Following is a sampling of the questions that arise in due diligence.

1. Why did you start your company?
2. What is your vision for your business?
3. What are the primary obstacles to achieving success in your business?
4. What do you plan to do to overcome those identified obstacles? 5. What is the company's primary market and how will you capitalize on that market?
6. What is your marketing strategy to capture market share?
7. Who is your current competition? Who could potentially enter your market?
8. How do you plan to deal with these competitors?
9. How much money and time have you and other members of management invested to date?
10. Are there outside investors? Will they be making an additional investment in this round of financing?
11. Are you obtaining credit terms from your suppliers? If so, what are they?
12. What is the value of your company?
13. Do you currently have, or have access to, debt financing?
14. How do you plan to use the proceeds of our investment?
15. How much dilution in management ownership is acceptable to you?
16. What are the key assumptions behind your financial projections?
17. When will you next require financing, and how much will you need?
18. What are your company's short- and long-term business goals? 19. Who are the key management personnel?
20. What is your exit strategy for investors? When can we expect to recover our original investment?

In addition to answering these and many more questions, you will be expected to add certain documents, including but not limited to articles of incorporation, federal and state tax returns, business plan, resumes of management personnel, and financial statements.