



*your **funding***
*your **future***
*your **freedom***

cash flow finance still available when banks tighten lending

Are you and your clients tired of the tales of woe in the current economic climate?

At Scottish Pacific Benchmark we've noticed an increased demand for our services, which we believe is in direct response to the current credit climate. The increase has come from banks referring deals for which they no longer have an appetite and from a general increase in the number of businesses having to wait longer to get paid.

When the banks tighten their lending criteria, businesses in the SME sector are among the first to feel the pain.

At the present time in Australia, the tighter credit terms are combined with a slowing economy and interest rate rises by the banks ahead of the Reserve Bank's rates.

These factors have an immediate impact for SMEs who face a rise in their cost of funds, but more of a concern is pressure on cash flow. If interest rates rise, large corporations are encouraged to take advantage of "free credit" by extending the time they take to pay suppliers. This has an impact on the smaller business that now has to wait longer to get paid.

And as credit is squeezed cash flow suffers and the affected business simply cannot grow.

Scottish Pacific Benchmark's range of cash flow solutions release the value of trade invoices and put money in a business's account within 24 hours – without the need to jump through the usual hoops associated with overdrafts or mortgage finance. Hence cash flow pressure is relieved.

Businesses that qualify for SPB's range of debtor finance products can be paid between 70% and 90% of the value of their invoices within 24 hours.

Almost 6,000 Australian businesses now use factoring or invoice discounting as a primary source of funding their operations and growth.



The latest debtor finance figures show the industry handled more than \$57-billion of sales in the 12-months to the end of March, which is an increase of more than 18% on the same period a year earlier.

Peter Langham, the CEO of Scottish Pacific Benchmark, says, "Much of our growth is coming from finance brokers, banks and accountants referring their clients to us for assistance when the banks can't or won't help.

"We're experiencing record growth within the sector as more and more businesses find this form of finance is a flexible and cost-effective alternative," he said. "In fact, more than one in four of our clients are referred to us by the banks when they know the applicant won't satisfy their current lending criteria."



our offer to you

During the month of July all genuine referrals will be rewarded with a chance to get away for a weekend behind the wheel of one of the world's most admired motor vehicles.

Every genuine referral during July will earn an entry in our lucky draw for weekend hire of a Porsche 996, 911 or Boxster (subject to location and availability) in the winner's nearest capital city.

The winner will be drawn at random during the first week of August and announced in our August newsletter.

broker income *under threat*

The tightening credit market poses a threat to the broking industry as banks seek greater returns on their lending facilities.

Scottish Pacific Benchmark offers brokers and other financial advisors an attractive remuneration scheme across its range of cash flow solutions.

SPB chief executive officer Peter Langham said brokers were a key element in the debtor finance market.

"Much of our remarkable growth has been due to the excellent support we've received from brokers," he said.

"And part of that success has been the reciprocal support our staff offer to brokers and their clients in responding to their enquiries in a prompt and efficient manner."

SPB is the largest independent debtor finance company in Australia, with 70% of the Australian factoring market, offices across Australia and New Zealand and more than 150 specialist staff and a management team empowered to make decisions in a timely manner.

broker commission

APPROVED DEBTS AT SETTLEMENT (OR CURRENT LOAN BALANCE)	INTRODUCTORY FEE *	TRAILING COMMISSION ^
\$0 - \$100,000	\$500	1.00%
\$100,001 - \$200,000	\$1,000	1.00%
\$200,001 - \$300,000	\$2,000	0.50%
\$300,001 - \$400,000	\$3,000	0.50%
\$400,001 and upwards	\$4,000	0.50%

* Payable on approved debts at settlement

^ Payable monthly in arrears on average Current Account balance

case studies

Industry

Recruitment and Labour Hire Company

Annual sales

\$20m

Why debtor finance?

Fits well with an industry that has to pay its temp staff every two weeks.

Why Scottish Pacific Benchmark?

Major bank was unwilling to support growth. SPB offered a flexible solution with increased funding.

Facility provided

Confidential

Facility size

\$2.5m

Industry

Transport Company

Annual sales

\$3.5m

Why debtor finance?

Needed to access increased working capital to grow without putting personal properties up as security

Why Scottish Pacific Benchmark?

Able to provide a competitive and locally operated facility quickly, settlement was made within ten days of the first meeting.

Facility provided

Disclosed

Facility size

\$500,000



Interested in learning more about invoice discounting and factoring? Senior members of the Scottish Pacific Benchmark team are available to make short presentations to your business or organisation that will outline the products and services we offer and explain how they can help you or your clients improve their cash flow and grow their business.

scottish pacific benchmark offices - one call is all it takes 1300 DEBTOR (1300 334 867)

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