



INTEGER WEALTH GLOBAL

Due Diligence and Investor Questions for Businesses and Projects

Date: 02 February 2022

Before you walk into an investor meeting or on stage to present your startup, you need to know the answers to the questions listed below.

Do not expect to present only on the strength of your deck's slides and a well-practiced speech. Investors want to know all the things you left out, and how you came up with the assumptions you made. This is what we call 'Spot Due Diligence'. Be prepared to impress by making sure you have an answer to **ALL** these questions.

When you are raising capital, you will get the same type of questions with regards to your business repeatedly.

Some of these questions will help you understand where you are weak. You will need to listen enough to understand where you need to apply a correction. Such correction will be applied to either the story that you are going out with or to the business itself. Regardless, make sure you are writing down questions from investors so that you can nail your answers on future meetings.

Typically, the questions start rolling as soon as you start presenting your pitch deck. The pitch deck template by Integer Wealth Global which can be found at <https://www.integerwealth.global/about-us/downloads/> give the basis of what you should use.

Here is the list of questions broken down by the different key areas that will help an investor understand if your company is fundable ready and if it is a good fit with their portfolio of investments.

1. Market

- 1.1. How big is the market opportunity.?
- 1.2. What percentage of the market share do you hope to get.?
- 1.3. Who exactly is your best customer.?
- 1.4. How long will this take.?
- 1.5. How do you come up with these figures.?
- 1.6. What is your PR strategy.?
- 1.7. Who do you most aspire to be like.?
- 1.8. Who do you least want to be like.?
- 1.9. Why is this the right time for this product or service.?
- 1.10. What is your marketing strategy.?

2. Traction

- 2.1. How much feedback have you received so far.?
- 2.2. What changes have you made based on that feedback.?
- 2.3. How many actual users do you have.?
- 2.4. How long do users stay on average.?



- 2.5. How many actual sales have you made.?
- 2.6. What is the annual growth rate.?
- 2.7. Total rate of growth.?
- 2.8. Has growth been linear and consistent.?
- 2.9. What has held back your growth.?
- 2.10. Can you provide a demonstration of the product or service now.?

3. Team

- 3.1. Where are your headquarters.?
- 3.2. Who are the founders.?
- 3.3. Who are key team members.?
- 3.4. Any existing board members.?
- 3.5. What key roles may need to be hired for soon.?
- 3.6. What experience do you have in this industry.?
- 3.7. Why are you the right person to bet on to achieve this.?
- 3.8. What motivates you.?
- 3.9. Are any of the founders willing to be bought out now.?
- 3.10. Are there any other people who may claim they are owed or responsible for your ideas.?

4. Competition

- 4.1. Who are your competitors.?
- 4.2. What are your strengths and advantages over your competitors.?
- 4.3. What are your weaknesses or disadvantages.?
- 4.4. What barriers to entry or scale are there for you.?
- 4.5. Where is the competition letting down customers.?
- 4.6. Why haven't your competitors done this yet.?
- 4.7. How do your features differ.?
- 4.8. How do you compare on price.?
- 4.9. How do you compare on service.?
- 4.10. How do you compare on customer satisfaction.?

5. Financials

- 5.1. How are you marketing your product or services.?
- 5.2. How much is your marketing budget.?
- 5.3. What are your per customer acquisition costs.?
- 5.4. How much is your customer lifetime value.?
- 5.5. How much equity and debt has been raised in the past.?
- 5.6. Who participated in earlier rounds of fundraising.?
- 5.7. What is your burn rate.?
- 5.8. How long will it take to become profitable.?
- 5.9. What are the key metrics your team is focused on.?
- 5.10. What stock options have been given already and what is the distribution of equity between founders.?

6. Intellectual Property

- 6.1. What is unique about the company.?
- 6.2. What big problem does it solve.?



- 6.3. What legal risks do you see.?
- 6.4. Are you aware of any product liability risks.?
- 6.5. What regulatory risks could impact this business.?
- 6.6. What intellectual property do you own.?
- 6.7. Who developed any intellectual property owned.?
- 6.8. Have any employees or partners have left who may challenge these rights.?
- 6.9. Are there any additional patents pending or planned.?
- 6.10. How are any current intellectual assets owned.?

7. Use of Funds

- 7.1. How will these funds be allocated.?
- 7.2. How much will be spent on founders' salaries.?
- 7.3. How much will be spent on overhead versus expansion.?
- 7.4. What if you don't get all the money you are asking for.?
- 7.5. What assets will be invested in with this capital.?
- 7.6. What are your milestones.?
- 7.7. What are the biggest risks to my investment.?
- 7.8. Why are you choosing this method of raising capital.?
- 7.9. How much of this money will be used for future fundraising efforts.?
- 7.10. How much are your personal expenses each month.?

8. Business Model

- 8.1. Which specific marketing channels are you using.?
- 8.2. Why are you using these marketing channels.?
- 8.3. What is your plan B if these sales channels are interrupted.?
- 8.4. What profit margins are you operating on.?
- 8.5. How will scaling impact profit margins.?
- 8.6. What pivots have you already made up until now.?
- 8.7. Can you tell me a story about how a customer has decided to choose you and their experience with your product.?
- 8.8. Who in this organization is most replaceable.?
- 8.9. What unique features are you working on.?
- 8.10. What other streams of revenue can be added to this.?

9. Corporate Structure

- 9.1. How is the company currently organized.?
- 9.2. Who holds which titles.?
- 9.3. How are shares split.?
- 9.4. Is there an existing board or advisors.?
- 9.5. Where is the company registered.?
- 9.6. Who handles accounting.?
- 9.7. What unique skills and talents does each owner contribute.?
- 9.8. Name someone you chose not to include as a founder and why.?
- 9.9. Who filed the company.?
- 9.10. Who is the registered agent on record.?



10. Existing Financing Round

- 10.1. What is your exit goal.? (i.e. IPO, M&A)
- 10.2. What is your expected time frame for this.?
- 10.3. Who do you imagine will help you exit.?
- 10.4. When do you expect you will be conducting a follow up round of fundraising.?
- 10.5. How much is your pre-money valuation.?
- 10.6. How are you determining current valuation.?
- 10.7. How much are you trying to raise now.?
- 10.8. How many previous investors will participate in this round.?
- 10.9. What is the next milestone this money will take you to.?
- 10.10. How else do you hope an investor will help beyond money.?