

FINANCE

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|----------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|--|--|
| FINANCE | Financial Plan | Revenue model defined and validated with customers | | |
| | | Overhead costs well understood | | |
| | | Defensible 5 year projections (Balance Sheet, Income, Cash Flow) | | |
| | | Assumptions clearly documented and defensible | | |
| | | 5 year revenue potential large enough for investor interest | | |
| | | Projections validated by comparison to similar startups | | |
| | | Cash requirements determined from cash-flow projections | | |
| | Product cost/margins | | | |
| | | Product cost and margin understood | | |
| | | Margins sufficiently high for business feasibility | | |
| | Fund Raising to-date | | | |
| | | Founder funding | | |
| | | Friends and Family | | |
| | | Crowdfunding | | |
| | | Seed funding | | |
| | | Angel funding | | |
| | Exit Strategy | | | |
| | | Investor exit strategy defined and specific | | |
| | | Defensible acquisition rationale for at least 3 acquirers | | |
| | | Acquisition value validated with comparable startup acquisitions | | |
| | Investor ROI meets 10x to 30x criteria | | | |
| Fund raising strategy | | | | |
| | Funding strategy (follow on rounds) thought through | | | |
| | Current funding round: | | | |
| | Milestones to be accomplished with funding clearly defined | | | |
| | Capital Requirements identified (based on cash-flow projection) | | | |
| | Team has realistic pre-money valuation expectations | | | |
| | Proposed terms documented (if this is an angel round) | | | |
| | Projected Cap Table and Dilution Analysis prepared | | | |
| Fund Raising Tools | | | | |
| | Cap table and financial projections (see above) | | | |
| | Investor Presentation developed and reviewed | | | |
| | Executive Summary developed and reviewed | | | |
| | Compelling Investor Elevator pitch | | | |
| | Full business plan (esp. for bank loans and VC rounds) | | | |
| Risk Management | | | | |
| | Risks and mitigation strategies | | | |
| | Liability insurance; Directors and Officers insurance | | | |
| Accounting/Finance Process | | | | |
| | Business checking account | | | |
| | Business credit card | | | |
| | Accounting system in place | | | |
| | Cash control procedures | | | |