TGA DUE DILIGENCE TEMPLATE
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Due Diligence Team

Disclaimer
This report is for research purposes only. Investment recommendations represent opinions held by the
due diligence team and are in no way legally binding. Each investor should complete independent due
diligence prior to making an investment. This report contains privileged information. Distribution
outside of TiE Global Angels Alliance and its authorized partners is prohibited.
Purpose
This document outlines key sections of a complete due diligence package for TiE Global Angels Alliance. Not every due diligence will have information for every section but most sections should be addressed with as much detail as possible. **Remove this section when completing an official diligence report**

Recommendation

Investment Information
- Total round size
  - Current round funds in bank (closed)
  - Committed (hard circled)
  - Contingent (soft circled)
  - Remainder to be raised (open)
- Terms
  - Valuation cap
  - Discount
  - Interest (% and term)
  - Qualified financing threshold
  - Liquidation preference (including participation if applicable)
  - Other provisions (board representation, information rights, etc)
- Cash burn
  - Current monthly burn rate
  - Total burned since inception
- Incorporation information
  - Date founded/incorporated
  - State of incorporation
  - # founders
  - Ownership and current cap table

Definitions

Problem
- Identify whether this is a true pain point for target customers
- How do customers currently solve this problem?

Solution
- Is the solution novel?
- Does the solution make sense?
- Is the solution tractable?
- How well does the product solve the problem?
- What are barriers to adoption?
- How much customer education is required?
Market Analysis
- Total available market (TAM), both in number of potential customers and value
- Target market segment
- Geographical segmentation if applicable
- Customer persona

Traction
- Product stage (alpha/beta/launch/v2)
  - Relevant details: i.e. how many beta testers, target launch date, planned features for v2, etc
- Product evaluation
  - Ease of use
  - Customer feedback (if available)
- Customer breakdown
  - Paying customers/users
  - Non-paying customers/users
  - Conversion rate (non-paying to paying)
  - Pipeline
- Pricing strategy

Competitive Landscape
- Competitor breakdown
  - # of competitors
    - Large vs small
  - List most relevant and/or dangerous competitors
- Competitive advantage (barriers to entry)
  - IP – patents, trade secrets, etc (list)
  - Development time (first to market)
  - Key relationships
  - Industry expertise
- Cost comparison between current product and competitors

Financial Plan
- Pro forma documents: balance sheet, cash flows, income statement (P&L)
  - At least 3 year projections, monthly for year 1 if possible
- If multiple products, provide breakdown of revenue contribution for each product (or subscription tier)

Exit Strategy
- Current M&A activity in industry
- Potential acquirers
- Recent acquisitions
  - Include comparable metrics when possible
- Target exit price based on comparables
- Target exit date
Team
- Founders and relevant experience
- Background checks and professional references

Legal
- Certificate of incorporation
- Articles of incorporation (AIC)
- Bylaws
- Initial board meeting minutes
- Restricted stock purchase agreement (vesting)
- SAFE note purchase agreements (if applicable)
- Cap table
- Supplier agreements
- Contracts
- NDAs