



# Investment Memorandum

Focus Bear

## Executive Summary

### Company Name

Focus Bear (<https://www.focusbear.io/>)

### Overview

Focus Bear is a software platform that empowers neurodivergent individuals, specifically those with ADHD (Attention Deficit Hyperactivity Disorder) and ASD (Autism Spectrum Disorder), to succeed in the workplace and prioritise their well-being.

### Product/Service

Focus Bear provides an array of productivity tools compatible with Mac, Windows, Android, iOS, and Chrome extensions. These are designed to mitigate distractions, foster healthy routines, advocate for regular breaks, and enhance digital well-being.

### Market Opportunity

The market opportunity for Focus Bear is to address the needs of neurodivergent individuals in the workplace and promote their well-being. With 15-20% of the population being neurodivergent ([source](#)), there is a significant potential market for specialised productivity tools tailored to their specific challenges and requirements.

The overall market for habit tracking and distraction blocking software is approximately \$400M USD per year ([source](#)) and this market skews higher to neurodivergent people who need extra support. Studies have also shown a lack of focus can cost up to 40% in productivity ([source](#)) which in Australia would translate to \$36,000/person on a yearly basis.

## Company Overview

### Mission

Focus Bear's mission is to empower neurodivergent individuals by providing them with effective tools and strategies that enhance productivity, self-care, and work-life balance.



## Target Market

Focus Bear's target market consists of neurodivergent individuals, including those with ADHD and ASD, who are seeking effective tools to improve productivity and manage their well-being in the workplace. The target market spans across all industries and professions, with a focus on individuals who face challenges related to focus, distraction, routine management, and self-care.

## Unique Selling Proposition

### Neurodivergent Centered Approach

Focus Bear's founding team have lived experience with ADHD and ASD and they know what challenges are required to overcome in daily work-life. Focus Bear has been built "by neurodivergent people, for neurodivergent people." We also spend a lot of time co-designing and refining our product with our neurodiverse customer base.

### Holistic Solution

Focus Bear is not just a distraction blocker and it looks at overall wellbeing in the workplace including, support for healthy daily routines, break reminders, OH&S activities and technology detox.

### Platform and AI

Focus Bear's unique advantages include cross-device distraction blocking that cover all major desktop and mobile platforms. Focus Bear has also deployed a range of AI-powered features to help personalise and optimise its use for a given individual.

## Market Analysis

### Industry Overview

The productivity and digital well-being industry has experienced significant growth in recent years, driven by the increasing adoption of technology in the workplace and the growing recognition of the importance of work-life balance.

However, there is a lack of specialised solutions specifically designed for neurodivergent individuals. Focus Bear aims to tap into this underserved market and provide tailored software tools that address the unique needs of this segment.



## Competitive Landscape

While there are a range of competitors in the overall productivity and focus space, few have focused specifically on neurodiversity and the unique needs that people in that market have.

Many competitive products also only focus on one platform and one aspect of digital wellbeing (e.g. distraction blockers) whereas Focus Bear looks to take a holistic approach looking at all the diverse components that make for a happy, healthy, productive workday.

See here for more details on the competitive landscape and how Focus Bear differentiates itself: <https://www.focusbear.io/en/competitors>.

## Intellectual Property

Software patents are currently challenging to obtain, however Focus Bear, has developed proprietary technology and innovative features with a focus on the use of AI to personalise the Focus Bear experience. . More than \$300k AUD has been invested in developing its software platform.

## Partnerships and Collaborations

Focus Bear has established early B2B partnerships including an HR consultancy and a productivity membership site to expand its reach and tap into their existing customer base. These collaborations are a key focus for Focus Bear over time and will provide access to a scalable audience and enhance the company's credibility within the industry.

## Advisory Board

Focus Bear is in the process of setting up an Advisory Board that will provide guidance on its future product and marketing initiatives. To date Focus Bear has been able to build a strong network of experienced mentors and advisors who provide valuable insights and strategic advice.

## Customer Feedback and Validation

Focus Bear has conducted extensive customer interviews with more than 200 people to gather feedback and validate its product offerings.

The feedback has given Focus Bear some unique insights into what is required to build a digital wellbeing tool for neurodiversity, and our customers appreciate the value and benefits of our software tools and approach.

## Growth Strategies

Focus Bear has developed a suite of growth strategies to drive market expansion and enhance its market presence. These strategies include:

- Content marketing/SEO: we have published 163+ blog posts on our website and 200+ videos on our Youtube channel. We rank highly for key terms (e.g. “best adhd apps 2023” and “skill regression adhd”) and are steadily growing search traffic.
- Influencer partnerships: we are working with influencers in the neurodivergent + health and wellness spaces and are in ongoing conversations about paid and non-paid promotion and partnerships.
- Engineering as marketing: we have released adjacent companion apps like Late No More which have led to increased brand awareness and signups for Focus Bear.

Paid advertising: we are continuing to run advertising experiments on key platforms relevant to our audience including Reddit and Facebook.

## B2B Sales and Partnerships

As the company establishes a strong foothold in the B2C market, we have been exploring opportunities to expand into the B2B segment. Focus Bear is looking to target partnerships with employee assistance program (EAP) providers and organisations that prioritise employee well-being and productivity, offering customized solutions and licensing options for businesses.

We have commenced a partnership with Intermix Workforce, an HR consultancy.

## Sales and Distribution

Focus Bear employs a multi-channel sales and distribution strategy to reach and acquire target customers. The company's current approach includes direct sales through its website and digital marketing channels. Focus Bear also plans to scale its sales efforts by exploring potential partnerships with HR consultants, productivity membership sites, and other relevant channels.

A key use of investment funds will be to bring on another team member who can focus on further growing our Sales and Distribution pipeline.



## Key Performance Indicators (KPIs)

Focus Bear tracks several key performance indicators to measure the success and progress of the business. These KPIs include:

### Cost to Acquire a Customer (CAC)

We are targeting a CAC (paid user) of 33% of our customer lifetime value. Currently our LTV is estimated (by Profitwell) to be \$442 AUD based on our low churn amongst early customers however we expect that to stabilise at around \$200 allowing us to target a CAC of \$60-70.

### Customer Activation Rate

We are targeting a customer activation rate of 20%, measured as the percentage of trial users who convert to paid subscriptions, indicating the effectiveness of onboarding and the value perceived by users during the trial period.

### Organic acquisition

Organic and non-paid acquisition will be key for Focus Bear. One component of this will be customer referrals and we are targeting a referral rate of 15%.

### Customer Feedback Score

Tracking a minimum Net Promoter Score (NPS) of 40 and Customer Satisfaction (CSAT) score of 80, reflecting high customer sentiment and overall satisfaction.

### B2B as % of total sales

Seeking to generate 20% of total revenue from B2B sales within the next two years, demonstrating successful penetration of the B2B market and establishment of partnerships with EAP providers.

## Market Expansion Potential

Focus Bear recognizes the potential to expand its target market beyond neurodivergent individuals. The company aims to adapt and market its software tools to other related segments, such as individuals with different cognitive challenges or companies in technology space that are investing significantly in wellbeing and L&D initiatives. This market expansion potential opens up new opportunities for growth and market reach.



## Long-Term Vision

Focus Bear's long-term vision is to become a leader in the productivity and digital well-being space. The company aims to evolve and grow by:

### Continued Product Innovation

Focus Bear will continue to innovate and enhance its software tools with a focus on AI, building a comprehensive suite of applications that address a wide range of neurodivergent individuals' needs, promoting holistic well-being and productivity.

### Market Expansion and Global Reach

Focus Bear plans to expand its presence internationally, tapping into global markets where neurodivergent individuals face similar challenges.

### Strategic Partnerships and Acquisitions

As the company grows, it will actively pursue strategic partnerships and potential acquisitions to enhance its product offerings, expand market reach, and further solidify its position as a market leader.

## Financial Information

### Revenue Projections

Focus Bear is targeting \$1 million AUD per year in recurring revenue (ARR) within eighteen months and \$5M AUD in ARR within three years.

### Expense Breakdown

The majority of Focus Bear costs are team costs which make up 75-80% of expenses. Of team costs the majority are currently for product and engineering and the current run rate for that is ~\$25,000/month.

## Use of Funds

The company plans to raise \$750,000 AUD to support its growth and will allocate it in the following ways:



- \$550K towards team hires and salaries, including a new head of BD/sales
- \$100K towards marketing and driving growth targets
- \$100K for platform and infrastructure costs and overheads

## Exit Strategy

We see Employee Assistance Program (EAP) companies as potential acquirers along with ADHD software specific companies like Motion or InFlow.

Focus Bear will also be looking at initial public offering (IPO) as a future liquidity option.

## Risks and Weaknesses

### Customer Acquisition Costs

Keeping CAC below  $\frac{1}{3}$  of customer LTV will be essential for scaling the business effectively. Due to the early stage, the business does not yet have accurate churn or LTV metrics. Strategies to optimise customer acquisition costs are crucial for scalability and profitability.

### Product Development and Market Fit

Given that productivity is a busy space overall, achieving product-market fit and addressing neurodiverse requirements effectively will be ongoing challenges during the product development stage. Iterations based on user feedback are necessary to ensure market expectations and competitiveness.

### Revenue and Activation Rates

Currently the activation rate from trial to paid is <5% as our focus has been on driving takeup and engagement. This rate will need to be improved to 10-20% to allow Focus Bear to achieve sustainable growth.

### Market Competition

While Focus Bear offers unique features and targets a specific niche market, there is competition from established productivity apps, digital well-being tools, and habit tracking apps. Continuous monitoring of the competitive landscape and differentiation efforts are important for maintaining a competitive edge.



## Regulatory Compliance

Compliance with data protection and privacy regulations, such as GDPR, CCPA, HIPAA, and the Australian Privacy Act, is crucial. Implementing measures to protect user data and obtain necessary consents are essential to mitigate legal and compliance risks.

## Appendix

### Product Demonstrations

Available at request are product demonstrations, screenshots and videos that showcase the functionality and user experience of the Focus Bear platform.