

## ABSTRACT

Startup is drawing lot of attention given the growth potential for both entrepreneurs and investors. One of the most challenging aspects in this venture is investability readiness level of the startup as it is difficult to assess the usual financial aspect such as cash flow in the initially loss-making company with no or limited financial data. The researcher developed Investability Prospect Score (IPS) based on similar approach of Altman's Z-score by using Multiple Discriminant Analysis (MDA) method. Responses of questionnaire from a cross sectional online survey was then used to identify factors such as industry structure, product readiness, founders' background and management structure, financial robustness and risk management; towards investment readiness in Indonesia early stage digital startups ecosystem. The contribution aspect of this article is to provide a structured approach in identifying readiness status of startup for investment. IPS model could also be used to stimulate closer interaction between government as policy maker, big companies or enterprises, investors association and venture capitals and startups' founders.

**Keywords:** *investability prospect, startups, digital, innovativeness, investment, valuation, risk analysis, venture capital*