four months, and the board viewed Forge as the company’s long-term platform bet.

Developers searched differently from enterprise buyers. They looked for documentation, code samples, tutorials and community answers, and they were quick to reward useful technical content with links from GitHub repositories, forums and blogs. Kalpaka already ranked seventh for “Hindi LLM API,” helped by a well-received open-source evaluation dataset. Forge’s documentation, however, sat on its own subdomain, was rendered in a way search engines struggled to read, and lacked basic metadata. Meera saw Forge as Kalpaka’s cheapest source of high-quality backlinks: open-source tools, benchmarks and tutorials earned citations naturally, and that authority could lift the whole domain if the site architecture allowed it to flow.

Kalpaka AI Studio: implementation and advisory services

AI Studio, the remnant of Kalpaka’s consulting origins, contributed about 12% of revenue through 26 active engagements: custom model fine-tuning, complex integrations and “AI readiness” workshops for leadership teams. Most work came through referrals and existing customers. Searches such as “AI consulting company India” were competitive and attracted many small agencies, and the founders were wary of being seen as a services firm ahead of their Series B. Meera’s view was that AI Studio should not be a primary SEO target, but its project experience was a rich source of case studies, original data and expert authors that could strengthen content for the other products.

What the portfolio meant for SEO

Taken together, the portfolio pulled the SEO plan in different directions. Converse needed authority to compete on crowded head terms. DocMind needed depth and trust signals for a small set of high-value queries. Pulse needed volume and smart scale. Forge needed technical documentation that search engines could read and developers would link to. A single quarterly budget could not serve all four equally.

Generative search added a further layer. Meera's team had started tracking a fixed set of 200 buyer prompts each month to see which brands Google's AI Overviews cited. Kalpaka appeared in just seven, about 3.5%, compared with 18% for its strongest Indian rival, VaaniBot, and 31% for the global leader (Exhibit 6). The pattern was instructive. Cited sources tended to have clear, well-structured pages that answered a question directly, original data that others referenced, and mentions on third-party sites such as review platforms, industry publications and developer forums. In other words, visibility inside AI answers seemed to reward exactly the combination of on-site clarity and off-site reputation that Kalpaka lacked. Meera half-joked that the company now had to optimise for two readers: a crawler and a summariser, neither of whom attended product demos.

Seen this way, Meera also knew that the website's weaknesses, such as client-side rendering, three subdomains and missing structured data, would blunt any content or link-building spend until they were fixed. As she told the product marketer, "There is no point inviting guests if the front door is jammed."

Dilemma about Budget Planning

By the end of October, Meera had narrowed the choices to three options, each costed against the market rates her team had collected (Exhibits 7 and 8).

Option A, "Build the House," spent about 85% of the ₹13.8 lakh budget on site work: moving key templates to server-side rendering, consolidating the blog and documentation into subfolders of the main domain, publishing eight pillar pages and eight comparison pages, building a programmatic template for Pulse integrations, and adding structured data across product pages. Off-site work would be limited to a few partner articles. Neha supported this option, arguing that engineering time was the scarcest input and that Kalpaka should fix its foundations once.

Option B, "Borrow Authority," put about 60% of ₹14 lakh into off-site activity: two digital PR campaigns built on proprietary data, such as an "India Customer Support AI Index" drawn from anonymised conversation data, guest articles in technology and business publications, review-platform programmes, podcasts and developer community sponsorships. A part-time SEO consultant would handle only critical technical fixes. Rohan leaned towards this option because it also served the Series B story: press mentions and analyst-style reports made Kalpaka look bigger than it was.

Option C, the agency proposal, promised a full-service programme for ₹32.4 lakh a quarter, with projected outcomes far above either in-house option. Accepting it meant cutting the company's

stand at a major fintech conference in February, which the sales head, Vikram Rao, insisted would generate at least 30 qualified leads.

A fourth path, a hybrid, was also on the table: split the ₹14 lakh roughly evenly, fix only the most damaging technical issues, and run one digital PR campaign. Meera worried that a balanced plan might simply be two half-done plans. SEO rewarded concentration; spreading money thin across every lever could leave Kalpaka with a slightly faster website, a few more links and nothing the board could see. Yet concentrating everything on one side meant betting that the other side could wait a quarter, at a time when competitors were not waiting.

Sanjay posed three further tests. He wanted any SEO spend to show a payback period of under twelve months, even though Meera knew that rankings typically took six to nine months to move. He questioned how the company would measure citations in AI Overviews, which did not appear neatly in standard analytics. And he asked why Kalpaka could not simply use its own models to generate five hundred pages at almost no cost. Meera had to decide not only how to split on-site and off-site spending, but which products to prioritise and what success would look like by the time Series B conversations began.

Closure

Late that night, Meera reopened the spreadsheet that compared organic search with other channels (Exhibit 9). On paper, organic search was already Kalpaka's second-cheapest source of qualified leads after referrals, at about ₹36,000 per sales-qualified lead against roughly ₹92,000 for paid search. Yet the organic trend line had flattened since Google's AI Overviews expanded, and competitors were pulling further ahead each quarter. Doing nothing was not a neutral choice; it was a slow decision to fall behind.

She could see merits in each option. Fixing the site first would make every later rupee work harder, but it would deliver little visible progress before the board's next review. Buying authority could generate headlines and links quickly but would rest on a shaky technical base. The agency offered expertise and scale, but at the cost of a conference the sales team swore by and a bill that would consume more than twice the agreed ceiling.

There were also questions beyond the split itself. Should the quarter focus on Converse, the revenue engine, or Forge, the link magnet? How should AI-generated content be used without crossing Google's spam lines? Which metrics, such as rankings, AI Overview citations, referring domains or pipeline, should the board hold her accountable for?

Meera closed her laptop. On 2 December, she would need to present a quarterly SEO plan that a frugal CFO, an engineering-first CTO and an ambitious CEO could all sign. The search box, she thought, was the most honest focus group in the world; it was time Kalpaka learned to answer it.

Appendix

All data below are fictitious but constructed to be internally consistent. Indian financial year (April to March) applies. ₹1 crore = ₹100 lakh.

Exhibit 1: Selected Financials (₹ crore)

Metric	FY2023-24	FY2024-25	FY2025-26	FY2026-27 (proj.)
Revenue	1.9	9.8	28.6	47.5
Gross margin (%)	41%	52%	58%	62%
Operating expenses	6.2	19.4	44.1	66.0
EBITDA	(5.4)	(14.3)	(27.5)	(36.6)
of which marketing spend	0.4	2.1	6.3	9.6
Average monthly burn	0.45	1.19	2.29	3.05
Cash at year end	6.6	2.3	66.8	30.2
Headcount at year end	22	51	97	130

Source: Company management accounts. FY2026-27 cash assumes no new funding. ARR at 30 September 2026 was ₹40.9 crore; cash on 31 October 2026 was approximately ₹46 crore.

Exhibit 2: Funding History

Round	Date	Amount	Lead investor (fictitious)	Use of funds
Seed	May 2023	₹12 crore	Angel syndicate + micro-VC	Founding team, first BFSI pilots
Bridge	Nov 2024	₹10 crore	Existing investors + venture debt	Productisation of Converse and DocMind
Series A	Aug 2025	₹92 crore (≈US$11 m)	Meridian Ventures, Singapore	R&D, GPUs, sales in Middle East & SE Asia
Series B (planned)	Q3 FY2027-28	Target US$30–35 m	—	Scale go-to-market, Forge platform

Source: Company records.

Exhibit 3: Product Portfolio (as of 30 September 2026)

Product line	Launched	ARR (₹ cr)	% of ARR	Customers	Pricing model	Primary buyer
Converse (agentic support)	2023	21.3	52%	78	Platform fee + ₹4–9 per resolution	CX / ops head
DocMind (document AI)	2024	9.8	24%	31	Annual licence + per-page	COO, CRO
Pulse (analytics copilot)	2025	3.7	9%	22 paid; 1,840 free	Freemium, per seat	Sales/marketing manager
Forge (developer platform)	Jun 2026	1.2	3%	9 paid; 2,600 devs	Usage-based API	Developer, CTO
AI Studio (services)	2023	4.9*	12%	26 engagements	Fixed fee / T&M	CIO, CDO
Total		**40.9**	**100%**	**140 product customers**		

**Annualised services revenue run-rate. Customer counts overlap partially across products.*

Exhibit 4: Organic Search Performance by Quarter

Metric	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
Organic sessions (000)	38	46	52	61	58	63
Keywords in top 10	84	112	139	171	158	176
Referring domains	186	214	241	268	289	312
Domain Rating	28	29	31	32	33	34
Organic leads	96	121	140	168	151	162
Organic SQLs	21	27	31	38	33	36
AI Overview citations (of 200 tracked prompts)	n.a.	n.a.	4	6	5	7

Q1 FY26 = April–June 2025; Q2 FY27 = July–September 2026. The dip in Q1 FY27 followed a Google core update and wider rollout of AI Overviews. Source: Google Search Console, SEO tool exports, CRM.

Exhibit 5: Priority Keyword Clusters

Keyword cluster	Product	Monthly searches (India)	Monthly searches (global)	Keyword difficulty	Kalpaka best rank	Avg. CPC (₹)	AI Overview shown
conversational AI platform	Converse	6,600	49,500	72	38	186	Yes
WhatsApp chatbot for business	Converse	14,800	33,100	58	24	92	Yes
Hindi / multilingual voice bot	Converse	2,900	8,100	41	8	74	Yes
AI customer support agent	Converse	3,600	40,500	66	52	210	Yes
KYC document AI / OCR API	DocMind	2,400	9,900	38	9	118	Partial
insurance claims automation AI	DocMind	880	6,600	34	14	245	Yes
CRM AI copilot / AI sales analytics	Pulse	1,300	22,200	61	>100	160	Yes
Hindi LLM API / Indic LLM	Forge	1,900	5,400	29	7	55	Partial
how to build an AI agent	Forge	4,400	74,000	70	>100	48	Yes
AI consulting company India	AI Studio	2,900	—	45	31	140	No

Keyword difficulty on a 0–100 scale. Source: SEO tool estimates, October 2026.

Exhibit 6: Competitive Benchmark (October 2026)

Company (fictitious)	Type	Domain Rating	Referring domains	Est. monthly organic visits	Indexed pages	AI Overview citation share	Est. SEO spend / quarter
Kalpaka AI Labs	**Indian, Series A**	**34**	**312**	**21,000**	**412**	**3.5%**	**₹9 lakh**
VaaniBot	Indian, Series C	58	2,140	1,86,000	3,900	18%	₹55 lakh
Convoxa	Indian, Series B	47	980	74,000	1,450	9%	₹22 lakh

Company (fictitious)	Type	Domain Rating	Referring domains	Est. monthly organic visits	Indexed pages	AI Overview citation share	Est. SEO spend / quarter
DocuSense	Indian, Series A	42	610	38,000	860	6%	₹12 lakh
Helixa AI	Global platform	81	14,600	21,00,000	22,000	31%	n.a.

Citation share = proportion of 200 tracked buyer prompts in which the brand was cited in Google's AI Overview. Indian number formatting used for visits. Source: third-party SEO tools and internal tracking.

Exhibit 7: Indicative Unit Costs of SEO Activities (India, 2026)

Activity	Type	Indicative cost (₹)	Notes
Technical SEO audit	On-site	1.2–1.8 lakh (one-time)	Freelance specialist
Server-side rendering + subdomain consolidation	On-site	≈3.3 lakh	Opportunity cost of 2 engineers for 3 weeks
Pillar page (3,000 words, expert-reviewed)	On-site	30,000–45,000 each	Named expert author
Comparison / alternatives page	On-site	20,000–30,000 each	High purchase intent
Blog post (1,500 words, freelance)	On-site	8,000–15,000 each	Variable quality
Programmatic page template	On-site	1.5 lakh + ₹500 per page	Needs unique data per page
Structured data (schema) implementation	On-site	40,000–60,000	Product, FAQ, organisation, article
SEO and AI-visibility tool stack	Enabler	1.1 lakh per quarter	Keyword, backlink and AI-citation tracking
Digital PR campaign (original data study + outreach)	Off-site	2–3 lakh per campaign	Earned media and links
Guest article in reputable publication	Off-site	25,000–60,000 each	Outreach and writing
Review-platform programme	Off-site	1–1.5 lakh per quarter	Listings, compliant review requests
Podcast / webinar co-marketing	Off-site	40,000–80,000 each	Partner audiences
Paid link placement	Off-site	8,000–20,000 per link	Violates Google spam policies; high risk
Part-time SEO consultant	Enabler	35,000–40,000 per month	8–10 days a month
Full-service agency retainer	Both	10.8 lakh per month	Proposal received October 2026

Source: Quotes collected by Kalpaka's marketing team, September–October 2026.

Exhibit 8: Budget Options for Q4 FY2026-27 (January–March 2027), ₹ lakh

Line item	Type	A: Build the House	B: Borrow Authority	C: Agency
Technical fixes, rendering, subdomain consolidation	On-site	4.5	1.0	Included
Pillar and comparison content	On-site	4.8	2.0	Included
Programmatic integration pages (Pulse)	On-site	2.0	—	Included
Structured data and AI-answer formatting	On-site	0.6	0.4	Included
Tools	Enabler	1.1	1.1	Included
Part-time SEO consultant	Enabler	—	1.1	—
Digital PR campaigns	Off-site	—	4.5	Included

Line item	Type	A: Build the House	B: Borrow Authority	C: Agency
Guest articles and partner content	Off-site	0.5	2.4	Included
Review platforms and developer community	Off-site	0.3	1.5	Included
Agency retainer	Both	—	—	32.4
Total		**13.8**	**14.0**	**32.4**
On-site share / off-site share		86% / 6%	24% / 60%	≈50% / 50%
Projected organic visits per month, Sep 2027		34,000	30,000	48,000*
Projected referring domains, Sep 2027		360	520	700*
Projected organic SQLs per quarter, Sep 2027		58	52	80*

*Shares exclude tools and consultant. *Agency's own projections, not independently validated. Option C exceeds the CFO's ₹14 lakh ceiling and requires cancelling the February fintech conference stand (≈₹18 lakh). Projections assume the plan is sustained for three further quarters.*

Exhibit 9: Channel Economics, Q2 FY2026-27 (July–September 2026)

Channel	Spend (₹ lakh)	SQLs	Cost per SQL (₹)	SQL-to-win rate	Avg. first-year contract (₹ lakh)
Paid search	68	74	91,900	14%	24
LinkedIn ads	36	31	1,16,100	11%	28
Events and conferences	52	48	1,08,300	19%	31
Organic search	13	36	36,100	17%	26
Referrals and partners	6	41	14,600	26%	33
Total	**175**	**230**	**76,100**	**17%**	**—**

Organic search spend includes content, tools and an allocated share of team salaries. SQL = sales-qualified lead. Source: CRM and finance.