

AI Deal Target Technical Due Diligence Assessment

Company Name: _____

Evaluator: _____

Contact Information: _____

Evaluation Overview

Rating Scale:

- **1 - Poor:** Significant concerns; does not meet expectations.
- **2 - Fair:** Below average; some concerns.
- **3 - Good:** Meets expectations; no major issues.
- **4 - Very Good:** Exceeds expectations in several areas.
- **5 - Excellent:** Outstanding performance; exceeds all expectations.

Key Evaluation Areas

1. Technology Stack

Assess the sophistication, scalability, and appropriateness of the technology stack used by the company.

Aspect	Rating	Comments
AI Models and Algorithms	_____	
Programming Languages and Frameworks	_____	
Infrastructure and Deployment	_____	

2. Dependence on Proprietary Models vs Open-Source Open Weights

Evaluate the balance between proprietary technologies and reliance on open-source models.

Aspect	Rating	Comments
Dependence on Proprietary Models	_____	
Dependence on Open-Source Open Weights	_____	

3. Ability to Finetune Models

Assess the company's capability to adapt and customize models for specific applications.

Aspect	Rating	Comments
Finetuning Capability	_____	
Flexibility and Efficiency of Finetuning Processes	_____	

4. Ability to Optimize Cloud Spend

Analyze strategies and technologies used to manage and reduce cloud infrastructure costs.

Aspect	Rating	Comments
Cloud Cost Management Strategies	_____	
Scalability and Cost-Efficiency of Cloud Deployment	_____	

5. Ability to Create Proprietary Datasets as a Moat

Evaluate the company's capability to develop and maintain unique proprietary datasets that serve as a competitive advantage.

Aspect	Rating	Comments
Development of Proprietary Datasets	_____	
Use of Proprietary Datasets as Competitive Moat	_____	

6. Product and Innovation

Evaluate the uniqueness, development stage, and future innovation plans of the product.

Aspect	Rating	Comments
Unique Value Proposition	_____	
Product Maturity (Prototype, MVP, Production-Ready)	_____	
Innovation Pipeline and R&D Roadmap	_____	

7. Data Strategy

Analyze the robustness of data acquisition, quality, and compliance with data governance standards.

Aspect	Rating	Comments
Data Sources and Acquisition Methods	_____	
Data Quality, Quantity, and Preprocessing	_____	
Data Governance and Compliance (e.g., GDPR, CCPA)	_____	

8. Intellectual Property (IP)

Examine the strength and protection of intellectual property, including patents and proprietary technologies.

Aspect	Rating	Comments
Patents and Trademarks	_____	
Proprietary Algorithms	_____	
Ownership		
Licensing of Third-Party Technologies	_____	

9. Team and Expertise

Evaluate the qualifications, experience, and stability of the technical team.

Aspect	Rating	Comments
Technical Team Composition (Data Scientists, Engineers, Developers)	_____	
Expertise and Experience of Key Personnel	_____	
Hiring and Retention Strategies	_____	

10. Scalability and Performance

Assess the ability of the system to scale and perform under increased demand.

Aspect	Rating	Comments
System Architecture for Scalability (Horizontal/Vertical)	_____	
Performance Metrics (Speed, Accuracy)	_____	
Load Handling Capabilities	_____	

11. Security and Compliance

Evaluate the robustness of security protocols and compliance with relevant standards.

Aspect	Rating	Comments
Data Security Measures (Encryption, Access Controls)	_____	
Compliance with Industry Standards (ISO, NIST)	_____	
Risk Management Strategies	_____	

12. Integration and Compatibility

Assess the ease of integration with other systems and the flexibility of customization.

Aspect	Rating	Comments
Availability and Robustness of APIs and SDKs	_____	
Interoperability with Existing Platforms and Tools	_____	
Customization Flexibility for Client Needs	_____	

13. Technical Debt and Maintenance

Examine the quality of the codebase, existing technical debt, and maintenance strategies.

Aspect	Rating	Comments
Code Quality (Documentation, Testing, Code Reviews)	_____	
Existing Technical Debt	_____	
Maintenance and Support Strategies	_____	

14. Competitive Landscape

Analyze the company's technical standing relative to competitors and market barriers.

Aspect	Rating	Comments
Competitor Analysis (Technological Strengths)	_____	
Market Positioning and Technical Advantage	_____	
Technical Barriers to Entry	_____	

15. Roadmap and Future Plans

Evaluate the clarity and feasibility of the company's technical roadmap and future plans.

Aspect	Rating	Comments
Short-term Technical Goals	_____	
Long-term Technology Vision	_____	
Funding Allocation for Technology Growth	_____	

16. Demonstrations and Proof of Concept

Assess the effectiveness of demonstrations, real-world case studies, and performance validations.

Aspect	Rating	Comments
Availability of Live Demonstrations	_____	
Quality and Relevance of Case Studies	_____	
Results from Performance Testing (Stress Tests, A/B Tests)	_____	

17. Partnerships and Collaborations

Evaluate the strength and strategic value of partnerships and collaborations.

Aspect	Rating	Comments
Strategic Alliances with Tech Firms and Research Institutions	_____	
Collaborative Projects and Joint Ventures	_____	

18. Exit Strategy Considerations

Assess the potential for technology transfer, valuation of IP, and alignment with market trends.

Aspect	Rating	Comments
Technology Transferability to Potential Acquirers	_____	
Valuation of Intellectual Property Assets	_____	
Alignment with Future Market and Technology Trends	_____	

Overall Technical Assessment

Total Score: _____ / 90

Average Rating: _____ / 5

Notes and Observations

Strengths:

- _____

Weaknesses:

- _____

Opportunities:

- _____

Threats:

- _____

Conclusion and Recommendations

Overall Technical Assessment:

- _____

Investment Decision:

- _____

Next Steps:

- _____

Instructions for Use

1. **Preparation:** Gather all relevant documentation, access to product demos, and arrange meetings with the technical team.
2. **Evaluation:** For each key aspect, assign a rating between 1-5 based on the company's performance and provide comments to justify the rating.
3. **Scoring:** Calculate the total and average scores to quantify the technical assessment.
4. **Analysis:** Use the notes and observations section to detail strengths, weaknesses, opportunities, and threats.
5. **Decision Making:** Combine the technical assessment with other due diligence areas (market, financial, legal) to inform investment decisions.