

Tech Due Diligence: Essential Insights for Founders



Summary by



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Overview

Joe, co-founder of Mayfly Ventures, discusses the critical aspects of technology due diligence essential for successful fundraising. Joe outlines the pivotal factors that attract investors—scalability, quick iteration capability, rigorous security measures, and a visionary product roadmap. This guide delves into how founders can refine their technology to not only meet but exceed investor expectations, ensuring their ventures are primed for growth and investment. Whether you're in the midst of closing a round or prepping for future funding, these insights from a seasoned expert will steer your tech strategy towards success.

20-Point Summary:

- Joe, a co-founder at Mayfly Ventures, shares insights on tech due diligence for fundraising.
- Essential to ensure your architecture and infrastructure are scalable to attract investment solely for growth.
- Investors favor tech that is designed for quick iterations, enabling rapid responses to market demands.
- A product must undergo multiple iterations to find product-market fit.
- Security compliance (e.g., SOC2, HIPAA) is critical to avoid spending investor funds on resolving security issues.
- A clear, future-proof roadmap is crucial for gaining investor confidence and funding.
- Founders stuck in capital raising should be prepared to answer in-depth questions about their product's performance.
- Building extensive documentation around the tech stack is advised to support discussions with investors.
- Documentation should cover all aspects of the tech stack, the logic behind it, and security compliance.
- Having thorough documentation helps assure investors of the tech's order and future security.
- Investors are looking for products that can adapt and evolve based on customer feedback and data.
- Founders should focus on making their technology easy to upgrade and scale.

- Demonstrating a commitment to security from the outset is vital for attracting serious investors.
- Investors need to see a product roadmap that aligns with long-term market potential.
- Detailed tech documentation can bridge gaps in understanding for non-technical investors.
- Founders should anticipate technical audits and prepare their infrastructure to pass these reviews.
- Communicating the technological foresight and adaptability of the product is essential during fundraising.
- Founders must highlight how their technology stands out in terms of scalability and security.
- It's beneficial to demonstrate how the technology has been designed with future trends and requirements in mind.
- Ensuring that all tech-related investor concerns are preemptively addressed in documentation and presentations.