

# What investors and partners look for **before investing.**

A full snapshot of your intellectual assets and a considered and strategic plan for deriving value can help attract investors. What do they look for?

## The General Picture

- The broad category (eg ITC/ Manufacturing/ Life Sciences) of your business.
- A description of your business in one sentence.

## The Product/Service

- A complete description of your business and the product or service being developed.
- The value proposition describing the gap/ problem in the market that your innovation will solve, and why customers will purchase.
- Information on any sales of the product/service.

## Market Information and Access

- The market that you will be targeting and why.
- The need in the market and how the new product/service will address the need.
- The current size of the target market. How much of the market can you expect to capture. Note that where a new market is being created, solid information might be difficult to obtain.
- Where the market is located, and how can it be accessed. For example, is a partner needed who currently has the infrastructure in place to provide the access, or can your company do this alone?
- Who is currently in the market. Whether they are direct competitors and if so, what advantages your new innovation offers over your competitors' offering.
- Information on indirect competitors and current products/services satisfying the needs of the market. For example, prior to video being available, cinemas fulfilled the needs of the market. Introduction of home video systems created a new market that had been previously satisfied. The market needed to be convinced of the benefits of buying a new entertainment system.
- Who future competitors are, where they are likely to come from and when they would be expected to enter the market.
- The barriers to new products/services entering the market.

## Competitive Advantages

- Information on the intellectual property owned by your company and how it is protected. This includes patents, trade marks, know-how, trade secrets, designs, methods.
- The sustainable competitive advantage the company has, and how you will maintain this when competitors enter the market to address the same problem.
- Your company's core strengths and weaknesses.

## Management and R&D Teams

- Brief bios with core competencies.

## Business Model – How the Business will Make Money

- A financial forecast over 3-5 years showing projected revenues, gross margins, total expenses, EBIT.
- When you would expect the business to break even.

## Financing your Company

- The ownership structure of your business. Name/equity holders(s)/% ownership/cash injected.
- How much money you are seeking. The percentage of the company investors will own.
- What the money will be used for. Include materials, equipment, people, time, dollars, additional technology, new office locations needed to develop and market the technology/ service. This information forms part of the operational plan within the Business Plan. Each major activity should be costed and briefly explained. A 12 month cash flow forecast should also be included.
- The risks faced by the company that could prevent it achieving its goals, and how these will be managed.
- The company's current cash balance. If relevant, the company valuation at the last funding round.
- The expected monthly "burn rate" over the next 12 months.
- Who has been approached for funding (including granting bodies).

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Investor  
checklist

For more information on Watermark's comprehensive range of intellectual property services contact [mail@watermark.com.au](mailto:mail@watermark.com.au)

