



TD SHEPHERD  
THE NEXT STEP

# Due Diligence

For Mature Company Assessment

A Checklist

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## DUE DILIGENCE FOR MATURE COMPANY ASSESSEMENT A COMPREHENSIVE CHECKLIST

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*This checklist provides a comprehensive guide for conducting due diligence on mature companies. The specific focus areas may vary depending on the industry, the company's strategic goals, and the investor's requirements. Due diligence for mature companies aims to validate the stability, growth potential, and sustainability of the business while minimizing potential risks.*

### 1. Financials:

- Review audited financial statements for the last five years.
- Examine current and past revenue, profitability, and cash flow.
- Analyze the balance sheet, income statement, and cash flow statement.
- Assess working capital and liquidity.
- Review any outstanding debt and covenants.
- Understand the company's accounting practices and policies.
- Evaluate historical growth trends.

### 2. Legal and Compliance:

- Conduct a comprehensive review of all legal contracts, agreements, and litigation history.
- Confirm the company's compliance with industry-specific regulations and legal requirements.
- Assess any pending or potential legal issues or disputes.
- Review intellectual property and patents.

### 3. Management and Leadership:

- Assess the qualifications and experience of key executives and management.
- Evaluate the stability of the management team.
- Verify backgrounds and references of executives.
- Evaluate leadership's ability to execute the company's growth and strategic plans.

### 4. Operations:

- Analyze the company's operational efficiency and supply chain management. (if applicable)
- Review inventory management and quality control processes.
- Assess manufacturing processes, if applicable.
- Understand distribution channels and logistical efficiency.
- Identify any operational risks or inefficiencies.





#### 5. Market and Competition:

- Analyze the company's position within its industry and market.
- Assess the market size, trends, and competitive landscape.
- Understand competitive advantages and differentiators.
- Identify potential market challenges and threats.

#### 6. Customers and Revenue Streams:

- Review the customer base and revenue streams.
- Identify key customer relationships and contracts.
- Assess the concentration of revenues among customers.
- Analyze customer acquisition and retention strategies.
- Evaluate customer feedback and satisfaction.

#### 7. Product or Service Portfolio:

- Evaluate the product or service portfolio.
- Assess product life cycles and innovation.
- Understand the company's product development pipeline.
- Review product pricing and margin strategies.

#### 8. Marketing and Sales:

- Analyze marketing strategies and advertising campaigns.
- Assess sales pipelines and customer conversion rates.
- Evaluate marketing spend efficiency.
- Understand the sales and distribution network.

#### 9. Financial Projections:

- Evaluate the realism and accuracy of future financial projections.
- Review assumptions behind projections.
- Assess how funds will be allocated for expansion and growth.

#### 10. Governance and Compliance:

- Review corporate governance structure and board composition.
- Assess equity structure and existing agreements among stakeholders.
- Confirm compliance with corporate governance best practices.

#### 11. Technology and IT:

- Assess the company's technology infrastructure, including hardware and software.
- Review cybersecurity measures and data protection policies.
- Evaluate technology risks and readiness for digital transformation.



#### 12. Intellectual Property:

- Confirm intellectual property ownership and protection.
- Review patent, trademark, and copyright portfolios.
- Assess any intellectual property-related risks.

#### 13. Employee and Human Resources:

- Evaluate employee satisfaction and retention.
- Review the company's talent acquisition and retention strategies.
- Assess employee compensation and benefits.

#### 14. Environmental and Sustainability:

- Review the company's environmental policies and sustainability efforts.
- Assess compliance with environmental regulations.

#### 15. Exit Strategy:

- Discuss the company's exit strategy, including potential acquisition or IPO plans.
- Understand alignment with investor exit goals.

#### 16. Due Diligence on Previous Rounds:

- Review due diligence conducted during prior financing rounds.
- Identify and assess any outstanding issues or risks.

#### 17. Dividend and Profit Distribution:

- Understand the company's dividend distribution policy.
- Assess how profits are distributed to shareholders.

#### 18. Debt Structure:

- Review the structure of existing debt, including terms, interest rates, and maturity dates.
- Assess the company's ability to service debt.

#### 19. Insurance and Risk Management:

- Review the company's insurance coverage and risk management practices.
- Assess any pending or potential insurance claims.

