Below is a **comprehensive "Investor Readiness Checklist"** organized by major category. It is designed for founders preparing to raise capital from **angel investors or venture capitalists**. The structure follows the way investors typically evaluate startups during **due diligence**.

Investor Readiness Checklist

Preparing for Angel or Venture Capital Investment

Use this checklist to evaluate whether your business is ready to seek outside investment. A strong "Yes" across most categories indicates strong investor readiness.

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1. Business Model & Market Opportunity

Investors first want to know whether the opportunity is large enough to justify investment.

Market Opportunity

- ☐ The target market is clearly defined
- ☐ The market size (TAM, SAM, SOM) has been estimated
- ☐ The market opportunity is large enough to support venture-scale growth
- ☐ The industry is growing or undergoing disruption
- ☐ There are identifiable trends supporting future growth

Customer & Demand

- ☐ Ideal customer profile is clearly defined
- ☐ Customer pain points are clearly documented
- ☐ There is strong evidence of demand (pilot customers, waitlist, early sales)
- ☐ The value proposition is easy to understand

Competitive Landscape

- ☐ Key competitors are identified
- ☐ The business has a clear competitive advantage
- ☐ Differentiation is clearly articulated
- ☐ Barriers to entry exist or can be developed

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2. Product or Service Readiness

Investors want confidence that the product can scale and meet market demand.

Product Development

- ☐ Minimum viable product (MVP) has been developed
- ☐ Product roadmap exists
- ☐ Development timeline and milestones are defined

Product Validation

- ☐ Product has been tested with real customers
- ☐ Customer feedback has been incorporated
- ☐ Product-market fit indicators exist

Scalability

- ☐ The product can be delivered at scale
- ☐ Unit economics improve as the business grows
- ☐ Production or service delivery capacity can expand

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3. Financial Readiness

Investors expect a clear understanding of financial performance and projections.

Financial Statements

- ☐ Profit and Loss Statement prepared
- ☐ Balance Sheet prepared
- ☐ Cash Flow Statement prepared

Financial Forecast

- ☐ 3–5 year financial projections prepared
- ☐ Revenue model clearly defined
- ☐ Expense structure understood
- ☐ Key financial assumptions documented

Unit Economics

- ☐ Customer acquisition cost (CAC) estimated
- ☐ Customer lifetime value (LTV) estimated
- ☐ Gross margin calculated
- ☐ Break-even analysis completed

Capital Needs

- ☐ Total capital required has been estimated
- ☐ Use of funds is clearly defined
- ☐ Cash runway projections exist

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4. Growth Strategy

Investors need to understand how the business will scale.

Customer Acquisition

- ☐ Customer acquisition strategy defined
- ☐ Marketing channels identified
- ☐ Sales process documented

Growth Plan

- ☐ Clear milestones for the next 12–24 months
- ☐ Expansion opportunities identified
- ☐ Geographic or product expansion plans exist

Key Metrics

- ☐ Key performance indicators (KPIs) defined
- ☐ Growth metrics are tracked regularly

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5. Management Team

Many investors say they invest more in the team than the idea.

Leadership

- ☐ Founders have relevant industry experience
- ☐ The leadership team has complementary skills
- ☐ Key roles are clearly defined

Execution Capability

- ☐ The team has demonstrated ability to execute
- ☐ Advisors or mentors have been engaged

Hiring Plan

- ☐ Future hiring needs identified
- ☐ Organizational structure planned

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6. Legal & Corporate Structure

Investors require a clean legal structure before investing.

Corporate Setup

- ☐ Business entity properly formed
- ☐ Cap table documented
- ☐ Founder equity agreements in place

Intellectual Property

- ☐ Key IP has been identified
- ☐ Trademarks or patents filed if applicable
- ☐ IP ownership is clearly documented

Contracts

- ☐ Customer contracts documented
- ☐ Vendor agreements in place
- ☐ Employment agreements prepared

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7. Operational Readiness

Investors want confidence the company can operate effectively as it grows.

Operational Systems

- ☐ Accounting system implemented
- ☐ Customer management system in place (CRM)
- ☐ Project or workflow management tools implemented

Supply Chain / Delivery

- ☐ Suppliers or service delivery processes identified
- ☐ Operational bottlenecks identified

Risk Management

- ☐ Major operational risks identified
- ☐ Mitigation strategies developed

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8. Investor Materials

Founders must clearly communicate the opportunity.

Pitch Materials

- ☐ Investor pitch deck prepared
- ☐ Executive summary written
- ☐ One-page company overview prepared

Supporting Documents

- ☐ Financial model ready for investors
- ☐ Market research compiled
- ☐ Product demo or prototype available

Due Diligence Data Room

- ☐ Legal documents organized
- ☐ Financial records organized
- ☐ Key contracts stored
- ☐ Cap table documented

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9. Investment Strategy

Founders should be intentional about how they raise capital.

Funding Strategy

- ☐ Target investment amount defined
- ☐ Ideal investor profile identified
- ☐ Angel vs VC strategy determined

Valuation

- ☐ Preliminary valuation estimate prepared
- ☐ Comparable company analysis performed

Exit Strategy

- ☐ Potential exit paths identified (acquisition, IPO)
- ☐ Long-term vision communicated

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10. Founder Preparedness

Investors assess how prepared founders are for the fundraising process.

Fundraising Readiness

- ☐ Founders can clearly explain the business model
- ☐ Key metrics are known by the founders
- ☐ Founders can defend financial assumptions

Commitment

- ☐ Founders are fully committed to scaling the company
- ☐ Equity and control expectations are understood

Interpretation

- **40–50** → Investor Ready
- **30–39** → Minor gaps before fundraising
- **20–29** → Significant preparation needed
- **Below 20** → Too early for outside investment

Do this assessment online at:
https://startup-financial-plan.com/investor-ready-test