

Due Diligence Checklist: Management Team

1. What does your gut say about the people? Do you think that you could get on with the entrepreneur in a professional capacity – it can be a long-term relationship so it's good to have mutual trust. But more than that, do you think other people will trust them?
2. Carry out background checks on the entrepreneur - take personal references, credit checks, Company House records. Check Google, Facebook and LinkedIn for shared connections and previous experience.
3. Do you think they understand their business? How well do they explain it to you? Do they understand and are they realistic about their weaknesses and obstacles?
4. Are they realistic about their own personal limitations? Do they know what skills they need to add to complete the team? Do they have the management skills to market the business in its early stages? Do they have the skillset to collect the right data and manage their financials?



5. Do they have a realistic exit plan? What's the long-term vision for the business and their role within it?
6. How committed are they? Can they support themselves through the early stages? How desperate are they? Can they afford to lose? Do they have personal financial commitments that may make taking risks harder e.g. mortgages?
7. How professional is their business plan? Did they do it themselves or with professional help? If outsourced, was it from laziness/incompetence or to get quality input? Is the market research geared to suit their narrative or substantiated in real data?
8. How flexible are they on shareholder control? If they are determined to maintain executive control, do they have the competence to deserve it?
9. How well do the founders know each other? Have they worked together before? Do you think they can survive and thrive under the pressures of running a company?
10. You will have your own way of gauging people, but the UKBAA recommends focussing on the three Ps: People, Passion and Perseverance.