



6 Questions Investors Will Ask to Make a Decision About Your Company

Every investor's decision-making process is unique. However, there are a few things that every investor must understand about a company before completing diligence and arriving at a final investment decision. **To help you prepare for investor meetings, make sure to anticipate the following six questions that investors will ask about your company and market opportunity.**

1. What's the History of the Company?

Understanding the history of a company is an important checkmark for investors; it can provide them with context regarding the business model, scientific hypotheses, and business opportunity. As a result, every company needs an interesting foundational story to share with investors about why it exists.

2. How Strong Is the Leadership?

Investors want to know if the leadership team has prior executive-level experience, has previously led a public company, and has a track record of hitting important milestones. Executives can also establish or reinforce credibility by highlighting a previous encounter that proved successful.

3. What Is the Competitive Landscape?

This is an important question to gauge the opportunity and determine if a company has a good understanding of its market and competitive threats. A competitor-free market is rare, so it's important to have a complete picture of your market and acknowledge competitors.

4. How Large Is the Market Opportunity?

Investors need to formulate an independent assessment of the market opportunity to ultimately determine potential upside. Even for companies with no revenue, estimates must be established as some basis for valuation. Consequently, company executives need to think through the market opportunity with the same laser-like focus that the investor will.

5. Is It Necessary to Own the Stock Now?

Investors must decide not only if your company is a worthy investment, but also if it is worthy today as opposed to some day in the future. As a result, you should present a compelling reason for them to own your stock today.

6. Does the Company Have the Resources to Fulfill Promises?

The investor needs to determine if a company has the balance sheet to reach the next key valuation point. Additionally, investors want to know a company's past and future financing tendencies. They want to avoid getting involved with a company that's not financed through the key event or valuation-creation point expected.

To prepare for investor meetings, you must perfect your messaging and craft a compelling story that resonates with investors. If you need a partner to guide you through this critical process, [contact ICR today.](#)

