lab2sky

investor workbook / 02

questions before capital

turn an attractive story into a traceable review

creation in motion

what you will leave with

a claim-to-source register and a prioritised plan for independent checks

for capital partners organising company or manager diligence.

time: 90 minutes to scope; verification takes longer.

bring: the proposal, available evidence and the names of your reviewers.

download a copy before filling it in. use a pdf reader that supports forms, save it and reopen to check your entries. you can also print it or use the text edition. lab2sky does not receive your entries.

educational checklist, not completed diligence, personal advice or an offer. lab2sky's investment firm is in development. examples are fictional.

field notes / 01

define what you are reviewing

start with the entity, relationship and decision. a checklist only helps if it matches the actual proposal.

separate company and manager questions

company diligence examines a business: customers, product, people, economics and rights. manager diligence examines how someone selects, manages and reports investments, including governance, costs and conflicts. a fund review needs both the strategy and the structure. avoid using a promising portfolio story as a substitute for reviewing the manager itself.

> worked example / illustrative
>
> a fictional investment committee likes a logistics company's retention. that evidence says nothing about a proposed fund's expense allocation, valuation process or control of assets. it opens a separate manager-review workstream before considering any fund commitment.

check: which questions belong to the company, the manager and the proposed legal structure?

identify who stands behind the proposal

request the correct legal entities, responsible people and their roles. independently corroborate material professional claims through appropriate records and consented references. match records carefully: similar names and public profiles can be misleading. identity, experience, authority and regulatory permissions are separate checks; none is established by a polished website or an automated score.

> worked example / illustrative
>
> a founder lists a prior exit. the reviewer asks for dates, the founder's actual role and an authorised reference. confirming employment would not establish that the person led the transaction or achieved the return quoted in the pitch.

check: what exactly did each source establish, and what is still unverified?

set the scope before collecting files

list material questions and assign a reviewer, evidence request and due date. use permissioned access for sensitive records and request only what is relevant. legal, financial, technical, tax and regulatory questions may need specialists. a missing document is an unresolved item; it is not automatically evidence of misconduct or a reason to replace verification with guesswork.

> worked example / illustrative
>
> the committee assigns customer-reference work to one reviewer and ownership questions to counsel. a missing licence clarification is held open with a named owner. it is not hidden inside an average score or treated as a resolved issue.

check: can a reviewer see which open item could prevent the decision?

test the business narrative

prioritise the claims that drive the proposed valuation, growth plan and intended impact.

reconcile demand with cash

ask what a revenue measure includes, the period it covers and how it reconciles to underlying records. examine customer concentration, renewals, cancellations, delivery costs and collection delays. contracts, recognised revenue and cash each answer different questions. unusual differences deserve explanation and, where material, an independent financial review.

> worked example / illustrative
>
> illustrative annual revenue is r12 million; customer cash receipts are r9 million. the r3 million difference is not automatically a loss or fraud. the reviewer reconciles opening and closing receivables, timing, credits and other relevant items before drawing a conclusion.

check: does the reconciliation explain the difference without silently changing the period or definition?

test the next-market assumption

international potential needs more than a large market estimate. ask which customer has the same problem, how the company can reach that buyer and what must change in delivery. examine dependencies on local relationships, permissions, integrations and support. distinguish a signed distribution agreement from an introduction or a forecast of overseas revenue.

> worked example / illustrative
>
> a business has strong local renewals and one overseas letter of interest. that letter supports a next conversation, but does not show repeatable international sales. a bounded market test may be more informative than a five-country forecast.

check: which home-market advantage travels, and which essential capability must be built again?

challenge the link to impact

trace the claimed improvement through a baseline, measured result and plausible contribution. identify uncertainty, adverse effects and missing groups. ask how the business responds when the intended outcome does not occur. commercial traction can support sustainability, but it does not by itself validate a social or environmental claim.

> worked example / illustrative
>
> a logistics product reduces route distance in a small pilot, but claimed emissions savings rely on assumed fuel consumption. the committee records the observed distance separately from the estimated emissions effect and requests the missing measurement basis.

check: are estimates, observed outcomes and causal claims clearly separated?

field notes / 03

inspect incentives and control

understand who benefits, who decides and how disagreements or adverse developments would be handled.

make conflicts visible

ask about related parties, allocation of opportunities, services supplied by connected businesses and any role in both creating and funding a company. identify who declares a conflict, who reviews it independently and who can approve the transaction. a shared brand or ownership relationship should be explained rather than assumed to align every participant's interests.

worked example / illustrative

a fictional builder introduces a venture to an affiliated manager. the committee asks how the price is assessed, who recuses themselves and which approvals are needed. introduction through the builder does not replace independent assessment or entitle the venture to funding.

check: is there a documented process for this conflict, with an identifiable decision maker?

understand costs and performance claims

request a complete account of relevant fees, expenses and incentives, with the governing documents and examples. compare performance on consistent periods and definitions. distinguish realised cash from unrealised valuations, and gross figures from amounts after applicable costs. a selected success story does not establish a complete track record or a likely future return.

worked example / illustrative

a manager presents a portfolio valuation increase but no realised distributions. the reviewer labels it unrealised, asks how valuations were determined and requests the complete relevant history, including losses, expenses and the people's attributable roles.

check: what has actually been returned, and what depends on a valuation or future event?

read rights in the actual documents

ask qualified advisers to explain decision rights, reporting, transfer restrictions, further funding obligations and the consequences of material events. map who controls cash and records and what independent service providers actually do. descriptions in a presentation are not a substitute for the signed terms, relevant permissions or verification of provider appointments.

worked example / illustrative

a deck promises quarterly reporting. the draft agreement describes a different timetable and limited information rights. the reviewer records the inconsistency for resolution rather than assuming the more favourable description will govern.

check: have material inconsistencies been resolved in the documents that would bind the parties?

record a defensible next step

a useful review preserves uncertainty and explains why the evidence supports, delays or ends a conversation.

keep a claim-to-source register

record the exact claim, source, source date, reviewer and finding. distinguish issuer-provided material from independent corroboration. mark each item supported for a stated scope, unresolved or contradicted. keep the underlying documents private and accessible to authorised reviewers. a citation establishes where a statement came from, not necessarily that it is true.

> worked example / illustrative
> claim: 'three customers renewed'. source: a founder spreadsheet. finding: self-reported; two contract records reviewed, third outstanding. the review preserves the gap instead of upgrading the whole claim to independently verified.

check: could another reviewer reconstruct your conclusion from the recorded evidence?

use scores to organise, not to decide

a structured score can organise comparable opportunities, but only when criteria, stage and evidence coverage are understood. it cannot cancel a material unresolved issue. treat automated analysis as provisional; do not infer identity verification, legal compliance or completed diligence from a high score. investment decisions require accountable human judgement and the appropriate specialist work.

> worked example / illustrative
> an opportunity has an appealing commercial assessment but unresolved intellectual-property ownership. the committee keeps that issue as a decision condition. averaging it against strong customer metrics would obscure the actual risk.

check: which issue must be resolved regardless of the overall score?

agree conditions and follow-up

close the review with a reasoned next step: continue assessment, request specific evidence, pause or stop. name owners and dates for unresolved matters. if a commitment is later made, agree what will be monitored and what triggers another review. a completed worksheet records work performed; it does not certify a company, manager or investment.

> worked example / illustrative
> the committee continues only after an independent ownership review and a customer-reference check. it records who will commission each check and what result would change the decision. an optimistic meeting does not replace these conditions.

check: does the next step follow from the evidence and identify who is accountable?

your working page / 01

your review scope

record references to private evidence rather than copying confidential files into a widely shared worksheet.

proposal, entities and decision

company, manager or fund? identify the relationship and the decision being considered.

commercial and impact claims

list the few claims that matter most; add definition, period, source and evidence status.

people, rights and conflicts

record material roles, authority, ownership questions and related-party review needs.

specialist checks and responsibilities

assign relevant financial, legal, technical or other checks to named reviewers and dates.

your working page / 02

your evidence and decision log

a summary should make unresolved conditions more visible, not compress them out of the decision.

claim-to-source register

claim | dated source | reviewer | finding | what the source does not establish.

critical unresolved matters

what could prevent a decision? what evidence would resolve it and who will obtain it?

proposed next step and reasoning

continue, request evidence, pause or stop; explain why and record the accountable decision maker.

conditions and later monitoring

record owners, dates and events that require another review; avoid treating forecasts as promises.

ilpa: manager due diligence questionnaire >

lab2sky: screening and human review >