FINDING THE RIGHT FUNDING FOR YOUR MOBILE APP IDEA

THE ULTIMATE GUIDE

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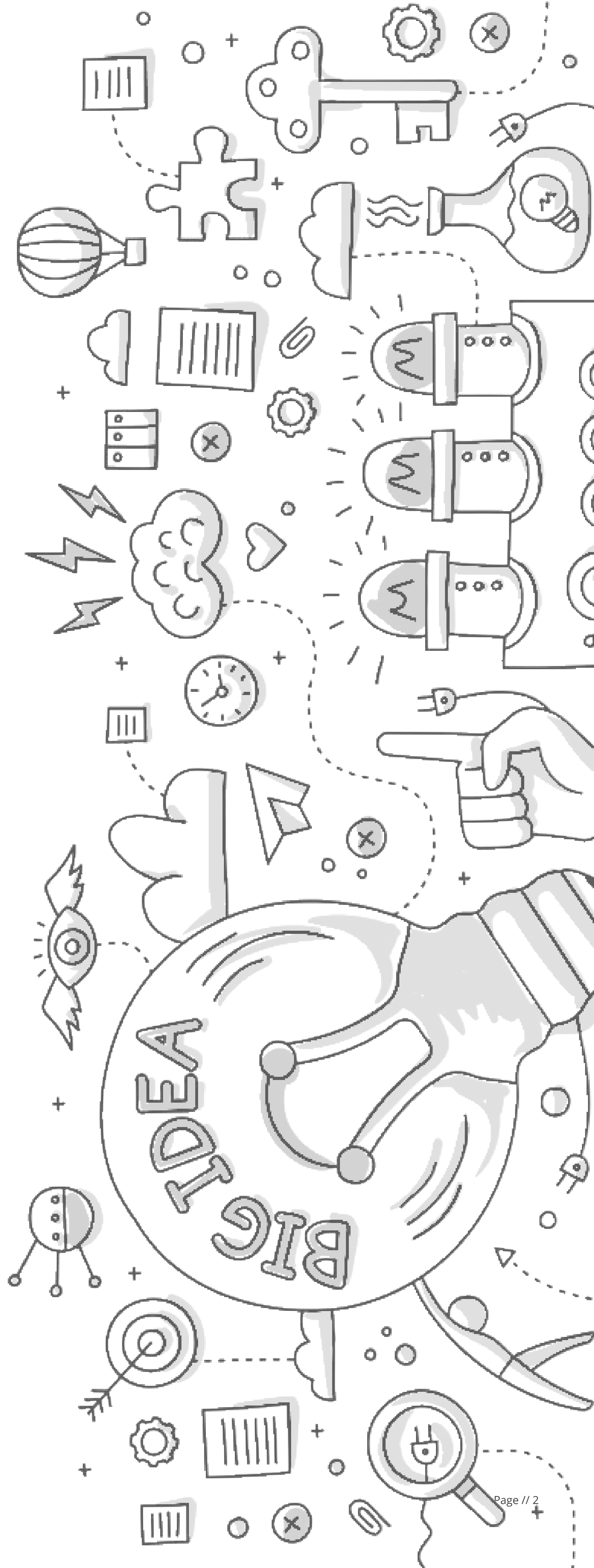


INTRODUCTION

Developing a mobile app is a great way to expand your business and keep your customers coming back for more. But if you’ve got a great idea, how do you start finding the funds you need?

Introduction

As the primary interface between us and our smartphones, mobile apps are bridging the gap between people and companies, through delivering smart solutions to common consumer problems. An estimated 85% of our smartphone usage is in-app, and coupled with the meteoric rise of mobile first technology, the appeal of apps to both businesses and entrepreneurs should be obvious.

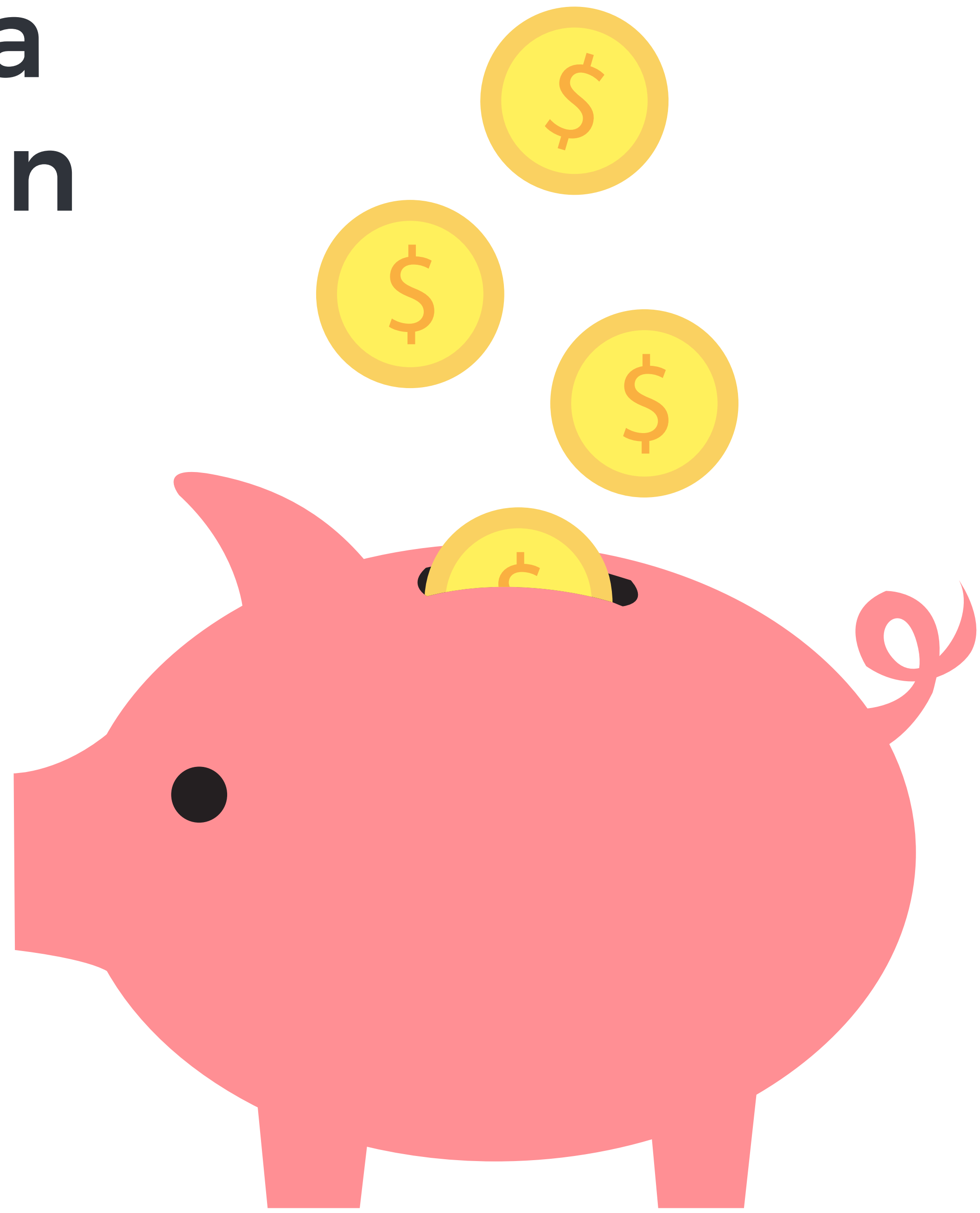
As an idea, the app is an enticing prospect, able to reach millions of users at scale. But modern software development cycles can be quite aggressive. The 'dorm room developer' has less of an opportunity without solid financial backing to bring ideas to market. Yet, innovation remains a key driver of technology.

Timing is everything, which is why being able to fund your mobile app idea is just as important as the idea itself. In this guide, we offer tips on finding the right funding structure for your mobile app, and offer advice on how to take your app from concept to finished product, **with a little assistance from EB Pearls**.

DEVELOPING A FINANCIAL PLAN

Every mobile app needs to begin with a strong financial plan. Let’s take a look at how to plan out your mobile app budget.

Developing a financial plan



You may think that starting your own business is a daunting task. Apart from the necessary planning and market research that needs to be done, the financial side of things requires a lot of focus and determination.

A dedicated mobile app is necessary for new businesses, to ensure complete customer reach and an increased profit. Did you know that according to a recent study by Knicket, there are approximately 40,000 new app releases every month, with an estimated 200 billion app downloads per year by 2017?

Planning the budget for your app development startup

Financial planning is crucial for the successful outcome of any business.
An efficient business planning template for app development should include ideas about:

How much money will be needed to get off the ground.

What to expect in the first few years in order to best allocate the available resources.

Additional planning for developing the app could include suggestions regarding supplementary staff, premises (or work-from-home) or any other type of additional software or equipment.

A short overview of the costs involved in the mobile app industry

84.5% of Australia's mobile phone population has accessed the internet using their mobile devices in 2015, alone. This speaks to the powerful source of influence and conversion that the mobile industry is capable of.

Here are some interesting facts regarding the costs and revenues involved in app development:

76% of Apple's App Store revenue was made from in-app purchases in 2013.

38% of iOS' apps are paid, while Android has 31% of apps as paid on their platform.

The App Store has approximately 20,000 apps which cost more than $6.99.

The average cost of an app is $1.47 on iOS, compared to $3.74 on Android.

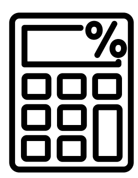
Forecasting the real costs of your app development startup requires rigorous financial planning and a reliable view of the market. To get things started, you need to create a plan for business in the real world.

The first steps:

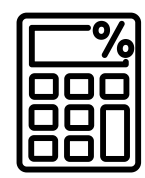
Start-up costs

Depending on whether you are a sole trader or not, the start-up costs for your app don't account for a great deal of money. Instead, think about calculating costs based upon the situations presented below:

What your wage is



The marketing costs involved



The development costs involved

Hiring an accountant

How will you raise the startup funds (for example, through crowdfunding, banks or venture capital firms).

The budget for app development

In other words, what are the costs involved in the development of the app and the budget allocated for it. Think about the platforms your app will be launched on and the submission fees and processes included.

Submission fees

If you want to submit an app to the iTunes Store, for example, you will need to sign up for a developer account first. Each platform has their own submission fees and additional benefits included in their program.

Monetising the app

From signups and emails to efficient advertising and multiple payment options, monetising your app is crucial in order to transform your startup into a profitable business.

The marketing process

This is what makes your app go viral! If you want to market your app accordingly, think about:

How you will get good reviews

Having good SEO practices in place

Securing reviews from bloggers prior to the app's official release

Advertising through social media

Having a strong and relevant online presence

The successful outcome of your app development startup begins with a good financial plan.

EB Pearls can help you develop a powerful and efficient financial planning template for your app development startup.

Have a chat with us for more information regarding app budget and revenue suggestions.

CHOOSING THE RIGHT FUNDING METHOD

Now that you've got your budget laid out, it's important to choose the right method of funding for your mobile app idea.

Choosing the right funding method

The main hurdle for many entrepreneurs is, in the words of Steve Jobs, “thinking that a really great idea is 90 percent of the work.” It takes more than just inspiration to truly make an impact, and this is why choosing the right funding method is essential for the success of your mobile app. Let’s take a look at some of the avenues for securing finance for your brilliant mobile app idea.

Bootstrapping

Bootstrapping is a fiscally conservative way to fund an app, particularly if you have modest objectives and a longish development timeline. It’s basically financing the development yourself through money from existing revenue, like:

Savings from a job

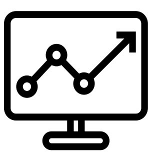
Cashing in investments

Revenue from other business.

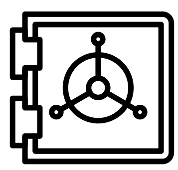
The term comes from the idea of ‘pulling yourself up by your bootstraps.’ It’s a perfectly acceptable method for funding an app if you have the means and opportunity. Like all funding methods, it’s important to have a plan in place so you don’t squander funds, and can manage the expenses over time.

Loans

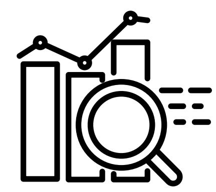
Bank loans for small businesses are common practice in Australia. Opening up a line of credit with a bank will help you realise your mobile app dream quickly, provided you can pay back the loan, plus interest. Banks do expect a lot of due diligence and a thorough proposal. Expect to include:



Market research

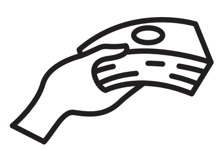


Revenue projection



Future direction of the company

Current finances



Capacity to pay back the loan.

We'll look deeper into how to write an excellent proposal and fund your mobile app with bank loans later on.

Crowdfunding

Crowdfunding is an exciting method for funding mobile apps and other ventures, by combining a crowdfunding campaign with marketing and social media. It involves tapping directly into target demographics and communities by offering them valuable rewards for being early adopters of your app, as well as if they encourage others to download. We'll get into the ins and outs of running a successful crowdfunding campaign a little later also.

Government grants

For a long time, Australia ran a bit behind the innovation curve, and it wasn't always easy to leverage government funding to build a successful technology platform like a mobile app. Now, both state and federal governments are discovering the benefits of stimulating technological growth in the country. Grants that target technology developers, innovators and incubators offer opportunities to fund mobile app development in full or in part with government assistance.

Investors

As innovation and technology becomes more important within Australia, investors and venture capitalists are taking notice and really paying attention to the future of the mobile app market. If your mobile app has the scope to deliver measurable goals in line with the desires of investors, then seed funding could present an opportunity to fund the growth and development of your app. Be aware that most angel investors require:

A working prototype

A strong proposal

Signs of growth or market research.

Family and friends

Finally, friends and family might be able to loan you the money to develop your mobile app. Getting into business with people you know and care for can be a risky proposition, but if you have contacts with savvy business knowledge, it's an opportunity worth exploring.

HOW TO APPLY FOR A GOVERNMENT GRANT

The Australian government is starting to invest more in supporting the development of innovative ideas. Learn about how you can apply for a government grant.

How to apply for a government grant

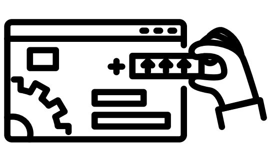
Whether you are a startup looking to develop a mobile app or an established business that wants to take it to the next level, government grants can be a great way to fund your ideas.

Business grants from the Australian government can provide you with funding anywhere from $500 to $2,000,000, depending on the nature of your business. Although it takes a considerable amount of effort to apply for one, it is well worth the time, as the business grants are non-repayable, unlike investors who would typically demand partial ownership of your business (equity) or request repayments depending on their contract with you.

01

Access the grants website at business.gov.au/Assistance

Depending on the nature of your business, you will want to apply to a different set of business grants available. On the Grants & Assistance page, there is a form that will help you search and list the most appropriate grants for your type of business.

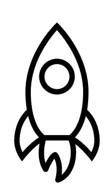


If you are a startup/business that has only an idea but is looking for a grant to research and develop your idea into an actual product, then click on 'research and develop a novel idea'.

02

Select the reason for your application

This is where you will choose the reason for applying for your business grant.



If you are a startup / business that wants to expand their existing business, then click on 'expand my business'.

If you are a startup / business that has an existing product developed, understands your market and has intellectual property rights to your product, you would want to 'commercialise a product'.

Similarly, if your need for a grant relates to Aboriginal and Torres Strait Islanders, Arts, Disaster Assistance, heritage projects, hiring more employees, or training existing employees, then select the appropriate categories.

03

Choose your State, Industry, Annual Turnover and Years of Operation

Your selections here will also influence the type of business grants that the website will suggest you apply for. Not all grants are necessary for you to apply for, especially if your startup / business is within a certain industry. Some grants are only offered to applicants who are within a specific industry or specific lifecycle / stage of their business. Click on the 'Show Assistance' button and the website will list the grants that are most relevant to you.

04

Go through the list of suggested business grants

Click into every business grant that is listed to you and have an in-depth read of the requirements for each grant.

Inside the business grant information, you can click on 'Tell Me More', which will give you information on:

The overview of the grant

Who the grant is targeted towards

Who can apply

The eligibility criteria

How to apply.

05

Commence applications on relevant business grants

Once you have read through the list of suggested business grants, decide which ones you may want to apply for. Choose the most relevant grants for your startup / business that you should apply for and don't waste time on ones that aren't. It's time consuming to try to apply for every grant and you will need solid detailed research and solid preparation to build your grant application. Depending on the business grant, you may be able to apply directly on the website, or you may have to contact an external government department to start your application.

06

Do enough research and preparation before submitting the application

Make sure you do enough research to back up why the government should provide you with the business grant. Your should:

Have prepared a professional, but unique application

Have outlined a solid business strategy

Understand all the necessary requirements and upkeep for the grant

Make sure the grant is the right fit for your business

Keep an eye on the grant deadlines.

Considering the high number of applications for Australian business grants, half-complete applications or ones that aren't thoroughly researched will most likely be rejected.

HOW TO START A CROWDFUNDING CAMPAIGN

Crowdfunding is an amazing way to gather both financial support and interest in your app from early adopters. But there's more to crowdfunding than just setting up an account and waiting for the money to roll in...

How to start a crowdfunding campaign

Crowdfunding or crowdsourcing is a funding concept that has become increasingly popular for small businesses over the past decade. Leveraging the internet, social media and online marketing, crowdfunding entices key demographics to back the development of a product with tiered rewards for being patrons and early adopters.

There are a two different ways to crowdfund;

01

Regular crowdfunding

02

Equity crowdfunding

Equity crowdfunding

Equity crowdfunding allows small businesses to sell stakes in their company to investors. Equity crowdfunding only became legal in Australia in early 2017 due to amendments to the Corporations Act. A little later in this guide, we'll look at how websites like the Australian Investment Network can help you with crowdfunding your mobile app through equity.

Regular crowdfunding

With regular crowdfunding, you don't have to give over a stake to your investors. Rather, your investors are backing your proposed mobile app because they:

Love the idea and think it's worthwhile

Want to be among the first to receive and use it

Believe in your story

Want to receive additional rewards.

Crowdfunding is popular online as it breaks down many of the traditional market barriers, and offers both the concept of a good deal and the rush of being an early adopter. Most importantly, it's a terrific way to fund the development and distribution of a mobile app.

Crowdfunding platforms

Kickstarter is probably the most well known crowdfunding platform. Beginning in 2009, the platform blazed a trail for leveraging the internet to make dreams, ideas and innovations come true. Since then, many other platforms have emerged, often specialising in specific types of crowdfunding.

In the Australian crowdfunding industry, ReadyFundGo has emerged as a successful platform for both new and existing businesses, funding campaigns in everything from Agtech and art to research, social enterprise and technology.

Tips for running a successful crowdfunding campaign

Critical to the success of your crowdfunding campaign is the capacity to market your idea. Campaigns typically take place over a short window of a two to six weeks, so a lot of preparation needs to go into the process prior to launch. Here are a few tips to get you started:

Join communities

Know your target audience and join any communities they have, including anything from community forums, Facebook groups and LinkedIn groups. You'll also want to look at Twitter and Instagram hashtags to see current conversational trends. This will also give you insight into key influencers within the community. Those open to building relationships with your brand can help springboard your campaign and bring more traffic to your funding site.

Keep your list updated

Your global list of contacts is your one true source of authority for your campaign. Whether it's drawing on personal contacts, influencers, suppliers and potential backers. You'll want to try and divide this global list into the following categories:

01 Supporters

02 Influencers

03 Media list

Contacts can fit into multiple categories, but you want to make sure you're sending the right information and collateral to the right groups of people.

Promote content across multiple channels

Chances are your target audience is interacting across many channels. When promoting your mobile app campaign, try to keep a consistent message across everything from Facebook to Youtube. Guest posts on relevant blogs and websites is a great way to build buzz around your campaign. Similarly, experimenting with advertising through media and other outlets can also build results.

Designing your app with crowdfunding in mind

If crowdfunding is the way you want to go with developing your mobile app, it helps to actually design elements of your app concept with the platform in mind. Consider the following:

First impressions:

Crowdfunding websites are, unsurprisingly, crowded places. First impressions matter, so the name, design and collateral of your app should work towards grabbing people's attention.

Make rewards count:

One of the most crucial elements of your crowdfunding campaign is to ensure rewards for backing your app campaign are worthwhile. This goes for individual backers and for milestone rewards (if we reach target X, we'll reward everyone with Y). Most crowdfunding sites also have some rules about what types of rewards can be issued, so make sure you're familiar with them before committing to a campaign.

Transparency is essential

Crowdfunding breaks down a lot of the traditional market barriers in the sales funnel. While traditional crowdfunders don't actually own any of your business, there is a certain intimacy and sense of community that comes with being a 'backer' or 'early adopter'

It's great for developing brand loyalty, but it also demands you remain transparent in the concept, development phase and delivery of your app. Patrons like to know how you're spending the money, where it's going, and how it will benefit them. Go into detail, build trust, and be honest. The rewards are worth the extra effort.

BANK LOANS

Good old fashioned money from the bank is still a very legitimate option for kicking off your mobile app idea. Let’s explore some of the options available in the current market.

Bank loans

Bank loans are a tried and tested method for funding just about any business idea. This has both its advantages and disadvantages for mobile app development.

One the one hand, Australian banks have been loaning money for so long that the criteria has been carefully refined so there's very little left up to chance. That doesn't mean applying for a bank loan is necessarily easy, but it is transparent in exactly what you need to do to meet each bank's loan criteria.

On the other hand, much of this criteria was developed prior to the technology explosion we've seen over the last couple of decades. As an entrepreneur with a great idea and a desire to get it to market quickly, you might find the checks and balances that go into securing a bank loan a little tedious.

The key here is to stay focused on your goal of securing funding, and remember that with due diligence, you can bring your app to reality.

Tips for securing a bank loan

The most important thing to do in securing a bank loan is to start the process as soon as possible. It's a lengthy process that takes time, diligence and a bit of trial and error. Fortunately, many of the steps you take in securing a loan will also help you to develop a better understanding of your business.

Develop a kickass proposal

The key to any bank loan is your proposal. It needs to conform to all the requirements most banks have to even consider before offering you a loan. Fortunately, developing a great proposal will make your business more attractive to future investors as well.

Key questions

A good starting point for any proposal is to write down answers to the following questions:

01

What is the overall vision for your business?

02

How does the app fit into your vision?

03

How much do you need to loon?

04

How soon can you pay it back?

05

Is there any existing collateral that can be offered up to secure the loan?

Use a template

The Australian Government offers up a handy template for businesses to help guide them through creating a business plan. There's even a mobile app version. To help you get started, here's the four essential sections you need to know.

01	02	03	04
Your Business	The Market	The Future	Your Finances

Your business

In this section you outline all the important details about your business. You'll want to be as thorough as possible, including granular detail to paint a clear picture of the functions, structures and legal frameworks of your business.

Expect to include:

- Business name, date of establishment and registration details
- Structure of business (Are you a sole trader, company, trust etc)
- Products and services
- Locations
- Key personnel
- Legal and regulatory obligations and considerations
- Risk management policies.

The market

In this section you define your target markets, demographics and communities, including:

Who is going to use the app

What is your marketing strategy

Identifying any Strengths, Weaknesses, Opportunities and Threats (SWOT).

A strong SWOT analysis shows an understanding of your position in the broader market and is essential to securing a business loan.

The future

Here you want to state future strategic vision for the app and your company. Focus on long and short term goals and add a mission or vision statement to your proposal.

Your finances

When dealing with banks, you always want your finances section to shine. Consider:

Current financial position (costs, incomes, existing loans)

How much you want to borrow

The schedule on which you can pay it back

Profit and loss forecasts

Balance sheet.

If you're struggling with the finance component, talk to your accountant, and they can probably provide you with essential details quickly and easily.

Over-prepare

When applying for a bank loan, it's better to be too diligent than underprepared. In general, banks thrive on information, and their decisions are based on highly specific criteria. You don't want to miss a single piece of necessary information, while there's no penalty for going into too much detail.

Seek advice

Before applying for a bank loan, be sure to ask yourself:

Why do I need this money?

Does the amount adequately cover what I want to achieve?

Can you break down the amount into actual expenses that will result in realising your projected goal?

It's probably a good idea to speak with a mentor, financial planner, accountant and a software developer to be sure you've done due diligence. It also shows bank lenders that you're not acting alone and have the capacity to reach out to others for assistance.

Put yourself in the bank's shoes

When applying for your bank loan, the right mindset will help to smooth the process. Put yourself in the bank's shoes. Would you lend money to your business? If the answer is only 'maybe', then you might want to do a little more work on your proposal before hitting submit on that application form.

FINDING INVESTORS

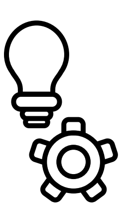
There's more to choosing the right investor than just going with the first one that shows interest in your idea. Find out how to match your business with the right investor in this section.

Finding investors

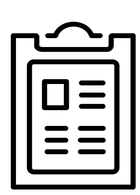
One of the biggest hurdles you'll face if you choose to fund your app with investor funding is actually finding the right types of investors to engage with your proposal and overall business plan. Fortunately, there are many opportunities online to break the ice and make contact with business-minded investors.

Investors bring more than just capital

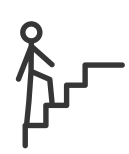
In the course of designing and planning your mobile app, you're undoubtedly going to run into a few hurdles. Angel investors (experienced investors with knowledge of the Australian business landscape) can help you negotiate these hurdles by providing expert advice, contacts and experience. According to Capital Pitch, the best kind of investors are:



Knowledgeable

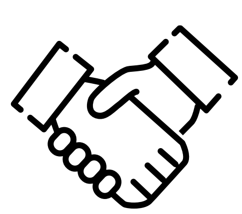


Experienced

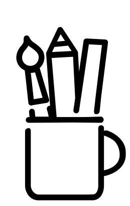


Motivated

Wealthy



Connected



Culturally Aligned

The importance of this last point cannot be overstated. If you don't share similar values and ideals as your investors, there's a higher risk of conflict and crossed purposes. You want healthy relationships with your investors. So try and find people who share your sentiments. It's better for your business and theirs.

Equity crowdfunding with Australian Investment Network

The Australian Investment Network is a website that, at first glance, looks like a crowdfunding site. User friendly, with a clean, simple interface and well laid out sections for both investors and fundraisers, it straddles the line between crowdsourcing and investing, letting fundraisers reach a larger pool of potential experiences.

Where the AIN differs from typical crowdfunding is that instead of winning over patrons, you're targeting investors. That means your rewards come in the form of return on investment, rather than tiered reward programs. Investors also typically invest in the $1,000s to $10,000s, rather than $100,000s.

The Australian Investment Network boasts a broad range of investors, from seasoned professionals, to middle aged family types looking to diversify their investment. While it's a great option to explore, the 'crowdsourcing' aspect means you might not get the same cultural alignment and personal relationship many investors share with entrepreneurs.

Australian Angels

While perhaps not as touted in the Australian media as their American counterparts, Angel Investors do exist in Australia, and are a plausible option for mobile app developers and entrepreneurs.

Groups like Melbourne Angels and Sydney Angels boast internationally syndicated portfolios, with skill and knowledge networks to help you both fund your app and support you with decision making and strategy. Angel Investor syndicates do have some pretty strict criteria.

For example, Sydney Angels requires that you:

Have demonstrated traction

Are seeking an initial investment of $200-$500k

Seek a pre-money valuation of $1m - $2m.

They're also looking for proposals that have the potential to go 10x in growth. Most Angel Investors prefer to make their money via an exit rather than dividends, so you should be aware of the investor's exit strategy prior to approaching for funding.

Pros and cons of investor funding

The venture capital and startup culture in Australia is still maturing, but with help from the government, opportunities are becoming easier to grasp for a savvy entrepreneur. Seed funding through angel investors is suitable for you if:

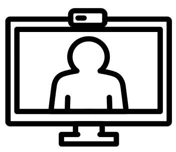
You're looking for support from knowledgeable business people

You can meet the criteria for investment

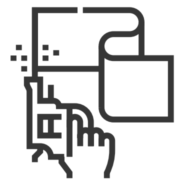
Your values align with the investors

You're comfortable with the investor exit strategy.

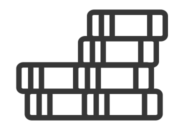
You might want to steer clear of this funding strategy if:



The criteria or exit strategy seem prohibitive



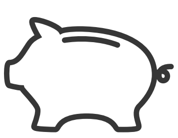
You like to exercise a high degree of control over your project



You can't find investors whose values align with yours.

Market trends that support the need to deliver powerful pitches to an investor

Here are some examples of market trend facts to tout in your sales pitch:



75% of industry leaders recently surveyed suggest they plan to double that department's budget this year.

85% of businesses in your industry already invest in this service and have experienced 20% growth in the past quarter.

So, how do you approach these angel investors?

These are the key points of pitching to investors:

Know your market, business and competition from top to bottom

In other words, make sure you are able to promote your business's benefits accordingly and explain how your organisation can help solve a specific problem.

Listen to what the investors are saying

Don't rely exclusively on a prepared presentation, instead listen to their inquiries and answer them in a direct manner.

Watch your body language

Your handshake is what matters here! Be careful about making it not too firm but not too subtle either.

Dress accordingly

Make sure your outfit matches the meeting your are going to be a part of.

Share your success stories

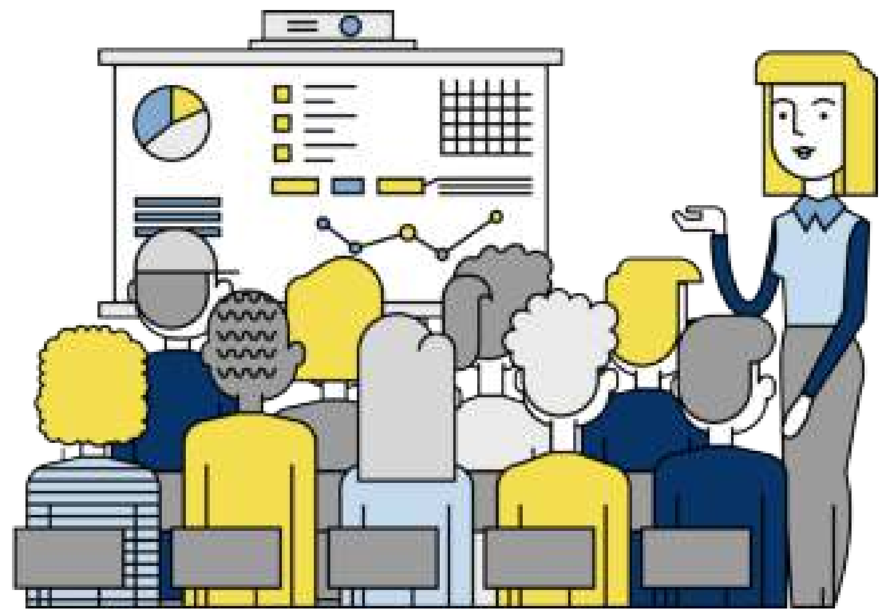
Talk about your customers so that it shows you are continually operating, even if in a small way.

Contact your network for investors

Chances are you could meet someone who might introduce you to an investor.

An angel investor refers to the person that invests in startups that are not quite ready for venture capitalists. In other words, they represent the detail that could make all the difference, because they believe in your message before it reaches mainstream audiences.

Tips for the perfect pitch meeting



Delivering powerful pitches to investors is something all business owners, and most importantly new entrepreneurs, need to consider in order to start generating competitive profit.

According to Forbes.com, one of the biggest mistakes in trying to pitch an investor is the time you allow yourself to present your idea and deliver your message across. If you are not able to present your idea in about one minute, your chances of losing that potential investor are highest.

Clearly, a flawless pitching process needs plenty of attention to detail and a very clear focus. When presenting to potential investors, think about delivering your pitch as a way to tell your story. If you can present your message in an engaging way and manage to relate your story to the investor, you are halfway there!

Here is an overview for the best way to approach pitching to a potential investor:

Your target market

Think about who you are building your product for, and refer to aspects such as how many people are in each market segment or how much they are currently spending.

Customer acquisition

Make sure you have an answer to these questions:

How will you reach your customers?

How much will it cost?

How will you measure success?

Your competition

Even though this segment is often overlooked, describing what makes you different from your competitors ensures that you are building a unique solution to your prospective customers.

Your team

Investors invest in people first, and in ideas second… talk about why you and your business partners are the right team to promote and execute the company's marketing vision.

Your financial summary

The answers that you need to present your investors with correspond with the following inquiries:

01

How much money has already been invested in your company?

02

Who are the people that have already invested in your company?

03

What are your company's ownership percentages?

04

How much more you need to go to the next level?

05

Will you need to raise multiple rounds of financing?

EB Pearls can help you create the perfect pitch to attract investors and increase your sales. Get in touch with one of our representatives to polish your investor pitch.

Is prototyping a good method for convincing investors?

Savvy investors want hard proof that their investment won't be for naught, so any tactic you can use to further your case is welcome. And developing a prototype is one cost-effective yet impressive method for doing just that.

A technical prototype, designed and developed by **an agency like EB Pearls**, will help your potential investors understand exactly what it is they're being pitched. Rather than relying on your description and the imaginations of the investors to do all the work, having something that can be examined and questioned will foster understanding and the greater likelihood that your pitch will be successful.

Keep in mind, too, that having a prototype in your arsenal is sure to impress your potential investors. Such a tool conveys professionalism and a serious commitment to turning your idea into a success – and investor money into a profitable return. You're conveying the notion that your idea isn't a mere whim, and thus worth investing in.

The best part: A prototype is a cost-effective investment that almost anyone can make. When considered in terms of ROI, the money spent having a prototype developed is more than worthwhile. As long as an agency **with a solid track record like EB Pearls** is brought in on your prototype project, ensuring that your prototype is of the highest quality, your investors will certainly be impressed. And that impressed attitude will translate into investment dollars – which will translate into success for you.

How do I make sure that this investor is right for my business?

It's never an easy decision to allow another firm to share in the strategic direction and future success of your business. If your company is like your child, as they often are, then choosing the right investment partner can be like a marriage. You need to know what works for you, and ensure that you can hit the ground running and maintain good relations well into the long term, to secure both the longevity and success of your business.

01

Know your business and its needs

Before seeking out an investment partner, it's vital you that know what you're looking for. While investment can provide you with capital, contacts and resources to help your business grow, it ultimately comes down to one person to make the company attractive to investors – you.

That takes more than just some glossy collateral. To start on the right foot, jot down the answers to the following questions:

Where is your business right now?

What is the future strategic direction of your company?

How do you intend to get there?

Who is the right type of investment partner?

Why would they want to invest?

What possible pitfalls are in front of you, both now and in the future?

A realistic and thorough assessment of your business will demonstrate to potential partners that you possess honesty and integrity. It will also give you a clearer picture of exactly where your business is at and what you're after. From here, you can begin investigating potential candidates for partnership.

02

Create a shortlist

In some cases, businesses will be approached by investment firms, and in others, it may fall to you to seek out opportunities for the business. In both cases, it's better to have a shortlist of suitors so you can make an informed decision. A potential candidate should be able to:

- Structure and fund the proposed investment transaction
- Do so in a way that is transparent and honest
- Act with integrity during your partnership
- Are prompt and effective with their approvals process
- Represent a complementary fit with your business

When creating and culling your shortlist, be sure to include other stakeholders in the decision making process. This could be managers, important vendors, mentors and other investors. Their opinions and insight can prove valuable in a collaborative effort to pin down what's best for the company.

03

Conduct thorough background checks

You need to know exactly what each potential partner is about. While it's great if they provide all the information up front, you can't necessarily rely on every firm or candidate to be 100% honest.

A combination of online research and reaching out to your existing industry networks should help you paint a better picture of each candidate.

Look at:

Stability:
Do they have a stock price? High staff turnover? Any scandals or pending lawsuits? Stability is a key metric for successful investment firms, so prioritise stable operators in your shortlist.

History of success:
What are some of the companies they've already invested with? How have they fared? Do you see any companies that you admire? While past success isn't a guarantee of future performance, it is a strong indicator that the firm knows what they are doing.

Experience:
Has the firm engaged with companies in your industry or adjacent induries before. What expertise can they bring to bear to help your company?

Returns:
The firm might have provided ROI for investors, but what about the companies?

04

Think about culture
Profits are only half the picture. You want an investment partner that will help your company flourish, but how they do it is also important. Inc.com uses the example of Dr. Edward Goldman, President and Chairman of MDVIP, a company that provides bespoke medical services to select clientele. In order to ensure his company found the absolute best investment partner, Goldman conducted several interviews with prospective companies to find a firm that could "offer assistance without interference".

What kind of working relationship do you want with your investment partner?

A firm that is hands on, heavily involved in the day to day operations of the company, or a potential partner who is happy to take a back seat in operations and focus more on the bigger picture and long term strategy?

To answer this, consider conducting interviews of your own to find out exactly what each potential partner sees as their role in the partnership.

05

Similarity in temperament, variety in strengths

Getting along and possessing shared values is important for any partnership. When it comes to choosing the right investment partner, you'll want to counterbalance that with a variety in strengths and skills. While it's good to have some overlap to help find common ground, if the firm operates with a team too similar to the current company leadership group, you're building extraneous redundancy into your strategy. If you see too much of yourself in a potential investment partner, it might be time to look elsewhere.

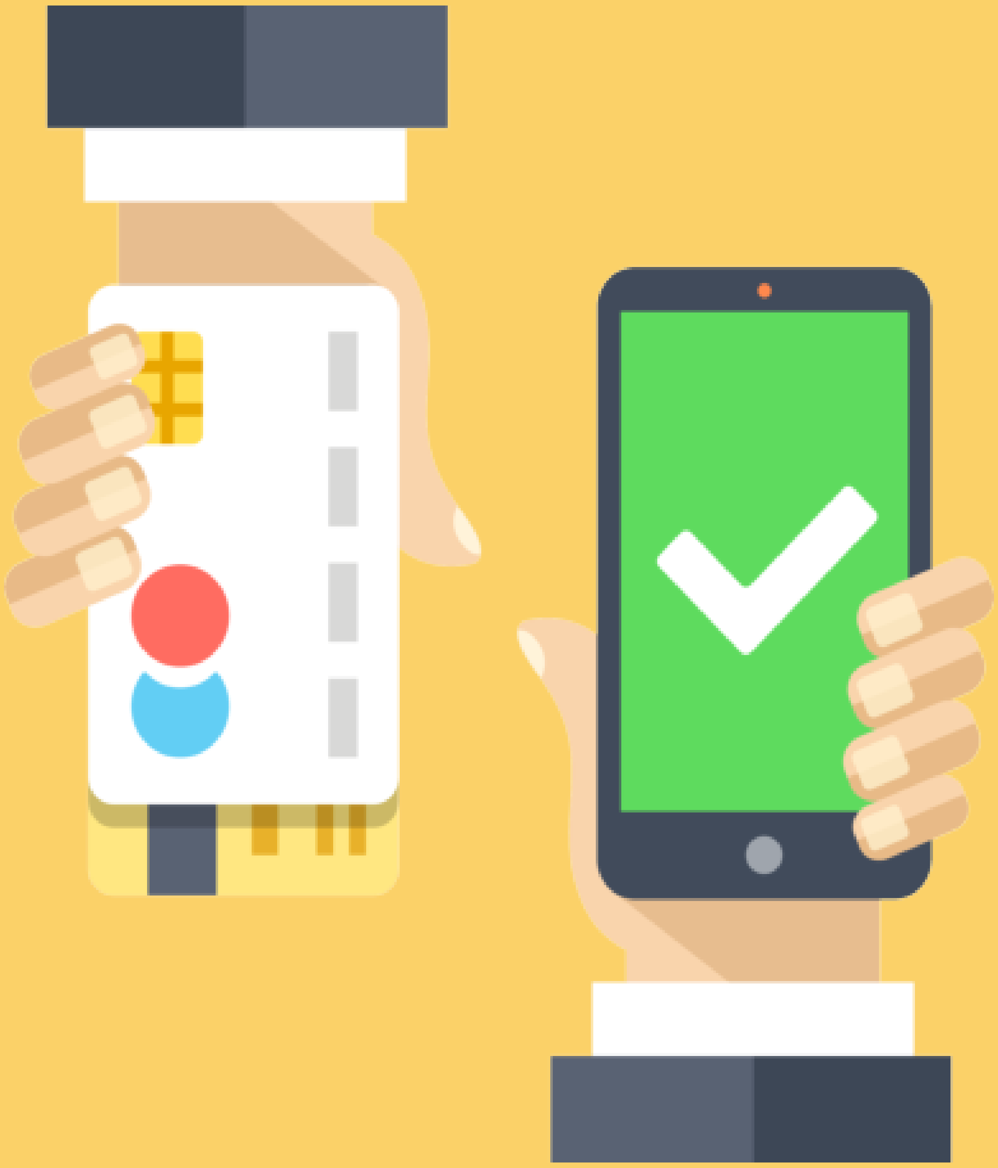
06

Start with a trial

Once you've done your due diligence and settled on a candidate, you might consider a trial run before signing contracts. Conduct a C-suite meeting with someone from the investment firm present, or go to them for advice on a particular challenge that meets their skillset. It's as much about them as it is about you, so be open to the possibilities, and make decisions that will benefit your brand. After all, your company comes first.

FINDING THE RIGHT FINANCE FOR YOUR FUTURE SUCCESS

Over the last few years there's been a marked change in Australia's approach to technology and innovation. The mining book looks to be at it's tail end, and both government, banks and the business community are hungry for new ideas. The time couldn't be better for entrepreneurs and app developers to make their mark on the global technology landscape.



Talk to EB Pearls about how we can help you bring your great idea to market. You'll be surprised at how quickly your concept can go from prototype to market ready, and with the right help, the sky's the limit.

Our team can be contacted over the phone on 1800 857 679
or via email at **info@ebpearls.com.au**