Besides computerisation, investor due diligence moves into human resources, operations and company strategies

In manufacturing, does assembly equipment operate automatically with electronic quality controls? If a utility company, does assembly equipment operate automatically with electronic quality controls? If an average water bottler, for example, earns 20 per cent gross profit yet the firm in question only yields nine per cent gross margin, investors would be highly concerned about the efficiency of the company's operations. Investors must familiarise themselves with the best practices of a particular industry and then see to what extent the firm actually adheres to such standards.

Further, the investors desire to know how strategy and planning occur in the firm. Does management meet and decide on strategic plans or do employees participate in the process? Have employees read and understood the business plan? Do employees strategically set their own reasonable performance targets?

Investors get concerned when executives do not share information and staff do not participate in strategic planning. For example, a firm, a water bottler, for example, earns 20 per cent gross margin, investors would be highly concerned about the efficiency of the company's operations. Investors must familiarise themselves with the best practices of a particular industry and then see to what extent the firm actually adheres to such standards.

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