

Due Diligence Readiness Checklist for Software Companies

Working through this checklist forces your engineering team to surface gaps before investors do, turning potential red flags into prepared answers. It ensures you can demonstrate operational maturity with evidence, clear documentation, measurable metrics, and tested processes, rather than scrambling during diligence. More importantly, it builds confidence with buyers that your technology is scalable, resilient, and well-managed, directly supporting valuation and deal speed.

Documentation & Transparency

- ☐ Up-to-date **system and architecture diagrams** (current and future state).
- ☐ **Infrastructure inventory** (cloud accounts, environments, dependencies, third-party services).
- ☐ Documented **development lifecycle** (branching, CI/CD, release cadence).
- ☐ Written **security policies** (authentication, access, encryption, incident response).

Code Quality & Technical Debt

- ☐ Automated testing in place with clear **coverage metrics**.
- ☐ Static analysis or code quality reports (SonarQube, CodeClimate, etc.).
- ☐ Documented **technical debt register** with remediation roadmap.
- ☐ Consistent coding standards (linters, style guides, reviews).

Cloud & Infrastructure

- ☐ Documented **redundancy, failover, backup, and disaster recovery** strategies.
- ☐ Monitoring, logging, and alerting stack in place with KPIs tracked.
- ☐ Evidence of **cost optimization** (rightsizing, reserved instances, autoscaling).
- ☐ Metrics on **DevOps maturity** (deployment frequency, MTTR, rollback capability).

Security & Compliance

- ☐ Results from recent **penetration tests** and vulnerability scans, with remediation progress.
- ☐ Role-based access control (RBAC) enforced; MFA mandatory for privileged accounts.
- ☐ Open-source dependency tracking and license compliance in place.
- ☐ Alignment with relevant frameworks (SOC 2, ISO 27001, HIPAA, GDPR, etc.).

Team & Process

- ☐ Current **engineering org chart** with roles, responsibilities, and backups for key functions.
- ☐ Evidence of predictable **velocity metrics** (cycle time, release frequency).
- ☐ Defined hiring pipeline and onboarding process for engineers.
- ☐ Documentation of engineering culture practices (reviews, retros, postmortems).

Product & Roadmap

- ☐ Clear, credible **product roadmap** with commercial alignment.
- ☐ Roadmap includes **scalability initiatives** and technical debt paydown, not just features.
- ☐ Defined scaling thresholds (e.g., traffic, data, users) and how you'll address them.
- ☐ Balanced portfolio of growth features and platform investments.