



scottish pacific
benchmark

"We are continuously able to assist growing business with their working capital."

Peter Langham, Scottish Pacific Benchmark CEO

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.

Riding the Roller Coaster

In the past month we've heard or read reports that tell us business confidence is rising at the same time that business lending is declining.

While the opposing movements are largely explained by the lag in timing between rising confidence and loan applications, it remains apparent that many forms of business lending will remain restricted.

Latest figures from the Australian Bureau of Statistics show the seasonally adjusted series for the value of total commercial finance commitments fell 10.0% in September 2011, after a 7.7% rise in August 2011. Revolving credit commitments fell 15.3%, after a 6.2% rise in the previous month. Fixed lending commitments fell 7.3%, after an 8.5% rise in the previous month.

But while business lending by banks may trend downwards, the debtor finance market continues its upward trend. The latest figures from the Institute for Factors and Discounters (IFD), show a rise in debtor finance to Australian businesses in the September 2011 quarter to \$15.6 billion, compared to \$15.2

billion in the June 2011 quarter and \$15.0 billion in September 2010. That's an increase on the same time last year of 4%.

Interestingly, Scottish Pacific Benchmark (SPB) recorded growth of over 25% on last year, far exceeding the industry figures.

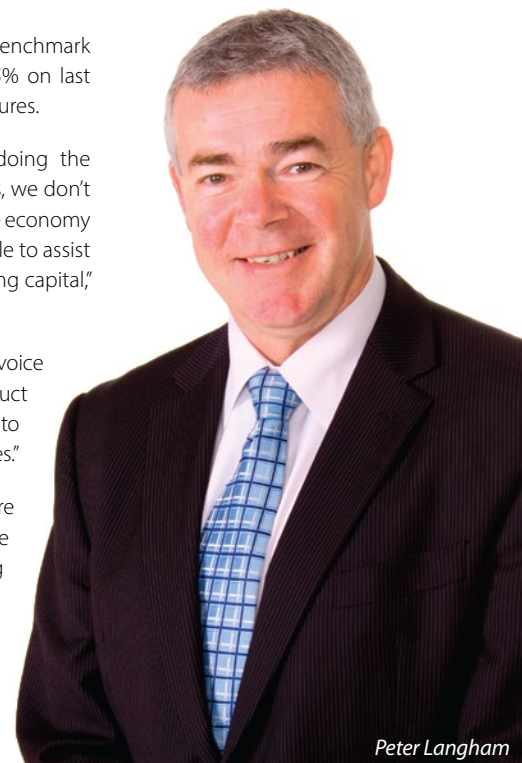
"As specialists who have been doing the same thing for more than 20 years, we don't change the rules depending on the economy and hence we are continuously able to assist growing business with their working capital," said SPB CEO Peter Langham.

"Many banks are finding invoice discounting is not a core product and are referring those facilities to specialist providers such as ourselves."

Mr Langham has seen a more positive approach to debtor finance from larger organisations, including subsidiaries of overseas parents and public companies now using SPB's facilities.

"And it's not just Australia. Our New Zealand business is seeing

significant growth and it can't all be down to them winning the Rugby World Cup!"



Peter Langham

Health Check

Christmas "health checks" for SMEs:

- Review your budget weekly or monthly to keep track of cash flow, expenses, sales and profit.
- Review every item of expense and determine whether certain expenses can be eliminated or reduced.
- Review your financing to ensure your debt is minimised and that it is tax-deductible.
- Review your debtors ledger to identify customers who are struggling to pay or reducing their purchases.
- Review your collection practices. If you're not using Scottish Pacific Benchmark's cash flow finance solutions, consider tightening your credit to customers.
- Review your stock holding and inventory levels with a view to keeping your cash in your business.
- Above all, remember your staff are valuable assets and replacing them can be costly. Create and retain an environment in which good people want to remain.

Check out our website - www.debtorfinance.com.au



Looking Good!

It's the perfect fit.

Exactly what you'd want to hear from a clothing manufacturer. But the compliment is about a business partnership rather than the clothing.

Gold Coast company RT Clothing produces an enormous range of high quality clothing for many of the most popular sports brands. And they've grown their business from a "cut, make and trim" operation to full manufacturing and distribution, with the support of Scottish Pacific Benchmark.

Owners Lora and Paul Sinclair bought the original business in 2005.

Financial controller Michelle Fraser says the partnership with Scottish Pacific Benchmark has been longstanding.

"When we started as a cut, make and trim business it was essentially a labour hire operation, so SPB's factoring facility was perfect for us because you can't afford to wait 30-days or more for payment when you're paying your workforce every week," she says.

"To maintain our cash flow, we needed to be able to draw down against the value of our invoices and SPB were our preferred provider because, unlike the major lenders, they understood our business. Their client managers actually took the time to understand what we did and how we worked with our clients," says Ms Fraser.

As RT Clothing grew, the company found itself dealing with some of the world's major sports clothing brands.



The team at RT Clothing

"We identified a potential acquisition that involved full manufacturing, and things moved pretty quickly," says Ms Fraser.

"The day we bought the plant and equipment we essentially went from zero to hero overnight. And that involved some major spending, not just on the P&E, but also on stocks of fabric and accessories."

Again, she says, SPB were there for support.

"They understood the potential and they knew our business so they were prepared to work with us in terms of significantly increased invoice values. Frankly, we couldn't have done it without them.

For eligible businesses, invoice discounting or factoring helps to even out cash flow fluctuations caused by expansion, large orders or seasonal upswings.

The Australian market for debtor finance grew by more than 600% over the past decade.

RT Clothing is proof positive of the benefits.

CASE STUDIES

Industry Printing

Why Debtor Finance?

Two years of poor performance covered by Directors contribution of additional funds raised against their family homes. Business had begun to grow again and more funds were needed but the Directors wanted to cap the liability against their homes. Their bank was unwilling to assist without mortgage security.

Why Scottish Pacific Benchmark?

Existing financier insisted on real estate security and Scottish Pacific Benchmark had no such requirement. Our on-line web portal also provided superior client account information and reports.

Facility Size \$1.2 million

Industry Manufacturing

Why Debtor Finance?

Growth restricted by a lack of available working capital and bricks and mortar security was fully pledged.

Why Scottish Pacific Benchmark?

Flexible attitude to high concentration with few debtors that precluded many of our competitors.

Facility Size \$1 million

New Staff

Greg Fisher has joined Scottish Pacific Benchmark in Brisbane as a Business Development Manager.

Greg has over 20 years experience in the debtor finance industry, working for both finance companies and banks.

"I've always appreciated the versatility of debtor finance in providing a solution to a wide variety of business scenarios," Greg said. "It is greatly satisfying to help referrers identify those opportunities to provide mutually beneficial outcomes and seeing the looks on the faces of business owners when you show them how they can achieve their business aspirations."

Brad Coppens has rejoined Scottish Pacific Benchmark's Melbourne office. Brad is highly regarded for his knowledge and experience in the industry and makes a welcome return to our ranks.



Greg Fisher



What our clients say about us

"It became very clear, very quickly, that it was the ideal solution for us."

Chris Cromwell,
Central Victorian Providers



Season's Greetings

From everyone at Scottish Pacific Benchmark, we wish you a safe and joyous holiday season and we look forward to working with you in 2012.



One call is all it takes 1300 332 867

Visit us on-line at 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.