

Osborn Capital LLC

Osborn Tools: Standard Venture Capital Questions

Be prepared to answer the following questions in these general areas:

Financial

- Copy of tax returns from previous three years
- Year-to-date income statement
- Current balance sheet

Clients

- List of all your clients – company name, contact name, location
- Product or products they purchased
- Total revenue from each client – break out revenue into start-up or installation costs, recurring fees, license fees, support fees, etc. if applicable
- Breakout of how they were sold – which ones were sold by direct sales, re-sellers or OEM relationships.

Sales

- List names of employees devoted to marketing & sales
- How are they compensated?
- List your resellers – if applicable

Investment

- How much capital was raised in the previous round and how was it used?
- Detail the expected use of proceeds of the current round.

Intellectual Assets

- Who are the "key employees"?
- Which employees have employment agreements?
- Are the "key employees" bound by restrictive covenant agreements?
- Has all intellectual property relating to the Company's products been assigned to the company?
- Who prepared the company's license agreement?
- Does the company have any patents or patent applications?

Professional Services

- Who is the company's general counsel?
- Trademark counsel?
- Bank?
- Accounting firm?

Due Diligence

- What are the leading trade journals that cover the company's industry?
- Who are the company's prime competitors?
- Please provide a web address for each

Future Development

- Have follow-on product/service development plans been drafted?
- Please describe such plans
- How much time and money will be needed?
- Do you need to hire others to implement these plans?
- Who is responsible for obtaining the company's largest customers?
- Please expand on the company's business goals.
- What specifically will the company do to attain such goals?
- Is the release of the next product / service on track for the due date?
- Estimated release date?
- What do you feel are the Company's current strengths and weaknesses?