

EQUILIBRIUM VENTURE FUNDING PROJECT – Brian Fincham, Equilibrium

Equilibrium approached Newport Capital in mid 2004 seeking Venture funding to rollout of an Integrated Wellness Centre model they had proven could revolutionise the complimentary health industry.

Newport recognised the potential for this emerging market and took on Equilibrium as a client to raise the necessary capital. Newport's business consultants assisted Equilibrium advance their planning to a level where we could approach the market for funding but despite exhaustive searching were unable to locate anyone who was prepared to fund a startup of this type in an early emerging market, despite already having a working model in a smaller centre.

Many were keen to invest after the project had been proven by the first centre – a little like the Bank Manager who is happy to lend the money when you no longer need the funds! Equilibrium were however confident we had something special and had by that time sunk enough money and time into the project to strengthen our determination to find a way to structure the business plan to secure the required funding. During this time we further refined the business model and Newport provided valuable planning assistance, being equally firm that we needed to be able to prove every element of the proposal which helped us further strengthen the business model.

Equilibrium's first success came towards the end of 2005 when Macro Wholefoods, who Newport first approached to invest, realised Equilibrium's business fitted a niche they were trying to fill by including a Wellness Centre alongside their Stores as both companies share the same target market and our offerings closely complement each other. We entered into a participation agreement with Macro which further strengthened our business case.

We still however went through several further iterations of the plan rounds with prospective investors who first thought the plan too big and then too small. Newport's business skills and market knowledge were invaluable, as was their market reputation and counsel throughout the project.

Equilibrium also greatly appreciated Newport's willingness to stay the distance on the project, when at times we grappled with what should be the next steps to secure funding.

We eventually secured our first major investor in mid 2006 and there followed another round of market approaches to complete the funding which took some months due to the market being still generally very wary of a early mover in an industry that had little track record. Importantly Equilibrium's eventual investors have also turned out to be an invaluable source of skills and resources to round out our business preparedness and we are now looking forward to opening our first major centre in Crows Nest in early 2007.