

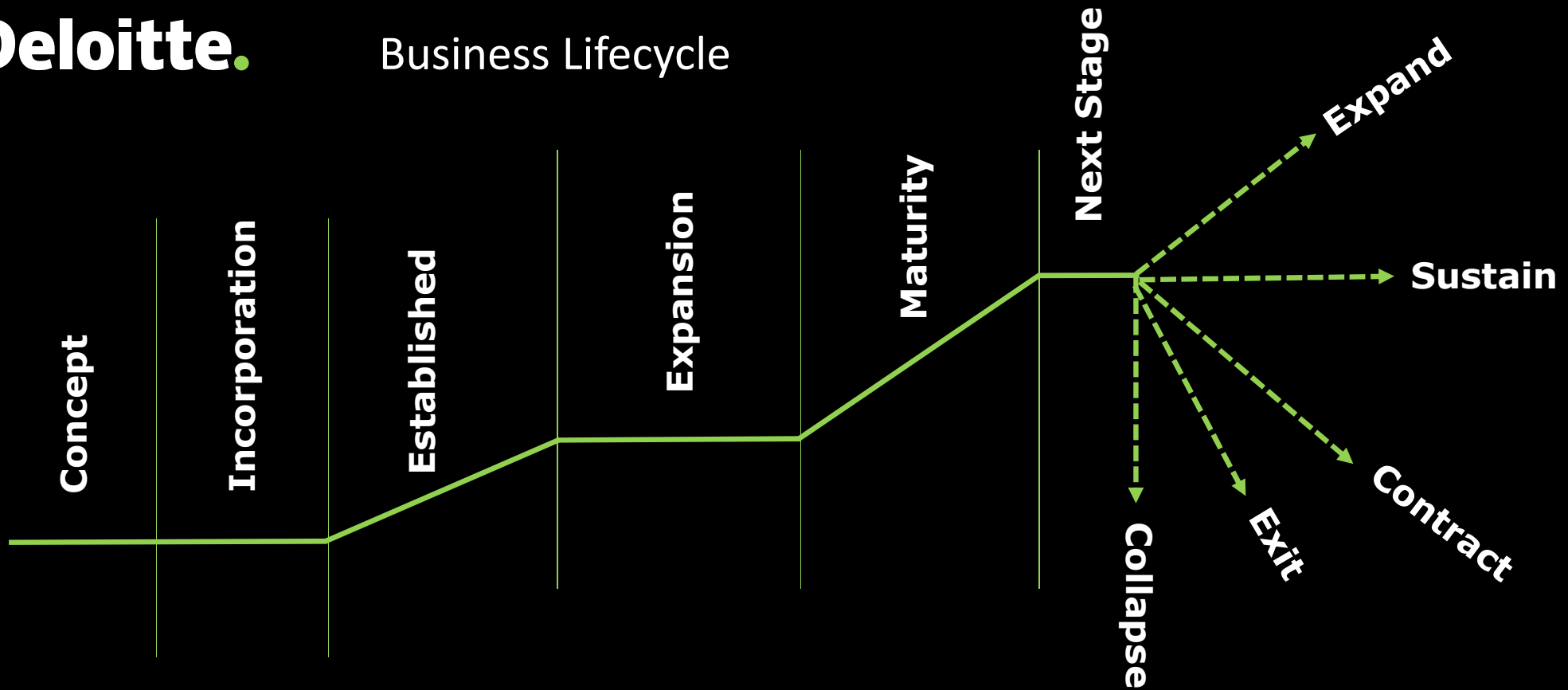
Funding  
Business  
Growth

Suzanne Archbold  
March 2019

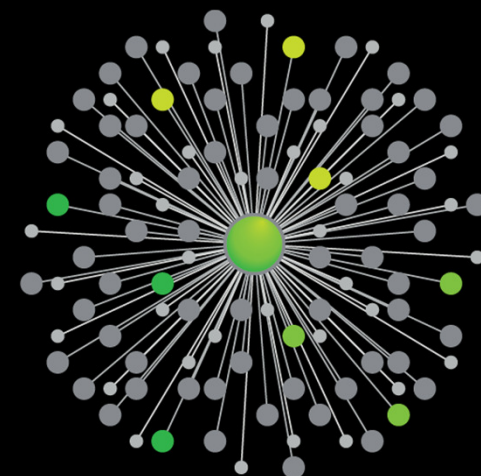
Darwin 27 March - Alice Springs 29 March 2019



## Business Lifecycle







### INTERNAL

- Owner contributions
- Company profit
- Asset sales

### EXTERNAL

#### Debt

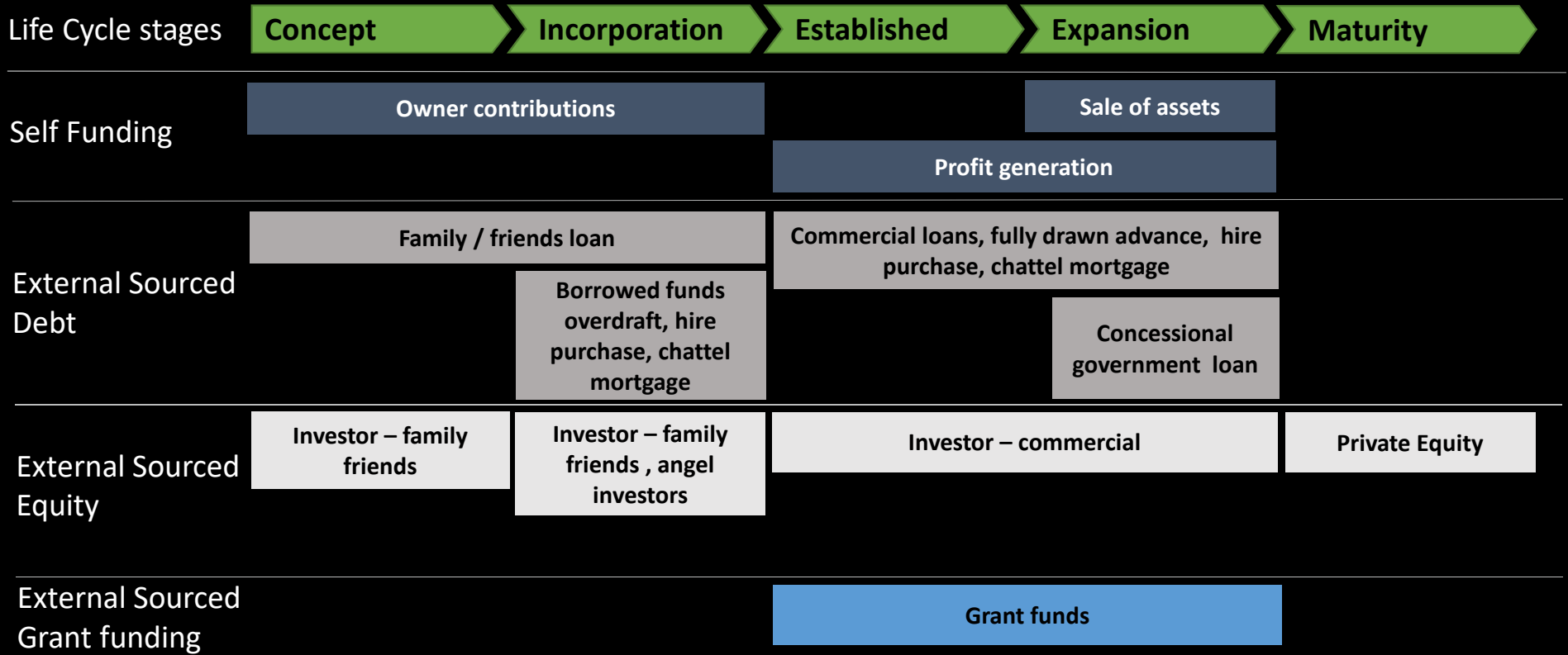
- **Financial Institution:** secured or unsecured borrowing –  
Commercial loan, overdraft, line of credit, fully drawn advance, rent to buy, hire purchase (lease), chattel mortgage, invoice finance
- **Family or friends:** loan
- **Government:** Concessional loan

#### Equity

- Investors take stake in business
- Angel investing
- Venture capital
- Crowd funding
- Private Equity

#### Grants

- Funds provided for a specific purpose –  
Time limited  
Acquittable



## Funding Criteria





- Financial Statements – current + 2 years historical
- Financial forecasts - 12 months up to 3 years (cash flow + profit and loss + balance sheet)
- ATO reports – status of tax lodgement and liabilities
- ATO report - Superannuation liabilities



- Business plan
- Business processes and management practices (business systems)



- Property valuations (security purposes)
- Other debt facilities

### The investee



#### Value the business

1. Asset valuation method
2. Capitalisation of future earnings method
3. Earnings multiple method
4. Market method



#### Identify the value

you want from an investor.  
ie cash, skills, network & experience



#### Identify the type of investor

- Passive investor
- Active investor



Understand your **value proposition**

### The investor



#### Return on investment



#### Due diligence process – extensive and holistic review of business

- Legal structure
- Financial performance
- Leadership & key personnel
- Management practices
- Customers and contract
- Products / services
- Legal matters & regulatory compliance



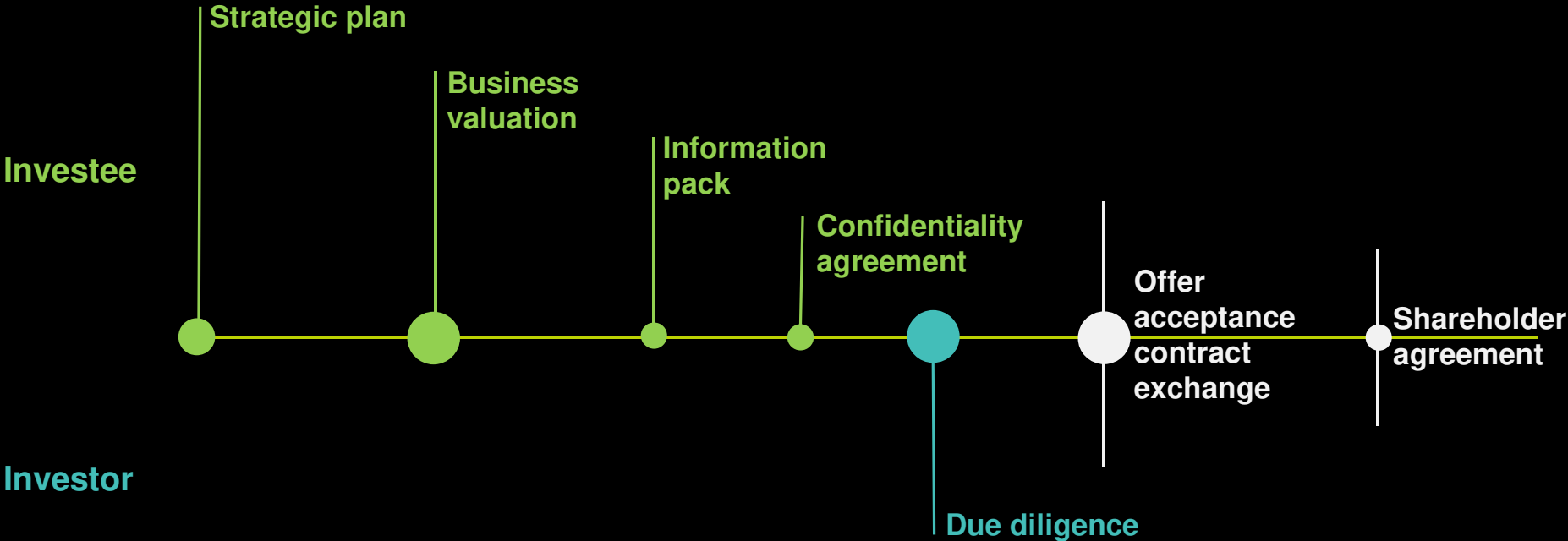
#### Operating environment

- Strategic plan or business plan
- Industry analysis





# Investor Funding Milestones



Darwin 27 March - Alice Springs 29 March 2019



### Accounting Information System

- MYOB, Xero, Reckon, Quick Books Attache supported by processes so that you can produce timely and accurate reports
- Cash flow, financial forecast tools
- Benchmarking tools
- Analytical tools



### Operational Management System

- Industry software to support customers, operational processes, management processes and tools (staff schedulers, procurement processes)

### Integrated Management System

- Quality
- Safety
- Environmental systems

**Deloitte.**

Three Main Takeaways

- 1 Plan for Business Growth**
- 2 Source the Right Funding**
- 3 Systems to Succeed**

Darwin 27 March - Alice Springs 29 March 2019

