



Investment Readiness Checklist

A 20-point, metric-driven assessment used by investors to evaluate scalability, efficiency, and risk.

Instruction:

Answer each question based on current, verifiable performance — not forecasts or intent.

Revenue Quality & Retention — The “Sticky” Test

Revenue Compounding Proof

Net Revenue Retention (NRR)

- Is your NRR consistently above 110%, demonstrating expansion from existing customers without relying on new sales?

Logo Churn vs Revenue Churn

- Do you track both logo churn and revenue churn, with clear cohort analysis explaining when and why customers leave?

Gross Revenue Churn Rate

- Is your gross revenue churn low, stable, and improving over time?

Customer Cohort Retention

- Can you show cohort-based retention curves that flatten over time rather than decay?

Gross Margin Health

- Are your margins truly 70–80%+, or is hidden human labour embedded in COGS?



GTM Efficiency — The “Math” Test

Growth Math Works

LTV:CAC Ratio

- Is your Lifetime Value (LTV): Customer Acquisition Costs (CAC) consistently above 3:1, calculated using fully-loaded sales and marketing costs?

CAC Payback Period

- Do new customers repay their acquisition cost in less than 12 months?

Sales Velocity

- Is your average lead-to-close time measured, documented, and shortening over time?

Win Rate

- Is your close rate predictable and improving, rather than volatile or founder-dependent?

Pipeline Coverage

- Do you maintain a sufficient forward pipeline (typically 3× quota) to support planned growth?

Operational Scalability — The “Systems” Test

Operational Leverage Signal

ARR per FTE

- Is revenue growing faster than headcount, indicating operating leverage rather than linear scaling?



Founder-Led Sales Dependency

- Are the majority of your top 20 deals closed without direct CEO involvement?

Process Documentation

- Are core GTM and delivery processes documented, repeatable, and transferable?

Automation Coverage

- Are key workflows system-driven, or do they rely on manual coordination and heroics?

Data Stack Integrity

- Do you have a single automated source of truth (CRM/ERP), without spreadsheet reconciliation?

Capital Discipline — The “Terrifying” Questions

Survival & Leverage

Default Alive / Dead

- If you never raised another dollar, do you know the exact date your cash reaches zero?

Monthly Net Burn

- Is your net burn clearly understood, stable, and actively managed?

Efficiency Score

- Is your Net New ARR ÷ Net Burn greater than 1.0, indicating value creation rather than capital destruction?



Runway Duration

- Do you have 12+ months of runway under current operating conditions?

Capital Optionality

- Could you delay or avoid fundraising without materially harming the business?

Companies scoring strongly across all four sections are typically positioned to raise on their terms — not investors'.