



# VISTANCE CAPITAL ADVISORY

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Investor Checklist

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The information requirements from investors will vary based on whether the company is trying to raise debt or equity and the level of sophistication of the investor from retail to institutional. We recommend completing the following steps before initiating a capital raise:

The first step is validation of your business idea. For a new B2C product, survey at least 50-100 diverse individuals with the following questions:

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## 1. Validation of your Business Idea

- Is the pain point you have identified a real pain point shared by many people?
- Do people even know this is a pain point, or will there be education required?
- Is it enough of a pain point that people would be willing to spend money to solve this problem?
- How much would an individual be willing to spend to remove this pain point?
- Are there existing companies that are already addressing this pain point? If so, how well? Can this be improved?
- Would your advertising medium reach your target audience?
- Would your proposed messaging in your branding strategy influence people to buy your product?
- What assurances would your customer need in order to feel confident purchasing this product?
- Would your customers purchase online or more likely go to a retail store?
- Who are you marketing to and how will you reach them? For example, if you are selling a men's cosmetic product, your advertising campaign may be better served targeting women if it is a product that women typically buy for the household.

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## 2. Business Plan

- Vision / Mission
- Company Overview
  - Origin story
  - Location
- Detailed explanation of pain point and current solutions in the market
- Your solution: how is it different from what is currently available?
- Detailed description of your product / service offering
  - Where will your products / services be sold?
  - Pricing
  - Manufacturing: cost for production
  - Distribution plan
  - Logistics
  - Points of validation: clinical trials, regulatory approvals or testimonials if applicable
- Details on intellectual property / patents
- Market commentary
  - Size of overall market in your sales jurisdictions
  - Details on specific niche you are targeting
- Competition Analysis
  - Competitors
  - Pricing
  - How you are different
- Go to market strategy

- Detailed strategy for each marketing channel
  - Expertise of your team members or your marketing partners that will make you successful
  - Budget for each channel
- Barriers to Entry
  - How will you break these barriers to be come successful?
  - Once successful, how do you prevent copy cats?
  - What happens if a large company enters the market?
  - How far can first mover advantage sustain you?
- Management Team
  - Detailed Bios
  - Focus on how track record and previous experience which will make you successful in each facet of the business
  - Make sure you cover all required areas: branding / marketing, distribution, product creating, manufacturing, etc.
- Board of Directors / Advisory Board if applicable
- Financial Projections
  - Assumptions
  - 3-5 years projected income statement
  - 3-5 years projected balance sheet
  - 3-5 years projected cash flow
- Capital Raise
  - Equity or debt
  - Details on previous capital raises
  - Amount being raised
  - Use of proceeds
  - Any details on planned future capital raises
  - Current valuation
- Exit Strategy
  - Long term plan or 3-5 year exit
  - If exit, IPO, acquisition or other means
  - Public comparables and other acquisitions
  - Potential valuation upon exit

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### 3. Financial Projections

- 3-5 year financial statements
- Revenue assumptions
- Variable cost assumptions
- Projected income statement
- Projected balance sheet
- Projected cash flow
- Capital expenditures and depreciation / amortization terms
- Capital structure – debt or equity financing
- Consider building base, best and worst case scenarios based on variables provided by the management team
- Note: A discounted cash flow model is more applicable for an establish business with revenue

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#### 4. Investor Presentation

- Pain point being addressed in the market
- Proposed solution
- Company overview
- Market commentary
- Product offering
- Competitive analysis
- Barriers to entry
- Go to market strategy
- Financial projections
- Management team
- Board of directors
- Exit Strategy
- The Ask – Capital raise strategy, valuation

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#### 5. Corporate Fact Sheet

We also recommend completing a 1-2 page corporate fact sheet for those investors who request a very quick snapshot of the investment opportunity.