

# Newsbrief

Scottish Pacific Business Finance

Issue 22

YOUR E-COMMERCE PARTNER

## Internet Payment Service

Our Open Account service has proved so popular with clients that we have extended it to allow their customers to pay accounts and check invoice details via the internet.

Since we launched Open Account in 1998, our clients have been able to check on accounts and draw funds electronically via the internet.

"Open Account is enormously popular with clients because it makes account queries and fund transfers so much more convenient. Now we're extending that option to their

customer base," said Scottish Pacific Business Finance managing director, Clive Isenberg.

The new service offers more than just the option to pay bills via the internet. It also allows customers to log into our system if they want to check on their outstanding accounts or want to obtain details of a lost invoice, for example.

"One of the things we've learned through Open Account is that a lot of small business proprietors handle their financial paperwork in the

evening or weekends, when you can't pick up the phone to check an account query," he said.

"So we expect there will be a certain level of demand for this new option and its usage will grow over time as people become more accustomed to using e-commerce," said Mr Isenberg.

For a briefing on the new option, contact your local Scottish Pacific office.

## Client Case Study

Julie Della Personnel,  
Perth WA



The inspiration for Julie Della's specialised property recruitment business came when she gave up full-time work in the real estate industry to start a family.

"I kept getting asked to do temping assignments and realised how difficult it was to get reliable people with experience in the property industry," says Julie.

After a few years learning the ropes of the recruitment industry, Julie set up Julie Della Personnel as a niche recruitment and labour hire business with a focus on the property industry.

Her business handles temporary contract and permanent placements, providing staff in a range of property related areas including residential, strata, retail and commercial property, as well as settlement personnel in agencies, law and banking and finance.

The company is based in Perth but also handles referral work in South Australia, NSW and Northern Territory.

"When I started three years ago, it was just me in a 17 sq m serviced

office," Julie recalls. "Today, we have four people on the payroll and 108 sq m of offices.

"The pace in the first and second years was unbelievable. In our third year it settled down a bit but we had the GST to deal with as well as we enter our fourth year, we're looking at expanding into building and construction arena."

Julie started looking into factoring on the recommendation of friends in the recruitment industry who understood its benefits for labour hire companies and fast growing businesses.

"Cashflow is always a problem in this sort of business because temporary invoices are seven day accounts, but seldom paid within that period. It was very frustrating having all this money outstanding, a limited overdraft and a large temporary payroll to meet every week".

"Now we have the money in the business the day after the invoice is approved," said Julie.

# Business Coaching

*Do you feel like you're working harder than ever but have lost the passion for your business? Or maybe the business is at a crossroads and you're unsure how to take it to a higher level.*

If so, a business coach may be able to help. The use of business coaches is growing dramatically in Australia and New Zealand, particularly among small and medium sized enterprises.

Melbourne-based business coach, Morris Miselowski, does most of his work in the SME sector. "When clients first come to me, they usually don't know exactly what they want out of coaching, they just know there's got to be a better way of managing their business. They've often been in business for a while and are still kicking goals but its hard work and they feel like they've lost motivation.

"It's never about the business not being successful, although the business invariably becomes more successful as a result of the work we do together," said Morris.

New Zealand business coach, Kevin McMahon, also works with established SME owners and managers. "My clients are typically in some sort of transition; they're wanting a significant lift in the performance of their business, or they're restructuring to take it to a new level or to turn the business around.

"Often they also want to get more out of their team by lifting their own performance as a manger." Said Kevin.

## Industry Update

The use of cashflow finance continues to grow strongly, according to the latest industry snapshot from the Institute for Factors and Discounters.

Factoring and invoice discounting turnover for the June 2001 quarter was \$3.12 billion in Australia, up 32% on the June 2000 quarter.

The New Zealand figures show a 7.4% increase between the March and June quarters, with turnover of \$NZ105 million in the June quarter. (The IFD has only been collecting New Zealand statistics since December so we don't yet have annual growth rates.)

## What exactly does a business coach do?

Business coaches help to identify areas where their clients can improve their performance, and then provide coaching and support to help them achieve that improvement.

Like sporting coaches, they make their clients set higher goals and strive harder than if they were left to their own devices. They usually work on a one-to-one basis, often over the phone after face to face meetings in the initial stages.

Costs vary but a schedule of three or four sessions a month will cost about \$500.

## How do you find a business coach?

The International Coach Federation has an internet-based referral service to help people find an accredited business coach in their region. Go to their website at [www.coachfederation.org](http://www.coachfederation.org) and click on "Coach Referral Service". Don't be put off by the fact that its an American website; the federation has Australian and New Zealand members.

Another useful internet website is [www.coachu.com](http://www.coachu.com). Click on "Coahu Chapters" for local contacts in Australia and New Zealand.

Morris Miselowskis website is [www.spbf.com.au](http://www.spbf.com.au) while Kevin McMahon can be found at [www.mastercoach.co.nz](http://www.mastercoach.co.nz).

## Debt Turn Alert

Businesses are waiting longer to receive payment on credit invoices, creating cashflow pressures for small and medium sized businesses.

Our statistics show that Australian businesses are taking an average of 64 days to pay accounts, 10 days more than last year. In New Zealand, the picture is better but the average wait of 54 days is still four days longer than last year.

While our clients are sheltered from this worrying trend because they receive 80-90% of the invoice amount within 24 days of invoice approval, it must be taking its toll on cashflow in the wider SME sector and causing concern for proprietors and their accountants.

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