

GROWTH EQUITY & VENTURE CAPITAL

Strategic Due Diligence

**The New Playbook
For Investments In AI-native Companies**



June 2025



Conducting strategic Due Diligence in an unpredictable world.

In 2025, shifting paradigms make strategic due diligence even more critical for private investors such as Growth Equity funds and Venture Capital firms.

Rising macro uncertainties expose private investors to new risks and blind spots that may affect their appreciation of both the target and the deal conditions. AI-native companies unveil new horizons, new risks, and opportunities as they explore uncharted paths.

Growth models are rapidly changing due to the effective reduction of time-to-scale. New revenue models also arise from output-based and usage-based pricing, setting new standards in terms of financial performance.

These disruptive trends seriously question how private investors could secure the viability of their investments in AI targets, mitigate the risk of overpayment, and

capture value in this new market era.

Target's strategic obsolescence is becoming a significant risk that private investors can not afford to overlook. Competitive edges and strategic moats are increasingly becoming transient, indeed difficult to sustain.

Deciphering, challenging, and enhancing the target's strategy requires new methodologies and mindsets adapted to an unpredictable world in which a broader spectrum of scenarios is likely to unfold.

At Odyssey, we designed a new playbook for strategic due diligence, the result of months of intensive research. We complement market-proof due diligence methodologies with a new toolkit specifically designed to evaluate AI-native companies' strategies more accurately and comprehensively.



A new strategic radar for AI-native organizations

In addition to our comprehensive due diligence toolkit, Odyssey's strategic radar monitors the specificities of six AI-native organizations to better secure private investors during due diligence.

Strategic Singularity

AI Value Drivers

Hypergrowth Model

Operational Efficiency

Paths to Profitability

Risk of Strategic Obsolescence

Strategic Due Diligence Objectives

This playbook addresses the two main objectives of a strategic due diligence process, which are:

- to evaluate the target's strategy, differentiation, and performance benchmarked against peers, and
- to evaluate whether a target aligns with the investment thesis, fits into the portfolio, and will ultimately create value.

Although private investors' objectives remain consistent over time, the rapid pace of change in the AI industry requires more thorough due diligence analysis.

Odyssey investigates targets' AI product strategy and hypergrowth potential against time-to-scale benchmarks. We challenge their execution capabilities and path to profitability, a key question mark for most AI startups. Our rigorous scorecard also enables us to evaluate the risk of strategic obsolescence, which is high in such a fast-changing industry.

GenAI

AI infrastructure

AI apps & software

Forward Intelligence™

Forward Intelligence is the proprietary methodology developed by Odyssey to help decision-makers shape a compelling business vision or forge an investment conviction amid uncertainties.

We leverage our market-proof framework, skill sets, and data assets to enhance organizations' strategic and anticipatory capabilities. Get better prepared, whatever happens.

Strategic Foresight Module

When added as an optional module, Forward Intelligence™ brings unparalleled value to the strategic due diligence process.

It substantially reduces investors' blind spots on target's:

- Market uncertainty
- Competitive edge's sustainability
- Future preparedness
- Strategic options
- Exit scenarios

We do not predict the future. We prepare for it.



Our forward-looking approach helps private investors evaluate the target's potential futures over a 5- to 10-year investment horizon.

We provide private investors with **novel insights into the target's future readiness and strategic robustness in tomorrow's unpredictable world.**

Private investors can now leverage this augmented knowledge to better derisk their investments, enhance their integration scheme, anticipate business support for the target, and set a compelling value creation strategy.

Due Diligence Scope

The scope of Odyssey's strategic due diligence encompasses three main areas plus an extra optional module dedicated to our foresight analysis (4), powered by Forward Intelligence.TM

At the core engine of the target's business analysis (3), our team conducts a comprehensive examination, delving into the business model, operating model, growth model, and strategic singularity of the target.

As a former investment bank, Odyssey brings a wealth of expertise, skillfully bridging a target's strategic due diligence with financial performance and value creation analysis.

Investment objectives

1

- Deal rationale
- Strategic value
- Fit assessment
- Key assumptions
- AI Value drivers
- Deal terms
- Synergies

Market & competitive analysis

2

- Market dynamics
- Market sizing
- Peers' benchmark
- Macro risks
- Value spots

Business analysis

3

- Strategic Singularity
- Data & AI strategy
- Business model
- Growth model
- Operating model
- Financial metrics
- Idiosyncratic Risks

Foresight analysis

4

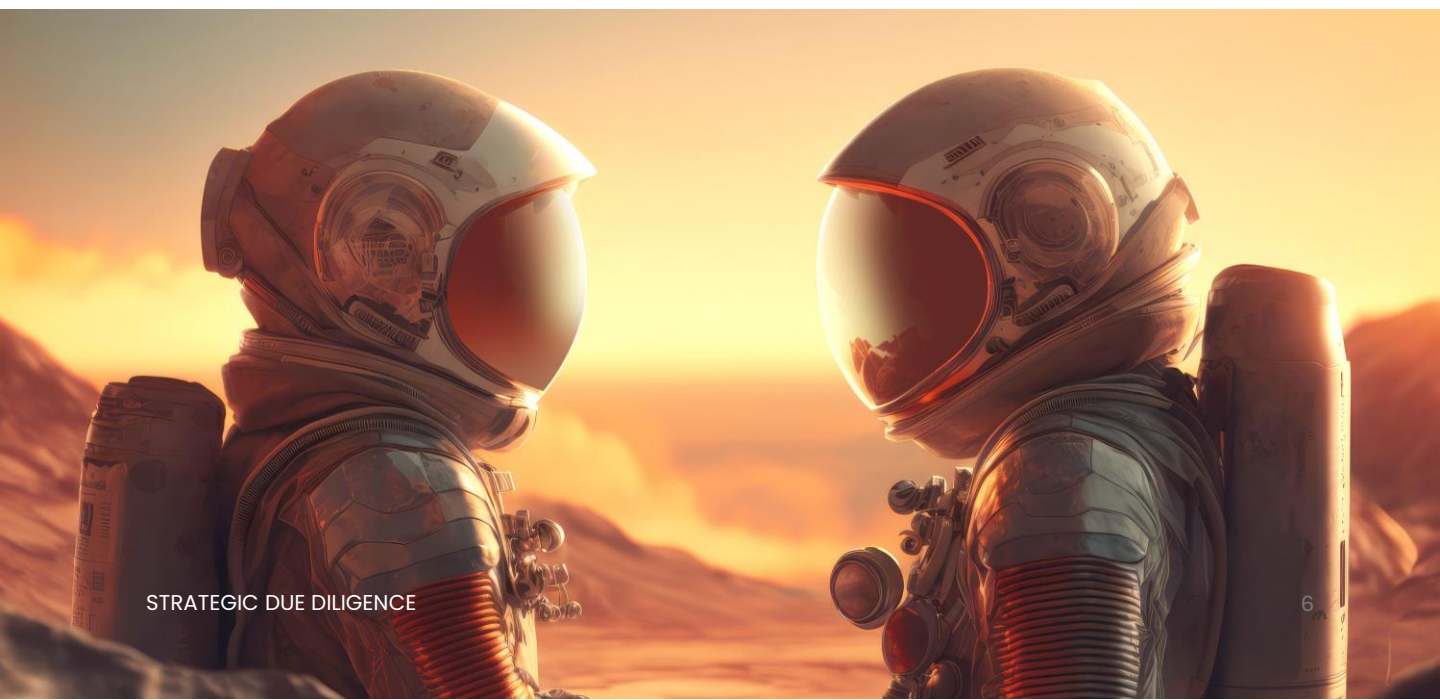
- Market uncertainty
- Future readiness
- Forecasts' derisking
- Scenario analysis
- Integration scheme
- Post-deal milestones
- Exit scenarios



Due Diligence Process

Odyssey's strategic due diligence process is segmented into three main phases, as described below, and remains easy to personalize based on deal specifics. Our team conducts in-depth analyses of virtual data room content, summarizes market surveys, and conducts interviews with the target's management teams involved in the transaction. We also seek external validation from the target's customers, partners, and other relevant stakeholders.

	Phase I	Phase II	Phase III
	Pre-qualification	Due diligence	Deal support
Objectives	<ul style="list-style-type: none"> • Spot red flags • Support go/no go decision 	<ul style="list-style-type: none"> • Review data room content • Sharpen shareholders' perspective 	<ul style="list-style-type: none"> • Submit investment recos • Validate deal T&Cs • Build action plan for success
Scope	<ul style="list-style-type: none"> • Deal rationale • Fit assessment • Assumptions review • High-level risks 	<ul style="list-style-type: none"> • Market & competitive intelligence • Full target analysis 	<ul style="list-style-type: none"> • Deal structure, valuation and T&Cs • Integration plan • Key milestones until exit
Deliverables	<ul style="list-style-type: none"> • Term sheet review • Preliminary risk map 	<ul style="list-style-type: none"> • Full due diligence Report • Foresight analysis (option) 	<ul style="list-style-type: none"> • Investment memo • Negotiation insights • Actionable recos





Integrated Due Diligence

Orchestrating the due diligence process across all work streams is challenging for most deal team leaders.

Odyssey facilitates lean transaction lifecycles. We are committed to quickly identifying major red flags, issues, and risks that may deter investors from appreciating the deal.

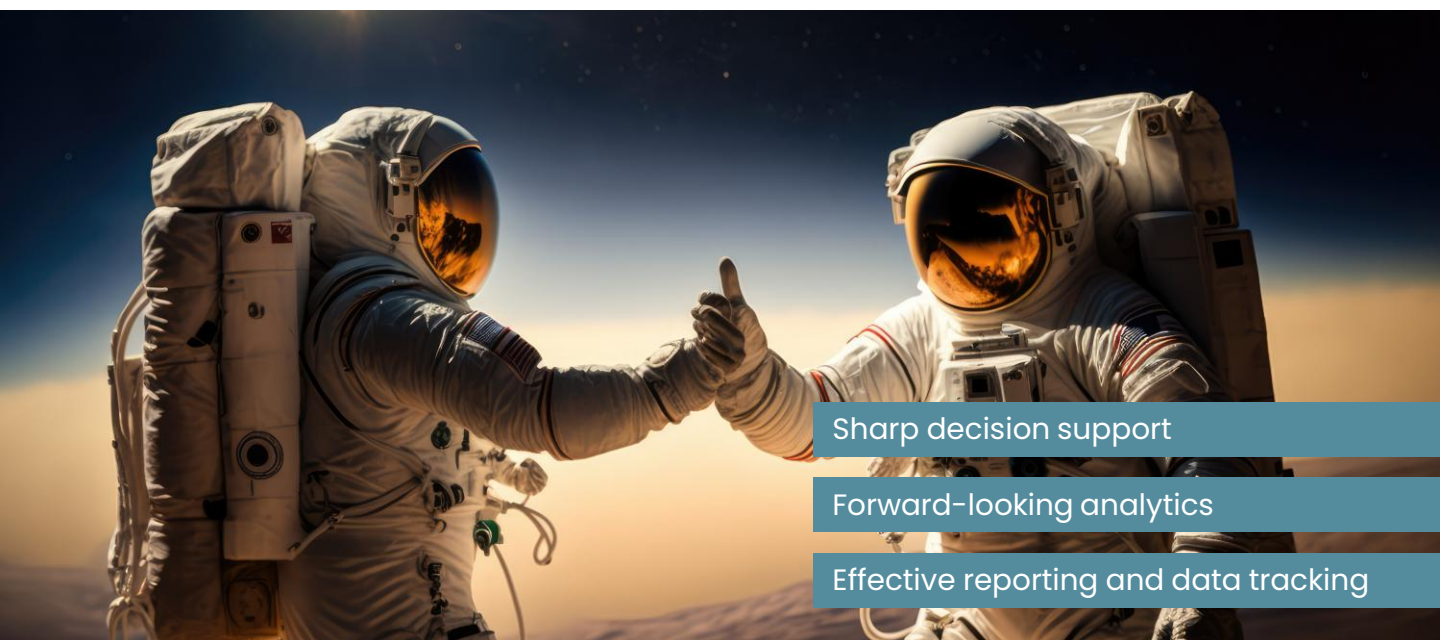
We proactively propose resolution schemes and actionable feedback. We act as integrated team players without compromising our independence of advisory, which our clients highly value.

We develop a continuous interface with the deal team, which enables near real-time adjustments and a deeper understanding of the deal context and its stakes. We work at pace and focus on relevance, accuracy, and completeness for better transaction efficiency.

We leverage Advanced Analytics with Tableau to efficiently extract, process, and visualize data, generating new insights. We utilize renowned market databases, such as Crunchbase, to accurately assess the target's positioning.



crunchbase



Sharp decision support

Forward-looking analytics

Effective reporting and data tracking



Why is Odyssey your best partner for Strategic Due Diligence?

We are strategy builders in an unpredictable world. We develop new services to empower private investors and tech organizations willing to survive, sustain, and thrive as market paradigms shift.

Strategic perspective:

Tech-powered organizations struggle to craft a valid, forward-looking vision in their rapidly evolving markets. Our strategic expertise enables them to navigate uncertainty confidently, derisk businesses, and seize new opportunities.

AI + Technology industries

expertise: cutting-edge

technologies disrupt most markets, shape new business and growth models, and reshuffle competitive landscapes. Our in-depth understanding of the tech industry is at the core of our strategic excellence.

Bespoke advisory services:

Odyssey provides high-end expertise with speed and efficiency in a collaborative partnership model. Our agile team adapts to each client's specific needs, delivering outstanding results.

Top-notch commitment

Relentless focus on value creation

Ease to blend strategy with finance

Strategic foresight expertise

Stakeholders' alignment building

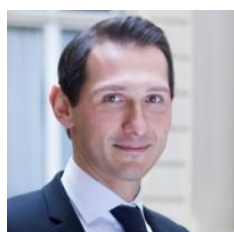


Higher value in unpredictable markets.

We are strategy builders in an unpredictable world.

Founded in 2020, Odyssey is a pioneering strategic advisory firm specializing in AI and advanced technology industries. We assist technology companies and tech-focused investors through Strategic Due Diligence, StratOps, Strategic Foresight, and fractional services across Europe and the US.

Meet Our Team.



Axel Tombereau | *Managing Partner*

Axel leverages 20+ years of experience in strategy and finance in technology industries. He completed 40+ M&A transactions totalling \$4.0 billion deal value. He graduated from Essec and Insead.



Lucie Chetrit | *Partner and CFO*

Lucie is Odyssey's CFO. She offers 12+ years of experience in accounting, controlling, and international finance. She graduated from Edhec.

Read Our Latest Publications



Research Report
Europe's AI Strategic Autonomy
Foundations, challenges, and paths to success
May 2025



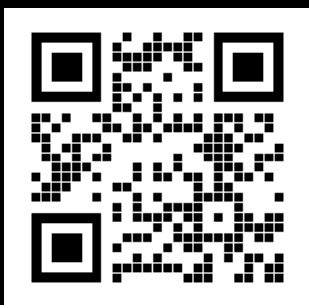
Article
What Is Strategic Foresight And Why It Matters
Europe, UK&I
Mar 2025



Article
Could A Fractional Chief Strategy Officer Answer Your Business Challenges?
Mar 2025



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