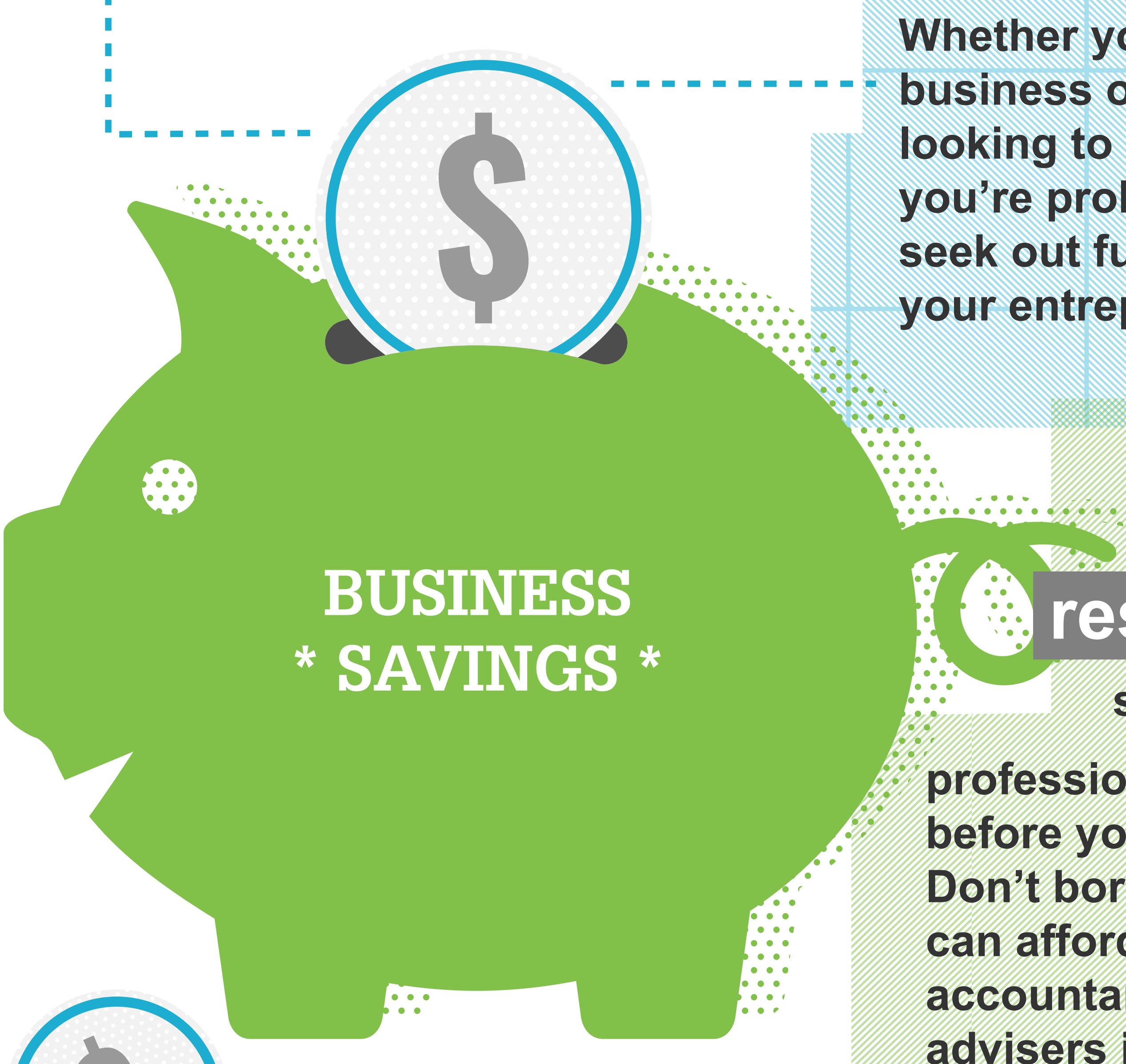
STARTUP FUNDING

Getting funding for your new business

Whether you're trying to get your business off the ground, or you're looking to take it to the next level, you're probably going to have to seek out funding at some point in your entrepreneurial journey.



The golden rule is to remember to do lots of **research**, and always seek **advice** from professionals, and be risk-aware before you jump in the deep end. Don't borrow more than you can afford, and chat to accountants and legal advisers in your network.

Bootstrapping

Bootstrapping is a term commonly heard in startup communities where you or your business finances itself.

You're accountable to no-one except yourself, but the **personal risk is large**. You could spend all your savings, or all the eventual profits of your company. Alternatively, if it all goes well and your business takes off, you won't have to share it or owe anyone anything.

Banks

Australian banks have accounts and systems set up to fund and support new small businesses, so it might be worth popping into your local branch to see what kind of funding and payment plans are available at this stage of growing your business or getting it off the ground.

Seeking assistance from a financial institution should be done under the guidance of an advisor or someone qualified to offer more insight into whether this is **right for you.**

Peer-to-peer lending

Peer to peer (P2P) lending matches people who have money to invest with people who are looking for a loan. An online platform or 'marketplace' is used to match investors with borrowers, without going through a traditional lender such as a bank, building society or credit union.

Instead, the platform operator will **evaluate a borrower's suitability** by checking their credit history and their capacity to repay the loan. Borrowers should check to see if the lending platform holds an Australian financial services (AFS) licence.

Community Grants

In Australia, we're lucky to have a range of entrepreneurial grants available in almost every industry.

Start by searching the Australian community grants guide or the Philanthropy Australia website.

Government Grants

The Australian Government has a wide variety of current grants and grant opportunities.

Head over to **business.gov.au** for a list of all assistance programs available around the country.

Scholarships

Local universities are a great place to look for scholarships that might apply to you and your situation!

Sponsors/ partners

There are many organisations who may wish to form a partnership with a new business or growing startup to give you a helping hand.

You can approach brands yourself (**with a great pitch!**) or you might be one of the lucky ones who is approached directly by the brand if your missions and goals align.

Crowdfunding

These are online platforms and allow you to 'pitch' your idea or project to thousands of everyday people who might want to back you.

Normally this is through **money**, **equity**, or **rewards** (like first access to your product). Check out popular platforms like Kickstarter or Pozible.

Events

Networking is key for making your mark in the new business community. Check out local co-working spaces or startup groups in your local area.

Keep an eye out on funding pitching events like 10x10 from Philanthropy Australia or The Funding Network where you can pitch for finances to back your business.

Angel investors

Angel investors are generally wealthy individuals or groups looking to make an investment in a business just starting out.

It's risky strategy for both parties, as you'll need to give up a percentage of your company to the investors; **but the potential payoff can be huge if your idea becomes the next big thing.** Maybe Coffee-Marcus had a hit with that band and is now looking to support other local businesses? Take a look at the Australian Investment Network or Angel List to start connecting with real-life Angels.

Venture Capitals

Usually a firm made of professional investors who have assessed your business and wish to invest because they consider it to have high growth potential.

Often they're looking to make **large investment** and take a **significant share** of the company in return, which they may sell back to you or in a public offer at a later date, aiming to make a profit.

FEELING MORE CONFIDENT ABOUT THE FINANCIAL SUPPORT AVAILABLE TO YOU?

If you are interested in starting your own business, you might be eligible for the Self-Employment Assistance Program

For more useful info about starting a business, visit business.gov.au.
For help hiring staff, including financial incentives, visit jobs.gov.au.
For more helpful resources about money, visit moneysmart.gov.au.