

Investor readiness checklist

Are you ready for investors?

Businesses that choose to seek investment from external investors in order to grow and achieve business goals will need to provide sufficient information about the business.

It can be an overwhelming process and, at times, difficult to know where to start. The following checklist will help you along your investor readiness journey,



Planning and strategic direction

- Does your business have a purpose, vision, unique value proposition, sustainable competitive advantage and potential to grow? Are these documented in a business or strategic plan?
- Does your business plan clearly describe the strategic objectives for the business to achieve in the next one, three and five years?
- Does your business plan describe the current state of the business accurately including the strengths, weaknesses, opportunities and threats for the business and for each business unit?
- Does your business plan include 3-10 strategic initiatives that must be executed to achieve your strategic objectives?
- Does a person within the leadership team have clear accountability for each of the strategic initiatives?
- Do you have a strong track record of executing on strategic initiatives and can you demonstrate this to a potential investor?



People management

- Have you reviewed your business structure to ensure it is suitable and optimised to execute on your strategic objectives?
- Is your business reliant on key personnel to operate effectively?
- Do you have a plan in place, or have you taken steps to reduce your reliance on key personnel?
- Have you clearly documented the role and accountabilities for each team member in the business and is this regularly communicated to the team?
- Does each team member (or the key team members) have a development plan in place?
- Does the business have a succession plan in place for each of the key roles in the business?
- Is there an effective board and/or management team in place and do they have the requisite authority to fulfil their roles effectively?
- If there is a board of directors in place, do they have the appropriate expertise and independence?
- Are employment contracts in place for each employee, particularly for key management personnel?



Internal processes

- Are current processes for making strategic and operational decisions appropriate to meet the strategic objectives?
- Are current processes for annual budgeting and updating forecasts effective?
- Does management regularly review the financial and operational performance of the business and is there a feedback process in place?
- Does the business have processes to evaluate performance of the senior leadership team?
- Does the business have an operations manual?
- Are there clear levels of accountability for all human resource, occupational health and safety, information technology and risk management policies and processes? Are these reviewed regularly?
- Are the key business processes documented in sufficient detail to ensure they are correctly completed?
- Is there a person in the business currently responsible for each of the key business processes, and are these processes reviewed and updated regularly?
- Are the processes for identifying, recruiting, managing, and removing team members understood and documented?
- Are there documented procedures for the use, storage, protection and recovery of all critical business data?
- Is there a clear procedure to review operational performance and to systematically improve it?
- Does the business have a good reputation in the market, and with its customers and suppliers?



Accounting, tax and assurance

- Are your financial accounts in order?
- Is the business dependent on particular suppliers and are there contracts in place?
- Are your forecast financial statements based on robust and supportable assumptions about the future performance of the business?
- Does the business have contracts to support its revenue projections?
- Have you appropriately forecast your working capital requirements, in particular with regard to the anticipated growth and or future needs of your business?
- Is there a dividend policy in place or will one be put in place?
- Do you understand the likely tax implications as a result of the investment to the business and/or investor?
- Are the accounting policies clearly documented and will there be any changes to the accounting policies following the investment, which may impact on the actual or perceived return from the investment?
- Does the business have a pro forma of financial position showing its situation after the funds have been raised?



Investment proposition, capital raising and the investor

- What is your business worth? How have you valued it?
- Does the business understand its current and ideal customers? Is it clear who they are?
- What business model do you propose to use and is it likely to be attractive to investors?
- What is the investment you are offering?
- What is the reason for the investment?
- Has the ideal investor been identified?
- Who are you prepared to have as an investment partner?
- What is your return on investment plan for the funds provided by the investors?
- Do the presentations and other documents clearly articulate the investment proposition from the perspective of the investor?
- Do the documents to be presented to the investor describe the level of funding required and the details of what the investor will receive?
- Do the documents presented to the investor provide a roadmap of how the funds are going to be applied?
- Do the investment proposition and documents state the likely return the investor will obtain and the associated risks?
- Do the investment proposition and documents detail the timeline in which the investor will need to wait to obtain a return from the investment? Is there an exit strategy identified?
- Does the documentation outline the process to be used to promote and facilitate the capital raising journey?

The Department of Primary Industries and Regional Development is ready to assist you

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