Science to sales
A house built using a qualified and experienced team might look like this:
Building - B

- A house built by a beginner without using trained and experienced tradespeople might look like this:
Epicorp

- Incubator Program
  - Build business and managerial expertise
  - Drive commercialisation

- Seed Funding
  - Equity finance
Services

• Building business models, market strategies, IP protection, financing strategies
• Business mentoring
• Building management teams
• Building Boards and Advisory Boards
• Access to funding
  – seed funding
  – angel investment networks
  – venture capital
  – strategic partners
• Infrastructure and accommodation
• State of the art communications
• Access to equipment and software from sponsors
• Access to business networks and professional services
• Implementing business systems
• Driving commercial disciplines
Entry Criteria

- Quality management team and/or willingness to build one
- Viable global market opportunity
- Protectable, owned or controlled technology
- Accepting of advice
- Sound business model or definable potential
- Survive due diligence – market focus
- Preparedness to share equity

enterprise – partnership – innovation
Graduating from the Program

- Quality business & exit plan
- Quality management team in place
- Proven technology
- IP Protected
- Proven market
- Adequate investment partners
Business Development Milestones

- Bootstrap
- Prototype
- Seed
- Commercial Product
- Customer Acquisition

1st round

Market Expansion

2nd round

Liquidity Event

IPO – Trade Sale

text: enterprise – partnership – innovation
Fundamentals

- People
- Market
- Product/IP
- Finance
People

- Right team
- Know your place in the team
- Evolve the team to suit the business
- Develop the right Board
- People create opportunities
Market

- What is the market - metrics
- What will they buy - models
- For how much by when
- What’s the competition
- How to enter the market
- Develop with customers
Product/IP

- Develop products with customers
- Windows of opportunity
- Protect the IP
- Market orientated ownership models for IP
Money

- Outflows
- Inflows
- Financing plan
- Right partners
- Right equity arrangements
Multiples

- Revenue streams
- Products
- Timeframes
- Market segments
- Scalabilities
- Partners
Funding Sources

- Grants
- FFF
- Seed
- Angel
- Strategic Partners
- Private Equity
- VC
- Public Equity

- REVENUE
- DEBT
People → Market → Money → IP (Product)

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Can you answer these questions?

- What is the opportunity?
- What problem are you solving for customers?
- What is your competitive advantage?
- Do you know your market?
- How feasible is your marketing strategy?
More questions

• What is your IP and how is it managed?
• What is your technology and is it relevant to your target market?
• Who are your competitors?
• What are the barriers to entry?
• Who are your target customers?
Still more questions

- Do you have any current customers?
- What is your business model?
- What assumptions lie behind this model?
- Have you tested them?
- What is your governance structure?
- Who is your management team?
Only a few more questions

• How appropriate is your technical team?
• Have risks been analysed?
• How much money do you need and why?
• When will you break even?
• What other funding has been received?
• What is your exit strategy?
Metrics

- Seed funding from >$50k to <$700k
- Valuation – typically $500k to $5m – some larger
- Equity stake – typically 10%-40%
- IP – prefer market model – IP owned by the entity in which the investment is to be made
- Fund size $10m – three funds
- Co-investment
The Paperwork

- Corporate – ASIC, Constitution, ATO, Share register, Shareholders’ agreement
- Governance – minutes, CVs, police checks, credit checks, reference checks
- IP – patents, trademarks etc, IP deed for staff, NDAs
- Service agreements – consultants, auditors, leases, MOU on use of technology
The paperwork continues

- Financial position – budgets, business plan, cash flow forecasts, bank statements, superannuation
- Financial statements – Three years historical, monthly in current fiscal
- Capital raisings – IM, grants
- Technology – publications, technical opinions, external referees
Just a bit more paperwork

- Marketing – marketing plan, competitor analysis, risk analysis, expressions of interest

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