



**"We honestly wouldn't be here today if it wasn't for Scottish Pacific Benchmark."**

*Kathy and Michel Audry, Owner of Eyres Optics,*



scottish pacific  
benchmark

## Cash flow funding in a niche market

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.

"We honestly wouldn't be here today if it wasn't for Scottish Pacific Benchmark."

So says Kathy Audry.

Kathy and Michel Audry own and operate Eyres Optics, producing state of the art eye protection for industrial applications and fashionable safety sunglasses.

Established in their home in 1989, they built the business slowly over ten years but ran into trouble when the young but ambitious couple wanted to expand.

"We'd been working solely from home, to the extent that our children were accustomed to using the packing boxes in the lounge room as cubby houses," says Kathy.

"We went to our bank in the late 1990s, knowing that we needed to guarantee our cash flow, but they would only look at funding us if we mortgaged our home," she says.

"We knew we had a sound business model and Michel had done extensive market research – but I just couldn't bring myself to put our home on the line. I didn't think we'd need to do that.



*The team at Eyres Optics*

"We'd worked so hard," she says. "Ever since Michel first came to Australia in 1984 and after few year of analysis in which Michel identified the need to manufacture consumer goods in Australia, he presented a proposal to the Cancer Council of WA to purchase sunglasses from him; when the eyewear was shipped to Australia he discovered that the French imported sunglasses were largely deficient in terms of the compliance they offered."

"He researched the design and manufacture of sunglasses and safety eyewear and decided there was a significant market for fashion styling to replace the essentially unattractive ranges that were being offered to the OHS (Occupational, Health and Safety) market."

The couple found an alternative in the debtor finance product offered by SPB, which provides 80% of the value of their invoices within 24 hours, allowing them to pay their suppliers and place forward orders without waiting for their own customers to pay.

"It's just so much more flexible than an overdraft or bank loan because it grows with the business," says Kathy.

"And it's allowed us to expand even further, to undertake the research and development to grow our business into a position we knew we could reach with the right level of support.

"Not only have they helped with our growth, but they've helped us save on staff costs and management time by maintaining our debtors ledger.

"Scottish Pacific Benchmark really has been our partner in growth," Kathy insists.

## Eyres Optics are looking good

Eyres Optics, a West Australian designer/producer of eye protectors and sunglasses, was established in 1989 and on state-of-the-art ingenuity in tooling and forging to produce eyewear to meet both the simplest and most demanding needs.

Along with offering high quality at competitive prices, Eyres Optics is the force behind exciting worldwide breakthroughs in

eye protection technology currently hitting the Australian market.

Optical Quality Assurance is Eyres Optics' priority. Product development partnerships are their working philosophy and the results reflect the degree of their commitment.

In 2011 Eyres Optics is a leader and the only manufacturer of OHS eyewear that includes non-prescription and prescription eyewear.



Check out our website - [www.debtorfinance.com.au](http://www.debtorfinance.com.au)



## Growth trend towards debtor finance

As business lending by banks continues to trend downwards, Scottish Pacific Benchmark is recording sustained growth in the provision of essential cash flow finance to small business.

SPB CEO Peter Langham said funding provided to clients in the 12 months to 1st April 2011 was 13% higher than the previous corresponding period.

In March, the Reserve Bank of Australia told a federal parliamentary committee hearing in Sydney that lending by banks to small business was still below levels before the Global Financial Crisis of 2008. (ABC News, Friday 11th March 2011)

Some of Australia's top banking executives defended the low rate of loans to small businesses, saying the global financial crisis had made lending much riskier.

Mr Langham said he could understand where the banks were coming from based on their requirements. However, he said that SPB's facilities were better suited to many SMEs because it was based on very different factors.

"Our facilities are about funding today's sales invoices and any risk is with the customer paying in the future. That means we're less



Peter Langham

concerned with the business operator's past," he said.

Mr Langham said overseas trends showed the increasing use of debtor finance as an alternative to overdrafts and other traditional banking products.

In the United Kingdom, debtor finance turnover topped £56-billion (GBP) in 2010, or A\$86.5-billion, an increase of 11% over the 2009 total.

Similarly, the total turnover for the factoring and commercial finance industry in 2010 across the European Union was €986-billion (Euros), or A\$1,347-billion, representing an increase of more than 17% when compared to the 2009 figures.

There are more than 41,000 companies using debtor finance in UK compared with around 6,000 in Australia, a comparison that Mr Langham believes shows clear room for continued growth in this country.

**"On a per-capita basis, there is one company using debtor finance in the UK for every 1,512 people compared with Australia, where there is one company using debtor finance for every 3,666 people," he said.**

"Clearly there is an opportunity for more businesses in this country to realise the value of their outstanding trade invoices without having to go through the often emotional process of convincing partners or spouses to put their homes on the line."

SPB can provide lines of up to 80% of the value of trade invoices within 24 hours.

Genesys representative Malcolm Davis said the small and medium size business sectors were generally optimistic.

"However they are still experiencing issues, such as retaining quality staff and getting access to the necessary finance to help grow their businesses further," he said.

(The West Australian, 22nd November 2010)

Realise your full potential with these powerful benefits

**Your funding**  
today's invoices become tomorrow's cash

**Your future**  
flexible business finance that grows as your sales grow

**Your freedom**  
using your business assets not property as security, now that's freedom!



### What our clients say about us

**"I have never come across a company that truly understands how customers are to be treated until I began dealing with Scottish Pacific Benchmark."**

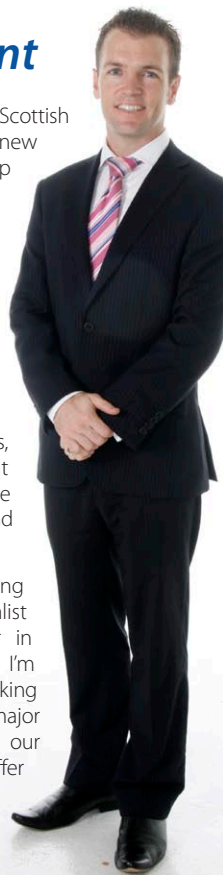
Steve Casamento,  
Swadesir Internatinal Manufacturing

### Senior staff appointment

Ryan Mitchell has joined Scottish Pacific Benchmark in the new role of National Partnership Manager. Ryan will be working with our many referrers to ensure our relationships are as beneficial as they can be to all parties involved.

Prior to joining SPB, Ryan had worked in a national management role with a large brokerage business, which gave him great exposure to a wide range of business models and products.

"I'm delighted to be working for the leading specialist debtor finance provider in Australia," said Ryan. "And I'm looking forward to working cooperatively with our major referrers to optimise our relationships and to offer the best possible service and product range to them and to their many clients."



### Case studies

**Industry** Contract labour recruitment

**Sales** \$25 million

#### Why Debtor Finance?

In this industry, "supplier" trading terms are only 7-14 days but customer payment terms are 30+ days.

#### Why Scottish Pacific Benchmark?

The bank terminated 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

**Industry** Mining & Quarrying Equipment & Supplies

**Sales** \$6.5million

#### Why Debtor Finance?

Directors did not have sufficient real estate equity to source traditional bank products. Debtor Finance provided a flexible funding source leveraged off the clients debtors.

#### Why Scottish Pacific Benchmark?

The clients Bank was no longer supportive after business accrued tax arrears. Scottish Pacific Benchmark was able to approve a cash-flow facility to meet accelerated growth.

**Facility Size** \$1,500,000

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.

One call is all it takes 1300 332 867

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

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