

INVESTMENT GUIDE

Test the investment thesis before committing capital

Commercial due diligence examines whether the market, customer base and business model support the investment thesis. Its value lies in independent challenge and clear implications.

Executive takeaways

1. Test revenue assumptions against customer and market evidence.
2. Distinguish sustainable growth from concentration and execution risk.
3. Translate red flags into their consequences for the investment thesis.

Define the investment thesis

Identify why the opportunity is attractive, what must be true for it to succeed and which uncertainties could overturn that view. Agree the transaction stage, timetable and permitted access to company information.

Build an evidence-led challenge

Review customers, competitors, suppliers, market structure and the business model. Test growth assumptions, customer concentration, distribution dependence and regulatory context. Triangulate management information with independent sources where access permits.

Report what changes the decision

The output should distinguish supported assumptions, unresolved questions and material red flags. Commercial due diligence supports a transaction decision alongside other specialist reviews; it does not replace legal, audit, technical or regulated financial advice.

From evidence to a decision

Define the decision	Build the evidence	Test assumptions	Compare options
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Conceptual research framework; no quantitative results are represented.

Scope and method

Research-design guidance based on IDER's supplied service framework; no empirical study or market forecast.

This is practical research-design guidance, not an empirical market report, client-study finding or investment recommendation.

Citation

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Discuss the evidence your next decision needs.

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