



The Information Capital Providers Will Request

Capital providers want comprehensive information to assess risk and return, with a primary focus on financial history, forward-looking projections, and market analysis. They also need details on the management team, the use of funds, and the company's operational and customer data to understand performance.

The following list relates to both existing and new ventures. New ventures carry considerable risk since they do not have historical data and a proven track record for capital providers to assess risk and return. New ventures must, therefore, must have a strong value proposition and make a convincing, independently verifiable case for financing that is supported by realistic financial projections and compelling operational and strategic, market, and legal and administrative detail.

Financial information

- **Historical financials:** Provide past financial statements, including balance sheets, income statements, and cash flow statements, ideally for the last 3-5 years.
- **Projections:** Offer a financial forecast for the future, along with a detailed annual budget. Capital providers want to see forward-looking projections to understand how the capital will be used to generate future growth.
- **Cash flow:** Stable and reliable cash flow is particularly important for debt financing. Private equity firms also look for strong cash flows, especially when using leveraged buyouts.
- **Key metrics:** Include relevant Key Performance Indicators (KPIs), such as revenue, costs, earnings before interest and taxes (EBIT), and burn rate.
- **Unit economics:** Show how much it costs to acquire a customer and how much value they bring over time

Operational and strategic information

- **Business model:** A clear and compelling business plan that outlines how the company operates, how it generates revenue, and will grow and create value is essential.
- **Operational details:** This can include information on internal processes, technology vendors, and customer origination.



- **Traction and customers:** Demonstrate proof of concept and provide data on customer acquisition and retention.
- **Intellectual property (IP):** List any patents, trademarks, or copyrights the company owns.
- **Risk assessment:** Capital providers evaluate the company's risk profile to ensure it aligns with their portfolio strategy.

Market information

- **Market analysis:** Provide research on the total addressable market (TAM), customer demographics, competitive landscape, and industry trends.
- **Market opportunity:** A large and growing market size increases the potential for significant returns.
- **Competitive landscape:** Investors want to understand the company's competitive position, including its strengths, weaknesses, and potential barriers to entry for new competitors.
- **Products and services:** The unique or proprietary aspects of the company's offerings are a key consideration.

Legal and administrative information

- **Management team:** Provide bios of the key officers and information on their experience. A strong, competent, and experienced management team is a critical factor for many investors. Private equity firms, in particular, may assess whether the current leadership can execute the business plan effectively.
- **Use of funds:** Clearly state how the capital raised will be used.
- **Customer contracts:** Include copies of major customer and supplier agreements.
- **Regulatory compliance:** Show proof of adherence to relevant industry regulations.
- **Due diligence documents:** Be prepared to provide a comprehensive list of documents, especially during the later stages of investment (see [Typical Capital Provider Due Diligence Checklist](#)).