

Strategy Overview

Draft for discussion

December 2020



Community first

Bondi Innovation Alliance is intended to be shaped by all stakeholders, led by the region's innovation community.

This document is intended to provide a framework for input on how we can best create value for the community.

While Bondi Innovation Alliance is incorporated as a “for profit” Pty Ltd, this is for flexibility. The current intention is that all profit will be reinvested in initiatives of value to the community or go to members who are contributing to value creation. However this doesn't mean it may not be able to scale significantly as a business.

It is intended to be “open book” with full sharing of our financials.

Our vision

Our ambitious long-term (5 year) vision is for Bondi region (Bondi Junction, Eastern beaches and surrounding suburbs) to be fairly described as a world-class innovation hub, complementing the larger inner Sydney spaces, and supporting Sydney's global innovation brand.

This will require the establishment of an innovation precinct in Bondi Junction, including representation from universities and research bodies as well as a critical mass of high-growth startups. We do not wish to play a role of principal in this, but intend to frame and support others in this initiative.

On that path we aim to connect and catalyse local talent with a variety of initiatives, building substantial opportunities and visibility for Bondi's innovation community.

Current state

Our achievements and resources to date:

- Built an online social network with over 120 quality Bondi innovators, 16 interest groups and extensive content including a Bondi Innovator interview series
- Established a very strong advisory board
- Developed strong relationships with Waverley Council, including:
 - Vocal support from Mayor Paula Masselos
 - Established, positive relationships with most councillors
 - Engagement with relevant senior executives
- Have run 6 recent events including group meetups and a workshop as well as a 200 person Xmas party in 2019 and an upcoming Xmas party.



Immediate priorities

Our immediate priorities that will support our long-term directions are:

- Grow quality local members, target 300 by April 2021, stretch target 1000 by end of 2021
- Move towards financial sustainability in the near future, with revenue from small events to cover costs of local team and software dev/maintenance. Until recently all events have been free
- Build local team to run ongoing activities such as events and social media, and build new opportunities
- Develop and test service marketplace concept
- Early feasibility assessment and development of incubator and accelerator projects

Strategic options

In addition to our immediate priorities of engaging and growing the community and covering team costs with event series, we are exploring possibilities for more substantive initiatives that will build our impact and establish our financial sustainability. In the following pages we outline select strategic options:

- Cowork/ events space
- Incubator
- Accelerator
- Services marketplace
- Talent markets
- Sponsorship
- Membership fees
- Raising investment

Strategic option: Cowork/ events space

There is strong demand in Bondi Beach for spaces to work and run small events. BIA could try a popup or short-term lease in a vacant property, offering coworking/ social/ event space, with potentially limited catering to support the financial model.

We would need an appropriate business plan to match the space available, and the right person to create and manage the space.

This is more likely to be feasible at the end of this summer, when popup spaces may be available at reasonable rates.

Strategic option: Incubator

A possible, but in the short term unlikely, option is to establish an incubator, probably in Bondi Junction. Considerations include:

- Would require a dedicated space and staff of minimum 1 full-time manager plus extended team
- Would likely require minimum \$200K external funding to be feasible
- There is the potential to apply for a matching funds grant from federal government

Strategic option: Accelerator

This is a high potential initiative which would:

- Leverage the Bondi brand to establish a high profile accelerator with a 'reality TV' spinoff, potentially on YouTube for the initial accelerator program
- Theme probably related to wellbeing and/or social enterprise
- Does not necessarily require dedicated space but regular access to a space for accelerator events
- Require \$500K+ in sponsorship/ seed capital. Insurance, technology, banking companies are likely targets

Strategic option: Service marketplace

Part of the vision of BIA is to provide work and opportunities for talented Bondi locals.

This could commence by launching a services marketplace:

- Initial target clients: businesses in Bondi region
- Fixed price packages e.g. problem solving, prototyping, web design, ecommerce store setup, SEO
- Delivery by vetted members, teams, or member pools
- 20% of fee for BIA; 80% for delivery team
- Expansion based on demand identification, later potentially to markets outside Bondi region

Strategic option: Talent markets

The core concept behind BIA is catalysing the extraordinary talent in the region. This suggests possible business models:

- Paid premium job ads, though this would require substantially more scale first and is unlikely to provide significant revenue
- Job fairs for major tech/ creative employers matching local talent. We have discussed doing this with the Bondi Chamber of Commerce as a joint venture

Strategic option: Sponsorship

Corporate sponsorship could be helpful but not sufficient:

- This would require first building significantly greater membership and activity
- Targets include major banks, telcos and retailers
- The offer could include attractive PR opportunities to feature Bondi innovators in their media activities
- Not highly scalable or necessarily sustainable but could aid in growth

Strategic option: Membership fees

- Our intention is that basic membership is always free, to encourage broadest possible participation, and to build visible scale to the community
- Options to justify paid memberships - once the model and activities are better established - include:
 - Discounts on all events
 - Featured on the community platform
 - Free/ discounted job ads
 - Other features depending on the platform development
- We will consider establishing membership fees once the community has grown and value proposition is apparent

Strategic option: Raising investment

It is arguably an “ass-backwards” approach to consider raising investment before finalising the business model.

However it is possible to imagine, for example, identifying 10 successful local entrepreneurs who would be interested in supporting the vision and venture with an investment of say \$20K each for a total raise of \$200K.

If this were judged to be feasible we could develop a business plan that would apply target investment funds to building a model with decent growth potential while it supports the Alliance’s long-term vision for catalysing innovation in the region.

Summary financials (approx, since incorporation)

BALANCE SHEET		PROFIT/ LOSS	
Assets		Revenue	
Cash	1400	Event tickets	700
Software dev (at cost)	3600	Event sponsors	1500
		REVENUE	2200
ASSETS	5000		
		Costs	
Liabilities		Direct event costs	700
Loan from Ross Dawson	-9000	Local team (design, marketing, social, events)	4400
LIABILITIES	-9000	Software subs	1500
		Software dev	3600
NET ASSETS	-4000	Misc	600
		COSTS	10800
Equity		PROFIT/LOSS	
Issued capital	1000		-8600
Retained earnings	-5000		
EQUITY	-4000		

Advisory board input

At our lunch on 9 December we aim to have a wide-ranging conversation, including addressing:

- Do you have any suggestions for refining the vision and purpose to tap the innovation potential of the region?
- In the short term, how can we best grow community membership and engagement by the right calibre of people?
- Which strategic options - either outlined in this document or other suggestions - are most feasible and likely to support our vision?
- What should our immediate priorities be to drive long-term value to the Bondi innovation community?