

University Impact (UI) Equity Criteria

UI uses the following criteria when deciding whether to showcase a company on its investor portal:

Seed Stage Business Criteria

1. **Ability to show true market pain point** – Before a significant amount of time is committed to the due diligence process, both the problem and the company’s solution to that problem should be clear.
2. **Working product/technology** – University Impact does not fund R&D projects or businesses that simply have a “good idea.” Before due diligence begins, companies seeking funding must demonstrate that they have a product that is ready to be taken to market.
3. **Some degree of traction** – Traction often appears in the form of previous sales, revenue, transactions, etc., but may also be a group of beta users, a waitlist, or LOIs.
4. **Milestones for scaling the business** – The entrepreneur should possess a growth plan and an understanding of milestones that should be achieved before raising Series A funding. They should be able to demonstrate how receiving seed funding will allow them to accomplish milestones and increase their company’s value.
5. **Strong management** – What kind of skills and experience is necessary for succeeding in the company’s industry, and does the present management team possess those skills? If not, do they recognize the holes in their team, and are they planning on using funding to fill those holes?

Impact Criteria

6. **Aligns with UN SDGs** – University Impact evaluates social impact as the degree to which a company’s activities further the United Nations Standard Development Goals (<https://sustainabledevelopment.un.org/sdgs>). Be sure to look at the individual targets and indicators to check for alignment rather than only making inferences based on the title of the goal.
7. **The solution is needed, works, and will be used in the right way** – Does the solution solve the social problem in a significant way?

8. **A clear theory of change** – The companies that University Impact invests in should understand the outputs, outcomes, and impact caused by their actions. Companies should have either already begun to track outcomes or, at the very least, express a willingness to begin tracking impact outcomes.

Investment

9. **Is the amount raised appropriate?** – Is the company raising enough money to accomplish its milestones? UI must understand how funding sought will be used and how it allows each company to accomplish its milestones.
10. **Is the valuation appropriate?** – Proper assessments of company value vary by geography, stage, and industry. UI performs back-of-the-envelope calculations for each company during the diligence process. University Impact invests with a check size ranging from \$50k-\$500k and aims for a 30% IRR.
11. **Capital intensity** – Some industries (i.e., commercial airliners) have high capital intensity while some industries (i.e., SaaS) are typically lower.