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## boom in the gloom

The use of cash flow finance is booming despite (and perhaps because of) the global credit crunch and offers an attractive alternative to bank finance for small to medium size businesses and their brokers.

According to data from the Institute for Factors and Discounters, total debtor finance turnover in Australia topped \$62.8 billion in the 12-months to September, and increase of \$10.5 billion or 20% from the corresponding period last year.

The IFD expects turnover for the calendar year to December 2008 to be more than \$65-billion, with more than 6,000 companies across Australia now using cash flow finance solutions.

Scottish Pacific Benchmark is Australia's largest non-bank provider of cash flow finance.

Chief Executive Officer Peter Langham says the IFD figures reflect the increase in enquiries received since the global credit crunch started impacting on Australian businesses.

"Not only are the banks tightening credit, but even the larger companies are taking longer to pay their bills, and that can impact severely on a small business," says Mr Langham.

*"The extended payment terms by debtors can put enormous pressure on cash flow. We feel 2009 is going to be an interesting time for SPB with our bank competitors indicating they may well be increasing the amount of business they refer to us."*

Jon Clark is a business owner who knows the value of cash flow finance from Scottish Pacific Benchmark.



His business, the Clark Group, specialises in residential and commercial air conditioning.

"We reached the point a few years ago where we needed to expand our business and the bank simply wouldn't come to the party," says Mr Clark. "We had a strong trading base, good contracts and a full order book.

"The problem was cash flow. Our clients were taking 55-days or more to pay while we had to pay our staff and contractors each week.

"Our bank would only consider extending our overdraft if we put up property as security, whereas Scottish Pacific Benchmark offered us a flexible facility that grew with our trade invoices and allowed us to expand the business, which is exactly what we wanted to do," he says.

SPB's cash flow finance solutions allow businesses to access up to 80% of the value of invoices within 24 hours of the invoice being raised.



## season's greetings

On behalf of our 157 staff across Australia and New Zealand we wish you the very best for the holiday season and thank you for your support throughout 2008.

We look forward to continuing our relationship in 2009 and beyond.

Peter Langham  
Chief Executive Officer

## Scottish Pacific Benchmark's community spirit



Andrew Elliott, David Coleman, Tim Le Roy and Kate Langdon

Victorian state manager Tim Le Roy organised a team from Scottish Pacific Benchmark's Melbourne office to join in a charity bike ride to support The Smith Family.

Tim pulled on the lycra shorts along with Kate Langdon, Andrew Elliott and David Coleman in a field of more than 16,000 riders who pedalled from Melbourne, across the Westgate Bridge, to Altona and back as part of the "Aviva Investors Around the Bay in a Day" fundraiser.

With support from clients, family and friends the team raised \$1,500 in donations, an amount matched by SPB, resulting in a contribution to The Smith Family of \$3,000 towards a range of valuable community programs.

Tim's wife, Heather, works with The Smith Family.

"I get a detailed view of the work they do and the challenges they face in helping disadvantaged young Australians and their families," says Tim.

"Some of the issues we discuss are simply heartbreaking but it is incredibly rewarding when you see how much a helping hand or great program is appreciated by these families."

For information about The Smith Family visit [www.thesmithfamily.com.au](http://www.thesmithfamily.com.au)



Scottish Pacific Benchmark has offices in Adelaide, Auckland, Brisbane, Christchurch, Melbourne, Newcastle, Perth, Sydney, Townsville, Wellington and Wollongong.

One call is all it takes **1300 debtor (332 867)**

Visit us on-line at [www.spbgroup.com.au](http://www.spbgroup.com.au)  
or direct mail to GPO Box 9969 in your capital city

### 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.

This newsletter is a business commentary produced by Scottish Pacific Benchmark which is the registered business name of Scottish Pacific Business Finance Pty Ltd (ABN 79 008 636 388) and Benchmark Debtor Finance Pty Ltd (ABN 94 082 607 654). All comments are the opinions of the editor and are provided for your interest only.

## small business champion

Scottish Pacific Benchmark congratulates Centre Labour Force and Recruitment NT following their win in the Northern Territory's Small Business Champion Awards.

Centre Labour Force and Recruitment NT supplies complete personnel administration, undertaking all contractor payroll, administration of statutory requirements, contractor sourcing, interviewing and screening, Workers Compensation premiums and claims administration (where applicable) and is adaptable to a client's specific needs.

SPB's cash flow finance solutions are particularly suited to labour hire companies, given their requirement to pay their staff and contractors well before they receive payment from their clients.

SPB's Queensland state manager Michael Bailey said the company was an outstanding example of how debtor finance could assist a growing business.

Scott Hammermeister accepted the congratulations on behalf of the company, which has offices in Alice Springs (NT) and Redcliffe in Queensland.



Michael Bailey (left) congratulates Scott Hammermeister

## case study

### Industry

Blue collar temporary and contract labour recruitment

### Annual sales

\$25m

### Why Debtor Finance?

Debtor Finance is the core working capital solution for many companies in this industry, where "supplier" trading terms are only 7-14 days but customer payment terms are 30+ days.

### Why Scottish Pacific Benchmark?

The existing banker advised they would terminate their existing debtor finance facility due to historical trading losses in a related entity that was operating in an unrelated industry. SPB was prepared to look at the bigger picture for the whole group and, on the basis that the loss-making business had since been closed down, agreed to provide a confidential facility.

### Facility size

\$2,000,000