

LOCAL INVESTING

resource center

Community Investment Due Diligence Questionnaire

There are 6 main sections of the form with questions regarding the following areas of your business:

1. Contact info
2. Information about the company and its products/services
3. Information about their target customers
4. Competitive landscape
5. Company culture
6. Company strategy
7. Environmental and social impacts
8. Closing questions

Note: This questionnaire is written as if the investor or advisor is interviewing the company. It is important to let the company know that they should answer the questions based on what they know today and try not to guess. "I don't know," or "We haven't given that much thought" are reasonable answers if that is the case.

CONTACT INFO

- Company name
- Company location
- Contact name
- What is your title?
- Your email?
- What is your company's phone number?
- What is your company's address?

THE COMPANY

- What year was the company formed?
- How many employees work at your company?
- Who else is on the management team and what are their roles?
- Describe the products and/or services your company provides

- What is unique about the product and/or services you provide?
- Is the product and/or service ready to be sold? If not, what are the remaining steps to get it into the hands of a customer?
- What protections are surrounding the intellectual property, if any?
- Who owns the intellectual property?
- Do you have the capabilities to continue developing the product, or will you need to find partners to help?
- How do customers learn about your business?
- What actions and/or tools do you use to promote your company?
- Describe how you sell the products/services and how long it takes to make a sale.
- What are three major accomplishments the company has recently made?

THE CUSTOMER

- What is the target market and its size in terms of total customers and potential revenue?
- What research/analysis have you done to validate this market hypothesis?
- What types of customers does your business sell to?
- How many customers do you have?
- Do any of your customers account for more than 10% of your revenue?
- What factors drive your customers to purchase your products and services?
- How do these factors make the customer's life harder?
- What additional costs or problems would your customer incur or face if they did not use your products or services?
- How does your company alleviate the customer's pain?
- What external validation do you have that the products/services solve the problems that the customer faces? This could be a customer testimonial, lab test, or other similar third-party statement.
- How do you deliver your products or services to your customer?
- How does the customer use the products and/or services?

COMPETITION

- What type of competitors do you face? Who are they?
- What products and services does your competition offer?

- Why do customers choose your company instead?
- Why would a customer choose your competition, and how easy is it for your customers to switch between offerings?
- Are you set up to deliver your products/services in high volumes, and if so, how would you do that?

CULTURE

- What are the purpose and mission of the company?
- What are the core values or guiding principles of the company?
- Can you share a situation during which the team or a member exemplified the core values of the company?

STRATEGY

- What is the long-term vision of the company?
- What are the 3 most critical goals that need to be achieved within the next year?
- How do these goals fit with your long-term vision?
- What specific resources do you need to accomplish these goals and vision?
- How much capital do you need to support your business strategy?
- What type of investment are you offering for the capital?
- Who are your current investors and how much capital have they put into the company?
- Who are your advisors and board members?

SOCIAL AND ENVIRONMENTAL IMPACT

- Does your product or service address a social or environmental issue? If so, how?
- Does your company encourage employees to help with social causes?
- How does your company help encourage employees to support social causes?
- Does your company encourage employees to help with environmental causes?
- How does your company help encourage employees to support environmental causes?
- Can you provide specific examples of how your company goes above and beyond for its employees?
- What steps does your company take to reduce its impact on the environment (if applicable)?

- Does the company hold any special certifications, such as B Corp, LEED, or the Social Enterprise Mark?

CLOSING QUESTIONS

- Is the investor package ready to be reviewed? (Please send docs)
- Is there anything else we should know about your company or your capital raise as we evaluate this opportunity?

The Local Investing Resource Center gratefully acknowledges the significant contributions of [Revalue LLC](#) to the creation of this document and other materials on our website. Revalue LLC is a values-based investment advisory, a Certified B Corporation, and a Chartered Sustainable Responsible Impact Investing Counselor, based in Ypsilanti, MI. This work was funded by a grant from the Investor Protection Trust, www.investorprotection.org.