

# BusinessPlus+ Newsletter

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## An opportunity for Small Businesses and Medium-Sized Enterprises

**Many small business operators and medium-sized enterprise directors are looking for opportunities to equip themselves with an understanding of the new capital raising opportunities that are available for private companies.**

It is expected that throughout this decade the ability to be able to raise capital direct from the public will be a significant contributor to business success. Over the next decade we should see a material shift in business ownership as the next generation make their way into leadership and ownership roles. These new owners will embrace technology and be far more connected to their customers than most businesspeople have been in the past.

**There is significant innovation in the Australian SME market, however these businesses often run into brick walls because access to traditional capital is limited and therefore, growth stagnates.**

Crowd Sourced Funding Equity Raising and Early Stage Innovation Companies flip the old capital market model on its head by centralising the investment opportunity into one or two platforms and defining clear outcomes for the business. These changes, which originated from the Federal government's innovation statement in December 2015, brings more speed and energy into the capital raising process as the investment opportunity can now be marketed and advertised, especially with digital and social channels in ways that were not envisaged when Section 708 of the Corporations Act was introduced 35 years ago.

There is also a new breed of investors now operating in Australia, numbering in excess of 38,000, who have already invested into Crowd Sourced Funding Equity Raising. Unfortunately, there is no database available of the number of companies and the amount of capital that has been raised utilising Early Stage Innovation Companies, but a few of the Crowd Sourced Funding Intermediaries, who also assist companies to raise capital as an Early Stage Innovation Company have indicated that a significant amount of capital is being raised for those companies that are eligible to describe themselves as an "Early Stage Innovation Company." This has created opportunities for these investors to make investments into a wide range of businesses operating in Australia – something that, in the past, has been reserved primarily for sophisticated and wholesale investors.

**We look forward to growing with you on this journey. If you would like to discuss the benefit of utilising Crowd Sourced Funding Equity Raising or Early Stage Innovation Company Capital Raising for your business, please don't hesitate to contact us.**

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