Strategic Plan

Executive Summary

Process PA is well positioned to undertake a fast growth plan and become a competitive dominate provider of board portal software. This growth will be divided into 3 phases.

1. Move from 60 to 500 customer organizations within the next 12 months
   o Focus on marketing and product develop to encourage referrals and greater consumption of existing customers.
   o Build awareness and strong product.
2. Reach over 1000 customer organizations and $1M ARR
   o Growth will be driven by sales through channel partners leveraged by existing customer base, i.e. peak bodies, large partners
   o Breakeven budget with Series A preparation
3. Market ready for large companies, government, and public boards.
   o Reach larger more profitable customer segment
   o International growth through Asia Pacific NGOs

Phase One is detailed in this plan and requires funding of $400,000.

The initial 12 months will be with 2 months of development to implement major functionality that has been identified to be lacking over the last 2 years. In these 2 months marketing activity will build up creating content and testing marketing channels preparing for a strong advertising push in 2 months.

To cover this period, we will need to employ 1 marketing coordinator, 1 support & customer success and 1 software engineer. The total cost for the 12 months will be $340,000 with expected revenues of $200,000.

Background

Process PA makes innovative cloud software for directors on board and committees for Associations, Not for Profits (NFP) Organizations and Small/Medium Enterprises (SMEs). We focus on automating procedures, reducing risk with process compliance and continuity of the board.

Our current annual recurring revenue is over $45,000 consisting of over 60 organizations on subscriptions.

Markets that we serve include customers from:

1. Non-profits (such as age care, disability services, rural and remote health services, legal support, and youth services)
2. Associations and Clubs (such as school councils, sporting clubs (football, AFL, Yacht, etc) and professional service associations)
3. Funded Startups and SMEs
4. Government

Mission Statement

Provide automated guidance for good governance for any organization, through tools that give people the knowledge and process they need to achieve their vision.

Market Analysis

Target customers for the product are medium-size associations (e.g. Sporting Clubs, Churches, RSL etc), NFPs and SMEs.

The number of Australian community sector organisations was most recently estimated at around 600,000 (Productivity Commission, Contribution of the Not-for-Profit Sector (2010)). Some 440,000 are smaller unincorporated organisations. Of those there are 56,421 registered charities with the Australian Charities and Not-for-profit Commission (ACNC). According to the ACNC's Australian Charities Report 2014, the sector reported income totalling $103 billion in 2013-14. Australian charities had $95 billion worth of expenses in 2013-14, $52 billion of which were employee expenses. Not-for-profit organisations employed more than 1 million people in 2013-2014, representing 9.7% of the Australian workforce. This is comparable to the 1.27 million people employed in the retail sector. It has been reported that the average administration cost is 22% going as high as 62%.

In the United States there is over 50 million organised committees with over 1.5 million non-profit organisations. 30,000 new non-profits are started every year.

As of 30 September 2016, in England and Wales, 183,391 charities registered with the Charities Commission, employing over 1M people with a total spend of £69.06bn with £0.80bn spent on governance alone.

Being dominate within the NFP market has functionality and value crossover with associations. Being cost effective for that market will make us highly competitive in the SME market.

Competitor Analysis

Our competitors are existing board portals however the large incumbents are focused on a different market segment of large companies, public boards and government.

The focus for these existing products is on the director experience and security. Ease of access for board papers, notifications of updates, individual annotations and offline viewing. Very few list their price, a characteristic we plan to take advantage of, charging often over $10K per year.

The leader is this space is Diligent. They have 145K directors using their board portal. Diligent de-listed from the NZX and taken private on 14th February 2016 at a valuation of USD$624M. Major competitors are BoardEffect claiming over 100K directors and Azeus Convene (who are running ads against us) with over 300 staff. Other leading board portals are Director Desk, Passageways, and BoardPaq.

Within the market segment we are targeting and our price point confuses our product with other offerings i.e. Membership Management and Meeting Management, which we are not.

Membership Management	Tools to help the operations of a membership based organisation, often association and not-for-profits. Main functionality focuses on membership database, events, payments, emails and website.
	In Australia Associations Online and iMIS are well known, with much older clucky software that is around the $10K+ market plus setup consultant service costs.

	The leaders though is Canadian company Wild Apricot with 20K organisations. Wild Apricot now has a free tier introduced recently after around 16K organisations were on-board and goes up to around USD$270/month.
Meeting Management	Is often better designed software than monolith membership management for taking meeting notes (not often formal minutes) with a changing group of people, i.e. often external attendee work meetings. There are no clear leaders in this space with many low cost and free options. WorkLife.com was a front runner with great design was recently purchased by Cisco and is now Cisco Spark Meeting Notes.

Our product offering has the ease of use of Meeting Management but within the market segment where the Membership Management providers are dominate. We facilitate meetings and live minute taking in our software where board portals do not. We are the next generation board portal.

Our focus differs in that we are a board governance solution competing against the existing board portal providers in an area of the market they do not actively pursue due to the relative low revenue from this market segment. The existing board portal providers do not have an effective business model to approach this market segment as they have high cost sales teams.

Board Portals are at the high end where they have trained company secretaries go through the process whereas our solution is designed to allow smaller entities to be guided through the proper process when they don't have someone with training in place or a dedicated resource.

There is also the aspect across these competitors that there are few who are "born in the cloud" and are not mobile (smart phone) friendly. Being mobile focused from the start helps us approach the more modern expectations.

The main competitors that are directly in-line with us via market segment and price point is Our Cat Herder and BoardPro. BoardPro has entered the market in the in 2016/17, raising approximately NZ$1M. They do not have no-touch sales, requiring a sales person to get in contact to start a trial.

Sales & Marketing Activity

Phase One – Reach 500 customer organizations
Currently we have a conversion rate of 20% trial to paid customer. To reach 500 customers we require 44 per month on average. At the current rate that requires 250 trials per month.

Marketing will be targeted differently per segment. Much of the sales work is provided by Customer Success/Support staff.

Segment	Marketing		Sales
Associations/Clubs	Cold Email	Affiliate Partners	Inside
NFPs	Content	Referral Partners	Inside
SMEs/Government		Reseller Partners (e.g. BDO, KPMG)	Field
Body Corporates		Cold Calling	Inside

Marketing Channels

Referral (Viral) Marketing

We have strong indications that at our referral ability is high. With no incentivises our referral rate is over 8%.

We expect with #### active members in the platform and further product development to bring them more engaged, with incentives, we will be able to drive this growth. Incentives will be discounts, vouchers, free licenses etc.

It has been shown that in member based organizations world travels among the community and discounts are good incentives, such as for the Australian Medical Association Queensland, "over the last 12 months 31.5% of our new members are referred".

This is the lowest cost of customer acquisition. Good content and product features will be setup to drive an automated process.

Partners

We expect 40% of new customers to come from partner referrals. We aim to establish 50 partners with various levels of engagement.

40	Affiliate	Traffic Large DB light Relationship and Adverstising Provide info to sector (e.g. Probono Aus, Connecting Up, Tech Soup global etc) 3-4% conversion
8	Referral	Lead Deep relationship with their customer base E.g. CSIA, QCOSS, Peak Bodies (Baseball Qld, Tennis Australia, etc) 20% conversion
2	Reseller	Sales Trusted Advisors e.g. Telstra business setup, Company Registers

Through Affiliate partners we will create awareness through sponsorship and advertising.

Digital Marketing

Digital marketing will be used minimally to provide interaction with prospects and customers. Content created will be shared on Social channels, however the key driver on content creation will be to support messaging and audiences through the partner channels.

This content will build a large resource base that will result in strong SEO in 12 months.

Integrations

We want to make use of other marketplaces to drive awareness to our product while improving our user experiences. The first integrations will be around Xero, MYOB Online and Office 365.

Market Segments

The product is broad reaching to many segments within target market. Each has the same core functionality requirements with some differences and often very different problems they are solving, and benefit and value that will be gained.

Segment	User Problems	Market Problems	Benefit/Value
Not-for-profit	• Regulations • Staff support • Time Constraints • Manual Process	• Budget	• Low cost • Automation • Easy compliance • Transparency • Modernise Online - Move from manual board packs to digital • Risk Mitigation
Association	• Volunteers • Lack of Governance Skills • Consistency • Handover		• Time-saving • Process Guidance • Easy to handover tools that guides process
Peak Body	• Member Compliance • Member Engagement • Member Sustainability • Reputational Risk		• Visibility • Ease of use • Process Guidance • Consistency
SME	• Demand for visibility is increasing	• Not seen as important	• Gives you a track record of **proper decision-making capability.** Your business will be worth more showing a track record of proper decision-making process and capability when you seek investment or exit. • Risk Mitigation

Staff Position Descriptions

Marketing Coordinator

- Create consistent brand persona
- Manage accounts with partners for advertising with advertorials, banners, articles etc.
- Provide direction and manage outsourced content creation
- Create content calendar and maintain social presence

Customer Success Representative

- Role will double as inside sales as functional experience for individual customers has been the same
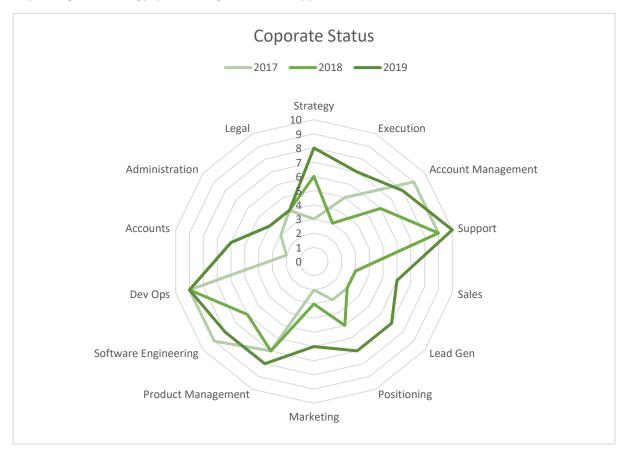- Handle enquires from website and email

- Engage in conversations during onboarding
- Customer outreach and engagement (3, 6, 9 month checkins, newsletters, tips & tricks etc)

Software Engineer
- Full Stack developer
- Implement the product roadmap
- Provide technical support through the customer success rep.

Corporate Capability Status

Through the hiring of the roles above and the expected customer growth, our focus will be on improving our strategy, positioning, sales and support.

Coporate Status

Product Roadmap

Within two months to help promote good first experience with customers.

1. Onboarding Wizard
   Comprehensive walkthrough and setup
2. Document Storage
   Functionality to maintain official records of board meetings for easy and lower cost auditing
   Include document from SharePoint via Office 365 login
3. Sub Committee
   Larger customers have executive and sub-committees under their board that run the same processes and the desire automation and transparency of these committees.
   It increases the lifetime customer value as they pay per Board/Committee.

Before 30 June 2019 to be ready for phase 2

1. Sub Agenda items/Formatting control
2. Integrations
   Xero & MYOB Online, Office 365
3. Flying Minutes
4. Member Analytics and Product Introduction/Onboarding
5. Annotations/Commentary Public & Private
6. Registers, Risk & Compliance

Features to Market Segment Value

Feature	Benefit/Value	Segment + COST
Onboarding Wizard	Confidence in setup and functionality	All
Document Storage	Maintain good trusted records	NFPs SMEs Government
Sub Committee	Consistency among executive groups	NFPs
Sub Agenda Items	Minutes style control	NFPs
Integrations	Leverage existing SaaS	NFPs SMEs
Flying Minutes	Better Communication	Associations NFPs
Member Analytics	Visibility	NFPs
Annotations	Director Engagement	NFPs SMEs
Registers	Compliance	NPFs

Risks

- Support and onboarding load
- Staffing
- Competitors moving down market

Sensitivities

- Sales volumes