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# Smart Steps - Efficient Due Diligence on 3 Startups

## Phase: Initial 3-Company Evaluation & Selection

### Area 1: Market Opportunity Assessment

- **Smart Step:** Quickly assess the size, growth, and key trends of the market each company addresses. Identify major drivers and potential headwinds.
- **AI Prompts:**
  - *(Perplexity – Market Sizing & Trends)*

    "What is the estimated global market size and projected growth rate (CAGR) for SpecificmarketaddressedbyCompanyASpecific market addressed by Company A? What are the main market drivers and challenges impacting this sector currently? Provide sources."

    *(Repeat for Company B & C.)*

  - *(Grok – Real-time Buzz/News)*

    "What are recent significant news headlines or discussions on platforms like X (Twitter) related to general trends in CompanyA'sIndustryCompany A's Industry? Any major breakthroughs or setbacks mentioned?"

    *(Repeat for Company B & C's industries.)*

### Area 2: Technology & IP Assessment

- **Smart Step:** Understand the core technology, its claimed differentiation, development stage, and any mentioned IP from the provided documents. Identify obvious technical risks mentioned.
- **AI Prompts:**

- (Gemini – Analyze Provided PDF)

  "Analyze the provided PDF document for CompanyANameCompany A Name. Explain their core technology in simple terms (1–2 sentences). What is its primary claimed advantage over existing solutions? What is the stated current development stage? Does the document mention specific patents or pending IP?"

  (Repeat for Company B & C.)

- (Perplexity – Patent Check, if applicable)

  "Summarize the core invention or claims described in the patent found at PatentlinkfromcompanyPDFPatent link from company PDF. Who are the listed inventors?"

## Area 3: Team Assessment (Initial Scan)

- **Smart Step:** Identify key personnel from the documents. Do a quick web search (if names are provided) for relevant background. Note any explicitly stated team strengths, gaps, or needs.

- **AI Prompts:**

  - (Gemini – Analyze Provided PDF for Team Info)

    "Based on the provided text for CompanyANameCompany A Name, who are the key people, research groups, or universities involved? What are their roles or expertise areas as described? Does the text explicitly state they are looking for specific partners, funding, or team members?"

    (Repeat for Company B & C.)

  - (Perplexity – Quick Background Check, use cautiously)

    "Provide a brief background summary for KeyPerson'sNameKey Person's Name, focusing only on professional expertise or publications relevant to Company'sFieldCompany's Field. Prioritize information from academic profiles, LinkedIn, or official university/company sites."

## Area 4: Synthesis & Initial Comparison

- **Smart Step:** Bring together the initial findings for each company. Use AI to draft *preliminary* "Reasons" and "Reservations" aligned with the VCIC template structure. Create a simple comparison framework.

- **AI Prompts:**

  - *(Free GPT/4o or Gemini – Draft Initial Pros/Cons)*

    "Based only on this initial scan for CompanyANameCompany A Name PastebulletpointsonMarket,Tech,TeamPaste bullet points on Market, Tech, Team, draft 2 potential 'Reasons' this might be interesting and 2 'Reservations' or key questions for deeper diligence. Keep concise."

    *(Repeat for Company B & C.)*

  - *(Free GPT/4o or Gemini – Comparative Overview)*

    "Create a simple comparison table summarizing CompanyACompany A, CompanyBCompany B, and CompanyCCompany C based only on this initial analysis. Include columns for: Company Name, Core Tech Area, Initial Market Impression, Tech Stage/Risk, Key Question/Reservation."

## Area 5: Quick Competitive Landscape

- **Smart Step:** Identify notable competitors or alternative solutions. Pinpoint each company's approximate positioning (e.g., cost, performance, uniqueness).

- **AI Prompts:**

  - *(Perplexity – Competitor Snapshot)*

    "Who are the top 3–5 competitors in CompanyA'ssectorCompany A's sector? Briefly note their main product or service, funding status, and any market traction."

  - *(Gemini – High-Level Positioning)*

    "Based on these competitor summaries and CompanyAName'sCompany A Name's claims, describe how CompanyACompany A might stand out or where it could be vulnerable."

## Area 6: High-Level Business/Financial Peek

- **Smart Step:** Perform a quick check of how the venture might make money, the expected revenue model, and any hint of pricing or cost structure. Note if they have paying customers or raised capital.
- **AI Prompts:**
  - *(Gemini or GPT-4 – Quick Monetization Overview)*

    "From the CompanyACompany A PDF or any public mention, can you infer the primary business model (hardware sales, subscription, licensing) and a typical price range or cost structure? Do they mention prior/existing funding? Any revenue yet?"
  - *(Groq – Brainstorm Key Financial Questions)*

    "Generate 3–5 critical questions to clarify CompanyAName'sCompany A Name's revenue model and cost drivers (e.g., one-off pilot projects vs. recurring revenue, significant manufacturing costs, regulatory expenses)."

# Outcome of this Phase

By running through these steps for all three companies, students will develop a structured (but still preliminary) comparative overview. This includes:

- Market viability (size, growth, real-time buzz)
- Core tech/IP maturity and uniqueness
- Team readiness or critical gaps
- Competitive positioning
- High-level business/financial feasibility

Students can then make a more *informed* choice of which single company to pursue for the **week-long deep-dive** and SERAF-based investment thesis.

**Phase: Initial 3-Company Evaluation & Selection**

**Area 1: Market Opportunity Assessment**

- **Smart Step:** Quickly assess the size, growth, and key trends of the market each company addresses. Identify major drivers and potential headwinds.

- **AI Prompts:**

  - **(Perplexity - Market Sizing & Trends):** "What is the estimated global market size and projected growth rate (CAGR) for [Specific market addressed by Company A, e.g., 'redox flow batteries for grid storage']? What are the main market drivers and challenges impacting this sector currently? Provide sources." *(Repeat for Company B & C's specific markets)*

  - **(Grok - Real-time Buzz/News):** "What are recent significant news headlines or discussions on platforms like X (Twitter) related to general trends in [Company A's Industry, e.g., 'grid energy storage solutions', 'advances in cancer diagnostics', 'alternatives to animal testing in pharma']? Any major breakthroughs or setbacks mentioned?" *(Repeat for Company B & C's industries)*

### Area 2: Technology & IP Assessment

- **Smart Step:** Understand the core technology, its claimed differentiation, development stage, and any mentioned IP from the provided documents. Identify obvious technical risks mentioned.

- **AI Prompts:**

  - **(Gemini - Analyze Provided PDF):** "Analyze the provided PDF document for [Company A Name]. Explain their core technology in simple terms (1-2 sentences). What is its primary claimed advantage over existing solutions? What is the stated current development stage (e.g., concept, lab, prototype, preclinical)? Does the document mention specific patents or pending IP?" *(Repeat for Company B & C)*

  - **(Perplexity - Patent Check, if applicable):** "Summarize the core invention or claims described in the patent found at [Paste patent link from company PDF, if provided]. Who are the listed inventors?" *(Use only if patent link is directly available in the startup description)*

### Area 3: Team Assessment (Initial Scan)

- **Smart Step:** Identify key personnel from the documents. Do a quick web search (if names are provided) for relevant background. Note any explicitly stated team strengths, gaps, or needs (e.g., "looking for partners," "needs business expertise").

- **AI Prompts:**

  - **(Gemini - Analyze Provided PDF for Team Info):** "Based on the provided text for [Company A Name], who are the key people, research groups, or universities involved? What are their roles or expertise areas as described? Does the text explicitly state they are looking for specific partners, funding, or team members?" *(Repeat for Company B & C)*

  - **(Perplexity - Quick Background Check, use cautiously):** "Provide a brief background summary for [Key Person's Name mentioned in PDF], focusing *only* on professional expertise or publications relevant to [Company's Field]. Prioritize information from academic profiles, LinkedIn, or official university/company sites." *(Self-Correction: Be mindful results might be limited or require verification. Avoid deep PII searches).*

## Area 4: Synthesis & Initial Comparison

- **Smart Step:** Bring together the initial findings for each company. Use AI to draft *preliminary* "Reasons" and "Reservations" aligned with the VCIC template structure, purely for internal comparison at this stage. Create a simple comparison framework.

- **AI Prompts:**

  - **(Free GPT/4o or Gemini - Draft Initial Pros/Cons):** "Based *only* on this initial scan for [Company A Name] [Paste 1-2 bullet points each summarizing initial findings on Market, Tech, Team], draft 2 potential 'Reasons' why this might be interesting and 2 potential 'Reservations' or key questions for deeper diligence. Keep concise for comparison notes." *(Repeat for Company B & C)*

  - **(Free GPT/4o or Gemini - Comparative Overview):** "Create a simple comparison table summarizing [Company A], [Company B], and [Company C] based *only* on this initial analysis. Include columns for: Company Name, Core Tech Area, Initial Market Impression (e.g., Large/Niche,

Growing/Stagnant?), Tech Stage/Risk (e.g., Early/Proven, High/Low Risk?), Key Question/Reservation."

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**Outcome of this Phase:**

By running through these steps for all three companies, you or the students should have a structured, albeit preliminary, comparative overview. This comparison, focusing on apparent market size, tech differentiation/risk, and any glaring team issues or key unanswered questions, should provide a much stronger basis for selecting the *one* company that seems most compelling (or least problematic) to take forward into the deeper due diligence phase required for the full VCIC Executive Summary.