



Peer-to-peer | Toronto, ON | Founded: 2015 | Employees: 6 | [www.peerfunder.co](http://www.peerfunder.co)

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## COMPANY OVERVIEW

Peerfunder is a revenue-sharing and peer-to-peer platform, targeting small to medium-sized street businesses. The aim of Peerfunder is to become the hub for small businesses to raise capital, earn recognition, and build support in their local communities. It will also give investors the opportunity to put money into various different businesses, and finance local ventures. Peerfunder is an alternative to traditional debt and equity financing, as returns are dependent on future revenues of the company, rather than an annual fixed payment, or loss in ownership.

## SENIOR MANAGEMENT

**Jonathan Lam:** Co-founder and Chief Executive Officer (2015-Present). Previously: Founder, The Founder Institute (2015); BD Manager, Beijing Crossmo Technology (2013-2015); Research Analyst, Vo Industries (2012-2013). Education: BA, Public Policy Management, Minor in Business, York University (2012).

**Scot Brown:** Co-founder and Chief Technology Officer (2015-Present). Previously: Associate, Capcom (2014). Education: BSc, Mathematics (2013).

**Cody Brown:** Chief Marketing Officer and UX Lead (2016-Present). Previously: Marketing and Web Development Consultant, Clarity Management Group (2015-2018); Web Developer, Freelance (2014-2016). Education: Masters, Museum Studies, University of Toronto (2015); Masters, Information Technology, University of Toronto (2015).

## HISTORY

Jonathan Lam and Scot Brown created Peerfunder in 2015 to fill a gap that they saw in the financial services industry. Small to medium-sized main street businesses often face difficulties access financing, and when they do they often must incur large debt obligations or give up ownership via equity stake. They wanted to create a simple, but effective platform in which they could leverage their diverse skillset and give unique solutions for small businesses and crowdfunding campaigns.

## FUNDING

In 2015, Peerfunder participated in Toronto's Founder Institute, an idea-stage accelerator and startup launch program, which helped them secure seed funding.<sup>1</sup> They were also able to secure over \$300,000 in capital to fund Peerfunder loans.

## KEY CORPORATE DEVELOPMENTS

Press releases: <https://peerfunder.co/blog/>

Apr 27, 2017: [A Crowdfund Campaign Review: The Gladius](#)

May 8, 2017: [The Importance of Reviews for Crowdfund Campaigns: Learning from Clans of Caledonia](#)

Sept 19, 2017: [Sky Kingdom's Crowdfunding Saga: Learning from Stonebound](#)

## BUSINESS HIGHLIGHTS

### STRATEGY

Peerfunder leverages technology to provide value to two groups:

- **Crowdfunders** – Peerfunder provides loans to businesses who have either completed successful crowdfunding campaigns or are planning to campaign. It allows crowdfunded businesses to build on the momentum they generate through their campaigns. This allows for businesses to get a head start on production and operations.

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<sup>1</sup> <https://www.cantechletter.com/2016/05/nine-canadian-start-ups-headed-silicon-valleys-founderx-advisory-program/>

- **Small Businesses** – Peerfunder’s small business loans use a unique revenue sharing model to ensure flexibility in payback terms that works for each company. Loans are paid back through a percentage of business revenue with variable terms, therefore they are able to tailor each loan.

## PRODUCTS

- **Crowdfund Campaign Loans:** Peerfunder lends up to \$50,000 to backed campaigns and \$5,000 for pre-campaign, with interest rates as low as 1% to any North American business. Companies receive the financing after successfully completing their campaign and are then able to put the financing into kickstarting their business, whether it be through production, marketing, and funder fulfillment.
- **Small Business Revenue Share Loans:** Peerfunder lends up to \$25,000 to Canadian small businesses (excluding Quebec), and are paid back through a percentage of the company’s revenue. Payback terms are flexible up to 3 years depending on the loan, which gives the business increased freedom. Peerfunder ensure that there are no hidden fees, with rates from 8%-30% APR.

## TECHNOLOGY

One of Peerfunder’s core competencies is their unique, intensive, and proprietary due diligence process that is used to assess applicants, screening areas such as default risk and business potential.<sup>2</sup> They have also developed technology to streamline the distribution of returns to investors. Scot Brown, CTO, has emphasized his desire to build simply, easy-to-use solutions that is backed by efficient and robust technology.

## DISTRIBUTION / LOGISTICS

Peerfunder is based out of Toronto, ON. They provide crowdfunding loans to all businesses in North America, and small business loans to any Canadian business (excluding Quebec).

## MARKETING

Peerfunder mostly uses digital marketing channels to reach their target market. They utilize their past clients, as well as participation in Toronto’s fintech startup landscape to create word of mouth promotion for themselves. Currently, they do not have any notable or large marketing campaigns.

## COMPETITORS

Due to Peerfunder’s unique product and positioning, it can be considered that they compete with both peer-to-peer lenders and also crowdfunding fintechs. Some of these competitors can be found below:

1. **Crowdmatrix** – (Toronto, ON) Crowdmatrix is an online investment connecting verified investors to alternative investment opportunities that have been vetted by their software.
2. **Goowi** – (Montreal, QC) Goowi connects businesses with philanthropic fundraisers that they can sponsor, which in turn will create growth for the businesses, as they will access potential, socially-conscious customers.
3. **Frontfundr** – (Vancouver, BC) Frontfundr connects investors with entrepreneurs, opening the marketplace to serve early-stage enterprises, as well as both regular and seasoned investors.

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<sup>2</sup> <https://angel.co/peerfunder>