

What you need to know about your company's lifecycle

Successfully mitigating risk at every stage.

While every business has its own lifecycle, companies in the tech space tend to move through phases faster. Why? Because the nature of the technology industry is in and of itself fast-paced, with new products, services and tools constantly coming to market.

In order to ensure that your people and your company are protected every step of the way, you need to know what lies ahead. This way, you can see and recognize the various insurance hurdles that arise at different points in time, helping you make informed and intelligent business decisions efficiently.

Let us walk you through the different stages of your company's lifecycle. Pinpoint where you are now, and take note of what you can expect when you turn the next corner.

PHASE 1: Start-up

You've just begun. Your company is pre-revenue and you don't yet have a product in the marketplace. There's a small team fuelling the business (perhaps even working atop boxes in a garage like Steve Jobs or Bill Gates), and you're knee deep in the excitement of planning, research and development.

At this stage, we know it's likely you haven't even yet thought about insurance or risk management at any great length - and that's okay! In the beginning, the most important aspect of your business in need of protection is *you*, the owner. The best way to accomplish this is through an individual disability policy, with employee benefits and life insurance following closely behind.

[Wise Insurance Solutions in Phase 1](#)

- Premises Liability
- Costs to Recreate Research and Development
- Key Man Insurance
- Introduction of Employee Benefits

PHASE 2: Early-stage Growth

You're starting to earn revenue! At this point, while still limited, you likely have test clients and a beta product in the market. Your team is building and your business is experiencing early growth. It's possible you also have interested angel investors or venture capitalists.

Oftentimes insurance protection comes in the form of a request from your investors. Be ready for this. Most importantly at this stage, you want to have liability insurance in place for your product and since your team is growing larger, it's time to start focusing on your people. What are your competitors offering by way of employee benefits? Make sure you're matching or beating it so the professionals you recruit have incentive, regardless of the fact that you're a new name in the space.

Perceptive Insurance Solutions in Phase 2 (in addition to Phase 1)

- Directors & Officers Liability Policy
- Errors & Omissions Liability / Cyber Security Program
- Product Liability
- Buy / Sell Agreement
- Build-out of Employee Benefits Program to Attract New Talent

PHASE 3: Early Commercialization

Revenue is ramping up and you can feel the momentum of your business growth. Customer, supplier and manufacturer contracts are rolling in, more product is in the marketplace and your team continues to expand. You've probably moved into a leased commercial space by now and you have an investor ownership position in place. The name of the game at this stage? Scale.

While you may have been presenting your company in somewhat of an embellished way in phases 1 and 2, now is when you actually grow into that projection. You're getting noticed in the industry and you may very well have clients requesting particular insurance policies from you. Right now, your best foot forward is with a "Just What You Need" approach so you can preserve your profit margins, while still protecting your company and people.

Discerning Insurance Solutions in Phase 3 (in addition to Phases 1 and 2)

- Full Property / Business Income Policy
- Crime Policy
- Review of Buy / Sell Agreement
- New and Updated Build-out of Employee Benefits Program to Attract New Talent

PHASE 4: Full Commercialization

Revenues continue to grow, and now you're expanding your product line as well as the markets you serve. Your team is still building, it's likely you now have a full-time CFO on staff, and you're probably considering whether or not the business is ready for an IPO.

Your company is now in its mature stage, and while before you were focused on attracting top talent, now you're more concerned with *keeping* that talent because other businesses are trying to recruit people away from you. It's likely that the valuation of your company is significant at this point, and it's time for a full spectrum insurance solution.

Comprehensive Insurance Solutions in Phase 4 (in addition to Phases 1, 2 and 3)

- Updated Build-out of Employee Benefits Program to Retain New Talent
- Continued Review of Insurance Program
- Continued Monitoring of Emerging Risk Management Issues
- Continued Review of Employee Benefits Program as Team Demographics Evolve
- Exploration of IPO Triggers Specific Considerations for Directors & Officers Liability Program

Your business will grow and evolve quickly over time. A good insurance broker works collaboratively with you to develop your insurance program at every phase of your company lifecycle.

Why HUB International?

From 50 employees in 1998 to over 13,000 now, at HUB International we understand scale. Many brokers on our team were once entrepreneurs just like you, which gives us a level of startup expertise that's second to none.

We're here to ensure that the requirements of your client contracts align with the policies of your insurers. HUB makes a point of staying one step ahead of your needs by preparing for what's next and always keeping apprised of emerging risk management trends. Think of us as an extension of your team, helping you grow and scale with confidence, whether you're in Phase 1 or Phase 4.

Let's have a conversation.

[Contact us today.](#)