

Business Update (March 2013) - Controlabill



Highlights

- Finalised a product demonstration for use in sales presentations.
- Continued the website development – now available for sales demonstrations.
- CRM tool developed and commenced sales prospecting.

Market traction and growth

- The delays in funding under the CA Grant meant that our sales program has been delayed by approx. one quarter.
- During the March 13 quarter, initial contact was made with significant customers with little push back so far.
- However, the time to sale from initial contact is mostly more than 6 months. We expect to be able to report significant progress in the sales pipeline during the next quarter.

Business Development and Distribution

- Development during the quarter was mainly focussed on product development and ensuring our marketing materials were appropriate for the sales program which was commenced late in the quarter.

Research and development / Product development

- The product development has reached the stage where it can now be demonstrated to potential customers. There is still significant development to be undertaken to fulfil the expected requirements for customers once the sale has been made.
- However, we expect that the time required in further product development will be less than the implementation required within the customers internal systems.

Marketing and PR

- The CRM tool was established during this period in which approx. 200 major Billers (potential customers) contact details have been included. Marketing has been confined to direct approaches to potential customers – mainly to CFO's and Billing managers within major Billers.
- Our focus in the first instance has been on utility providers eg water and energy. That work has been undertaken by Stephen Coulter (founding director) and Philip Wass (Sydney Angels representative).

Intellectual Property Issues

- The Australian Divisional and Innovation patents covering single billers were granted during this period.
- We have requested early examination of those patents. There appears to be some contravention of these patents in the Australian market.
- Once the examination is finalised, we intend pursuing those that may be contravening those patents.
- The US and Canadian patents are still being examined.

Capital Raise

- It is anticipated that the Tranche 2 investment amount (totalling \$300,000) will be called around September 2013. Further rounds of capital raising will be dependant on the results of the sales program.

Key Personnel

- There have been no changes in key personal. There are still only 2 employees.
- However, the CEO had a heart attack in early March 2013 which halved the salaried staff. As a result, Philip Wass stepped in (on an almost full time basis) to fill part of the gap.

Sydney Angel Sidecar Fund Investment

- Cost of Investment \$150,000
- Book Value \$150,000