

“THE SECRETS TO GROWING YOUR BUSINESS WITHOUT HURTING YOUR CASHFLOW”

Written by Nathan Drew

Rated Excellent 9.5 out of 10



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Fox Finance Group

Total Finance Solutions



Our team have helped literally thousands of clients achieve their financial dreams. As a Fox Finance Group client your financial future becomes a whole lot easier to understand. Our team will help you untangle the web of finance and are there to help you every step of the way. It's our job to help keep the banks competitive and present the very best finance and planning options for our client's needs.

OUR CORE VALUES

- ✓ provide customers freedom of choice
- ✓ We keep the banks competitive
- ✓ untangle the web of finance for our customers
- ✓ Regular, open and honest communication
- ✓ Integrity, honesty and fairness
- ✓ Assisting our clients to grow and live their dreams
- ✓ No limits or boundaries to what we can achieve together

One of the exciting things about our business is seeing our clients grow and the privilege of growing with them.

If your financial needs are growing and becoming more sophisticated, it might be an opportune time to connect.



Preface

In this eBook, I want to share with you what I have learnt through my experiences in helping many business owners realise their full potential with the use of well-structured Unsecured Business Loans as part of their overall funding strategy. Many smart business owners that we help are using these strategies to boost their capital and to take advantage of opportunities to grow their business. I also want to share some of the research and articles that I have written about Business Lending here in Australia right now, along with the stresses that are being felt by Australian Business Owners today.

Australia is a nation full of small business owners. It's no surprise that research shows that small businesses currently employ approximately 44% of all private sector workers, and this employment percentage is growing every year.

The Entrepreneurs that are trying to grow these businesses here in Australia are facing many financial challenges, including how to grow their businesses to the next level with limited or no working capital.

Australian Businesses are creating fantastic services and products that are solving both big and small problems for everyday people, but a large number of business owners don't have the security, capital or resources to take their great ideas to market.

Going back only 5 years, the big four banks controlled most of the business lending here in Australia. If you needed funding to grow your business, you had little to no choice outside their firm grasps. The choice for a business owner was simple, if they said no, you didn't grow. Consider how frustrating this was for a motivated business owner that was ready to take their business to the next level.

Today's financier landscape has changed dramatically with the rise of Professional Financial Services Groups here in Australia. As the trust levels for the big banks diminished, largely through the findings of the Royal Commission into the banking conduct of the major banks here in Australia, the need for having a trusted business advisor in your corner has grown exponentially.

Over recent years we have seen the entry of FinTech Financiers into the lending marketplace here in Australia. Some of these FinTech companies are focusing on helping small businesses with cashflow funding in particular. When you marry up the passion that a Business Lending Specialist has for helping small businesses grow and the funding that is being made available to us by FinTech companies you finally have the ability to put together a sustainable plan for business growth.

Preface

The reason I do what I do is largely driven by my passion for helping people be the very best that they can be. If you have any questions after reading this, please feel free to contact me directly via email with your questions on nathan@foxfinancegroup.com.au. I get a lot of emails from people just like you that are looking for advice on anything from funding advice right through to general business advice, so please don't be a stranger, reach out to me if you have questions.

Yours in Business.

Nathan Drew

How to Avoid Cashflow Lumps as a Business Owner



You may have heard the saying that Cashflow is King?

A lot of business owners struggle with understanding exactly what the effect is of not having a strategic plan around cashflow funding and how this could affect their business at some point.

At the end of the day, cash flow is about having money in your account at the end of the week to pay the bills. It's crucial for when it comes to pay expenses, repaying debt and planning for business growth. Here are some common cash flow mistakes to avoid, and how to stay on the right path to success.

1. Putting Your Head in the Sand

Some common issues arise after a business suffering from poor cashflow for example, tax debt, bills piling up or missing your loan repayments. Obviously staying on top of these things is key, but not having something in place for when things do not go quite to plan is just as important. Keeping the communication lines open with suppliers and the tax office is something that a lot of people fail to do. They stick their head in the sand as they keep forging ahead with the everyday rigors of everyday business life. Most suppliers will be more than happy to work with you on a payment plan so keep the conversation open and flowing.

2. No Business Plan or Cashflow Projection

Running a business without a solid business plan and cash flow projection is like playing darts in the dark. If this isn't something that you have had experience with previously, engage with a professional service to help you. Taking the time to put an achievable business plan in place is crucial to your success. It will help you prepare for seasonal business cycles and any one-off costs that will arise.

How to Avoid Cashflow Lumps as a Business Owner

3. Letting Your Outstanding Invoices Mount Up

Not having a strategy on following up on your outstanding invoices can stop your cash flow in its tracks. Businesses that utilise their accounting software program to politely follow up their invoices have a much lower rate of concern around cashflow in the business. Automated online overdue reminders are key to saving you both time and money, plus it will help you get your money back into your account where it belongs.

4. Stick to the Plan

Once you have your business plan in place, avoid the temptation to make snap decisions around spending. One of the things that most business owners love about running their own business is that they have the final say. That's great, but it's still important to think through the pros and cons of every purchase and if your business will truly benefit for that purchase today.

5. Too Much Inventory

It's a fine line between having the right amount and mix of inventory and holding too much of the wrong slow-moving inventory. Performing a rolling stocktake in your business is key to keeping on top of your inventory stocks. If your stocktake reveals that you have old stock taking up space, maybe coming up with a marketing plan to discount on bulk orders to get the old stock off your shelves to make way for newer, higher turnover stock is in order.

6. Inadequate Accounting Software

Online accounting software has come a long way over the past 5 years. If you are looking for different ways to simplify your administration process so you can focus more time into growing your business, then you need to be on top of this part of your business. If you haven't already taken the plunge into the accounting cloud, it may be time to move into an automated system that lets you easily send invoices, make payments and run reports on your financial health.

Simple to use, low cost cloud accounting systems are now widely used and can help you manage your business finances. Start by making a list of what you need, and then look for the system that works for you. Paying a monthly subscription fee can be worth it if it saves you time and helps you get invoices paid.

Unsecured Business Loans

The world of Small Business Lending has changed dramatically over the past 5 years with the introduction of Alternative Financiers into the Australian financial landscape.

These financiers have challenged the big bank's way of thinking about how a small business loan needs to be assessed, what information is required, how they want to receive the information and how quickly it is transacted.



Quick, fast and simple are a few of the words used to describe some of these Alternative Financiers and let's face it, that works well for SMEs. The introduction of these new small business unsecured business loan products has made gaining access to working capital to grow your business a breeze. In the past 12 months, some of the Alternative Lenders have increased their loans out the door by over 450%. Yes, that's right, 450% growth in business lending alone.

Here are a few reasons why more and more business owners are speaking with their trusted Finance Broker about an Unsecured Business Loan to help grow their business.

Simplicity

Applying for a traditional secured bank loan can be a very complex process. Sometimes the bank will ask for the preparation of detailed business plans and strategy documents, plus the provision of full financial statements and extensive other supporting documents. This process can be costly to prepare these documents plus also costly from a time perspective, especially if you are trying to capitalise on an opportunity and need the funds now.

With the right know-how, you could gain access to an Unsecured Business Loan application that can often be made online in a few simple steps. You can link your business data online for assessment, for example digital bank statements, Profit and Loss and Balance sheet from your online accounting system. This quick online process keeps things simple for the Finance Broker and the business owner, another bonus is you are dealing with real time data, so the decision on your loan can be made quickly and with confidence by the financier. That's a win, win for everyone.

Unsecured Business Loans

Easy Access

Very few businesses meet the stringent lending demands of the major banks, who generally require two to three year's trading history, a consistent high minimum turnover and personal or commercial security for the loan.

On the other hand, some Alternative Lenders will offer to lend to businesses that cannot offer any security and that have a few issues sitting on their credit file from previous finance but are on the right track again now.

Unsecured Business Loans generally carry a higher interest rate than a traditional secured loan due to the higher risk for the lender. For you as the business owner the decision is simple. Does the opportunity that you will be able to secure outweigh the costs of the finance to execute the deal?

Convenience

Convenience and flexibility is a key part to making your small business loan work for you. Did you know that there are Alternative Lenders that offer no set up costs, no ongoing fees and no early payout fees? Some will also allow you to match the amount you borrow, your interest preferences (fixed, variable or combination) and your repayment terms to your specific business needs.

For example, if you own a seasonal business, you may be able to negotiate a repayment schedule that allows you to make additional repayments during your busy periods, but then reduce the amount you are required to repay when your turnover is lower. Pretty exciting stuff for a small business on the move!

Unsecured Business Loans

Fast Turnaround

While major banks can take weeks or even months to assess a loan application, Alternative Lenders that are offering Unsecured Business Loans are usually assessed the same day, with you being offered a transparent loan offer for you to consider upfront.

If you decide to move ahead with the unsecured business loan offer, you could have funds in your account within one business day. This has become a very popular option for businesses that need a fast cash injection to cover working capital shortfalls, or to pursue an exciting, time-critical growth opportunity.

No Security Required

Many business owners simply don't want to offer up their personal security, nor do they always have the necessary assets to offer as collateral for a secured loan.

Some business owners may have the option to use personal property such as their family home as security, but this can be an extremely risky strategy if your business sails into troubled waters. If you have given up this security to the bank, you could end up losing both your home and your livelihood at the same time. At the end of the day, why give up your personal security if you don't have to?

A seasoned Finance Broker will be able to guide you through the maze of opportunity that exists within the Alternative Lenders marketplace today. This added competition means that with the right guidance from a trusted professional, it is now easier find a lending partner that is willing to work with you and your specific business needs both now and into the future.

How Does Linking My Bank Account Details Work?

These days, many lenders will request access to your online bank accounts as part of the loan assessment. With new technology, being able to access these details helps the lender make their lending decisions based on your business or personal data. This data listed on your bank statements allows them to look at things like, deposits, withdrawals, payments of loans, cash flow for a business and transaction volumes.



But Just How Safe Is This Permissioning?

Online bank account permissioning is usually done through the online application process, or on request by your trusted Finance Broker. Here you will be asked to enter your username and password (your Credentials) in the same way that you would access your online bank accounts. This might seem uncomfortable, but the back-end processes are robust, and security measures are as strong as any Australian banking institution. In fact, the security measures that are taken to protect your information throughout the process is the same technology used by the big banks right here in Australia.

Let's Dig a Little Deeper

The main reasons for financiers wanting this access is to save you time and ensure the accuracy of their loan assessments. Once upon a time, getting a loan meant spending 6-8 weeks filling in forms and then waiting around for banks to approve you. New technologies have helped professional Financial Service Groups like Fox Finance Group improve their processes, allowing them to deliver a fast and painless solution. This means that you don't have to spend weeks drowning in paperwork in order to apply. When you give access to your bank data, we are able to take a quick snapshot of all the information that we need to best present your loan application to the very best financier option.

To put things in perspective, linking your bank transaction feed takes less than 15 seconds to complete, which is light years faster than you scanning bank statements or downloading PDF documents from your online banking portal. In addition, a lot of the Fintech Financiers systems are now set up to read and analyse electronic bank transactions in a matter of seconds, helping them make a lending decision in a matter of minutes.

How Does Linking My Bank Account Details Work?

Alternatively, when you provide PDFs of bank statements, the tech system's efficiency is substituted for human eyeballs which slows down the decision-making process slows down drastically, plus it then is subject to human error and misunderstanding.

What Does Fox Finance Group Actually See When I Enter my Credentials?

Here's a short summary of what we can and cannot see:

We will not be able to see bank login or passwords, nor do we store any login credentials.

We can only access bank transaction information (and typically only about 3 to 6 months' worth of transactions)

We can see transaction details for all the accounts that are normally visible to the Borrower via their internet banking profile.

We cannot make any transactions on behalf of a Borrower's account.

So, Fox Finance Group Can't Transact on My Account?

No, nor do we want to. Our aim is to find the best finance option for you in order to have money put into your account rather than the other way around! The systems and processes are set out so that we can only ever access a 'view-only' version of the transactions across an account; we do not have the facilities or capability to make any transfers, to anyone, ever.

What Service Provider Does Fox Finance Group Use to Achieve This?

Fox Finance Group partners with an Australian company called Proviso, who is a long-standing provider of online security services in Australia and is also used by many of the big banks. And just like Fox Finance Group, Proviso never sees banking Credentials and cannot transact on your bank account.

So How Does All This Encryption Actually Work?

In its simplest form, encryption is the process by which data is translated into code, which to most users would appear as a meaningless mess. Data that has been encrypted is given an 'encryption key', and only those that have the corresponding encryption key can see or open encrypted data. Every encryption key is unique and corresponds to a unique set of encrypted data. Encryption is the most effective way to achieve data security with many websites using some form of encryption (if it says HTTPS in the URL) to ensure a high level of confidentiality.

How Does Linking My Bank Account Details Work?

The permissioning security works on a double-encryption process whereby neither Fox Finance Group nor Proviso ever have access to both "keys" needed to log in to the customer's bank account.

When a customer enters their Credentials the system automatically encrypts our details and sends them securely to Proviso.

Proviso never sees or stores the Credentials, instead, they only see an encrypted file.

Proviso then adds another level of encryption and sends the double-encrypted key back to Fox Finance Group who uses it to access a 'view only' version of the customer's online bank account.

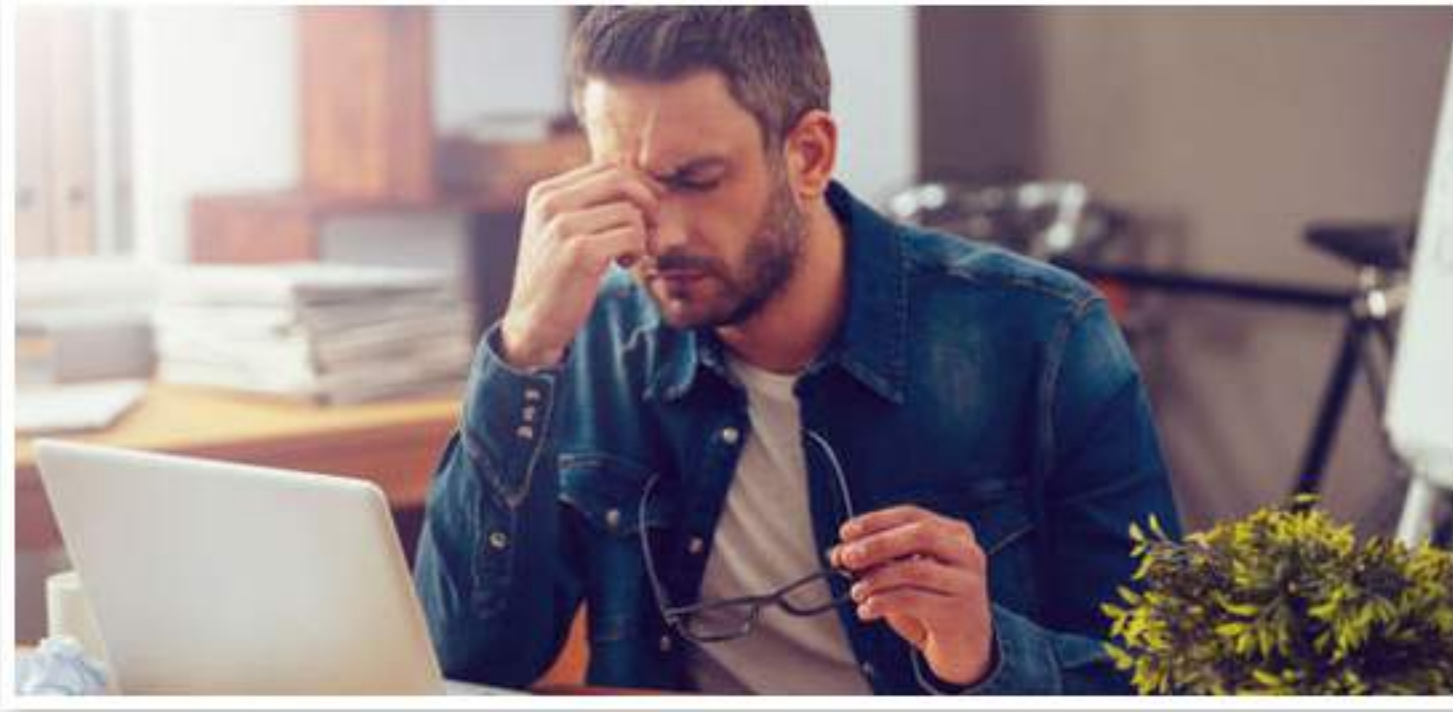
We hope this helps you understand this safe new way of getting some important information to us so we can help you gain access to fast, simple finance solutions.

If you have any questions, feel free to give us a call on 1300 665 906 and we'll be happy to chat or contact us here for more details.

Would you like to know what your Credit Score is?

We can help you untangle the web of finance and help you understand what your Credit File is telling Financiers about you as a potential borrower.

Top 10 Stresses Felt by Australian Business Owners This Time of Year?



In a recent study conducted with a small business lender in conjunction with YouGov, it has shown small business owners spend more time worrying about keeping their business open than they do actually enjoying their free time, with most of this worry related to cash flow in their business.

Do you suffer from some of these stresses below?

- 54% of SME owners spend 6 to 7 days a week on their business, with 28% working seven days a week.
- Even when not at work, almost three-quarters said concerns around their business prevented them from relaxing during holiday periods like Christmas.
- 9 in 10 small business owners said they felt distracted by work in other areas of their life.
- Nearly two thirds said it also affects their sleep.
- 4 in 5 (79%) of business owners feel that at least occasionally they miss out on quality time with their family, with 28% saying they miss out frequently.
- The report found that small business owners aged 18-49 years feel the pressure more than their older counterparts.
- Small business owners between the ages of 18-49 years are more than twice as likely as those 50 years and over to strongly agree that concerns around their business prevent them from relaxing during the holidays.

Top 10 Stresses Felt by Australian Business Owners This Time of Year?

- Their dating lives are also impacted, with one in four people surveyed under 50 saying that they have been distracted by work when on a date.
- Regardless of age, eight in ten (78%) small business owners say that at least some of their business worries are related to cash flow.
- Two-thirds (65%) of small business owners feel stressed during the holiday period because of cash flow problems in their business.

The incidence of cash flow related worries also corresponds to small business owners feeling that they more frequently miss out on quality family time.

Commenting on the findings, Fox Finance Group Founder, Dan Fox said, "Brokers play an important role in being able to provide much needed valuable support to small business owners."

"Two-thirds are stressed and distracted by cash flow during different times of the year and for many different reasons. For example, invoice-based clients are dealing with slow payments and the quiet January period, creating a cashflow squeeze."

"December and January is the busiest time for most retailers and staff costs are high. Meanwhile, CBD cafes and shops see a noticeable drop in foot-traffic as regular customers flock to the beach."

So, if you consider yourself one of the many stressed-out business owners you don't have to feel that you are alone or that help is not on hand.

We may just have the solution to your cash flow woes right here and now.

Speak with one of our Business Lending Specialists today and let us help you with a well structured funding plan to get your business flying again.

About the Author

Nathan Drew has a passion for growing businesses. For many years he has played a role in helping businesses across a wide range of industries reach their full potential.

"It took me a while to work out what I wanted to do in life, said Nathan. I knew that I loved building things, but I was no good with using my hands, so it felt natural for me to turn to using my brain and knowledge to build businesses. This is where my thirst for knowledge around finance, sales, systems and management came to the fore."



As the CEO of Fox Finance Group, Nathan is constantly driving the strategic direction of the business across all of its Divisions which includes Vehicle & Equipment Lending, Personal Lending, Home Loans, Business & Commercial Finance and Financial Planning.

"Across our different Divisions, we have the expertise to help every business, large or small, achieve great things with a well-planned out and structured use of business funding, says Nathan."

Professionally connect with Nathan on LinkedIn:

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CAR LOANS



LEISURE LOANS



HOME LOANS



BUSINESS LOANS



FINANCIAL PLANNING





KEEP CALM WE ARE "Everything Financial"



CAR LOANS



LEISURE LOANS



HOME LOANS



BUSINESS LOANS



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