The 5 categories of Investment Readiness

The Social Problem

Goal: Understanding the scope, roots cause(s) and consequences of the social problem, as well as the target group(s) and existing (competing) solutions.

Key words: Business model canvas, root cause analysis, theory of change, ecosystem analysis, user personas, SWOT analysis, competitive landscape analysis, etc.

Solution & Impact

Goal: Verifying the solution’s distinct value add and impact chain through pilot projects, as well as installing processes for impact measurement.

Key words: Theory of Change, Impact Management Project (IMP), Lean Data, competitive analysis, social lean canvas, field visits, etc.

Market & Distribution

Goal: Checking the necessary knowledge about market and pricing dynamics, access to customers, distribution channels and supply chains.

Key words: market mapping, competitive analysis, last mile research, resource management, SWOT analysis, supply chain management etc.

Growth & Scaling

Goal: Preparing the entire organisation for growth, incl. products, planning, information systems, business and impact models, team structures, governance.

Key words: Product roadmap, resource planning, process management, MIS, governance structures, advisory board, change management, etc.

Financing & Forecast

Goal: Making sure that financial model, key performance indicators, accounting system and knowledge of financial instruments are in place to allow for scaling.

Key words: Financial modeling, cash flow analysis, (impact) KPI, cost-income profiles, financial instruments, innovative & Impact-Linked finance, etc.
The 5 categories of Signing Readiness

- **Investor Approach**
  - **Goal:** Ensuring that impact enterprises research the right types of investors for their next growth stage and understand which preparations are needed to successfully approach these investors.
  - **Key words:** investor long list, investor short list, investment criteria, pitch deck, executive summary, etc.

- **Management Presentation**
  - **Goal:** Verifying that the impact enterprises are ready to make a compelling presentation, tell their story, answer critical questions and convince investors in a personal meeting.
  - **Key words:** management presentation, impact story, storytelling, pitching, etc.

- **Investor Due Diligence**
  - **Goal:** Checking if the impact enterprises are prepared and able to answer the extensive and thorough due diligence questions raised by potential investors in a written and satisfying way.
  - **Key words:** due diligence questionnaire (DDQ), impact/ business/ legal due diligence, DD preparation with team, etc.

- **Investor Selection**
  - **Goal:** Ensuring that the impact enterprises are fully conscious about what they need from investors and what the consequences of certain investor roles and financing instruments will be.
  - **Key words:** Financial support, non-financial support, investor types, pro’s and con’s of financial instruments, etc.

- **Negotiation**
  - **Goal:** Testing if the impact enterprises are ready to negotiate the terms of a financing contract, understand the market standards, and define clear no go’s for key terms and conditions.
  - **Key words:** Term sheet, financing contracts, market standards, legal advice, negotiation techniques, etc.
Typical IR TTT Program Structure
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