

*your funding
your future
your freedom*

measured approach to business success

For a man who lost his business during the drought seasons of the 1980s Peter Burgess has come a long way and he sees his resurrection as a combination of hard work, smart thinking and a flexible finance partner in Scottish Pacific Benchmark.

Peter is the founder of Liquid Systems (SA), an Adelaide based engineering firm that specialise in the design, manufacture and supply of farm machinery systems and components for the application of liquid fertiliser via furrow banding. Liquid delivery offers farmers a wide range of benefits over solid fertilisers, including more accurate delivery and the ability to carry trace elements and fungicides as part of the treatment process.

With more than 40-years experience in the agricultural industry, Peter recalls losing his business and taking a job as a car detailer until he worked out where to channel his experience and energy.

“According to the bank, having losses in two consecutive years meant you were a fool,” says Peter.

“Even though we were building the business at the time, the bank wasn’t interested. The faceless number crunchers in their credit departments wouldn’t even come out and look at what we were doing.”

He eventually got back into the farm machinery sector as state manager for an established company but was always destined to re-start his own enterprise.

Peter and his wife, Sandy, started Liquid Systems in 2002 using the equity in their home and an overdraft from their new bank. The business rapidly established a reputation for creative delivery solutions and attracted the attention of major farm machinery manufacturers.

“Growth was great but our overdraft and equity facilities weren’t flexible enough to deal with the increased cash flow demands,” he says.

“So we changed to new bankers who introduced us to the idea of factoring our invoices through a relationship they had with Scottish Pacific Benchmark.

“The difference was startling quite frankly,” says Peter. “They took the trouble to understand our business. It means we can use the facility to buy equipment and pay our wages bill without having to wait for payment from our clients for previous orders. On average, we’ve been able to double turnover and profits each year since we started working with Scottish Pacific Benchmark.”

Despite the global credit crisis, Liquid Systems increased turnover by more than 150% in calendar year 2008 and profit increased by an even greater



percentage as the company’s fixed costs now represent a reduced portion of overall expenses.

The SPB solution offered Liquid Systems debt funding at a flexible level rarely considered by bank lenders.

“We opted for a full-service factoring facility where SPB handle our debtors ledger so that we also save on staff costs and they effectively fund our growth - no matter how much we grow. The proposition essentially pays for itself.”

Factoring allows a business to secure cash flow against its invoices but the financier manages the collection of invoices and the maintenance of the debtors ledger.

It allows the business owner to concentrate on core money-making activities such as business development and customer service, while leaving the more mundane chores of debt collection to the country’s largest and most professional debtors manager. It is suitable for all businesses that sell on credit terms to other businesses, but particularly those going through rapid growth phases and that lack the resources and expertise to manage their debtors efficiently.

The cash flow quietly takes care of itself and usually yields savings well in excess of the fees paid.

“We’re now growing our business year-on-year; and with SPB’s help we’re moving into export markets in the USA, Canada, Europe and Africa,” says Peter.

It's not just cricket



Brokers, clients and their staff joined Scottish Pacific Benchmark staff for a relaxing day at the cricket in Perth.

SPB state manager Mark Hallam hosted more than 40 guests at the annual Lilac Hill cricket festival, featuring good food, fine wines and two Twenty20 matches.

The matches featured Western Australia playing Victoria in the morning session and a Cricket Australia Chairman's XI playing a WACA President's XI in the afternoon.

case studies

Industry
Freight Service

Annual sales
\$850,000

Why Debtor Finance?
To assist meet an ATO liability and to meet ongoing working capital needs.

Why Scottish Pacific Benchmark?
Scottish Pacific Benchmark's quick turnaround and flexibility was a key factor in their decision making process.

Facility size
\$150,000

Industry
Recruitment and Labour Hire

Annual sales
\$5,000,000

Why Debtor Finance?
Facility needed to fund set-up and to meet ongoing working capital requirements.

Why Scottish Pacific Benchmark?
Based on the experience of the principals, Scottish Pacific Benchmark were able to offer a fully confidential facility, despite this being a start-up.

Facility size
\$750,000

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.

confidence growth in retail



There's little doubt that 2009 will be a challenging year for the broader business sector, but there are indications that some small businesses will do well amid the gloom.

The Australian Retailers Association said Australian retailers recorded an improvement in business confidence in last quarter of 2008 – the only industry sector to record an increase in confidence in that quarter.

Using figures from the November 2008 Sensis® Business Index and the Association's own Australian Retailers' Index, the ARA said that while there were still tough times ahead, there was reason for some optimism.

The Association stressed the need for businesses to maintain strong checks on their credit and cash flow arrangements.

Scottish Pacific Benchmark offers SMEs a suite of cash flow finance solutions that can be tailored to suit growing small businesses.

SPB chief executive officer Peter Langham said it was important for all small business operators, not just retailers, to maintain tight controls in these testing economic times.

"Cash flow is critical to any business," said Mr Langham.

"Effective cash flow management and credit controls could easily be the keys to ensuring not just growth, but survival for some businesses."

Mr Langham urged brokers, bankers and accountants to ensure their clients were aware of the benefits of cash flow finance when considering their funding alternatives.

The results of the Sensis® Business Index survey and the ARA Index can be downloaded from www.retail.org.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 1 300 debtor (332 867)
Visit us on-line at www.spbgroup.com.au
or direct mail to GPO Box 9969 in your capital city