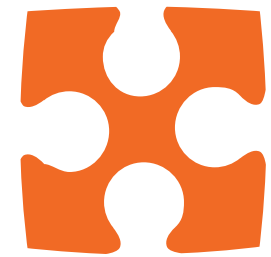
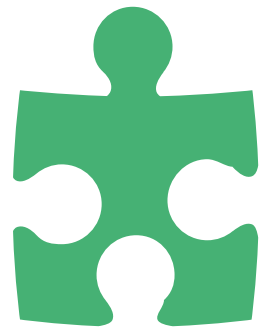


# Alternative Finance

What's out there and how it could work for you





## Alternative finance and your business

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## Welcome

At Fifo Capital we don't just sell products - we build cash flow solutions. So normally you won't catch us trumpeting all our product features and benefits because we prefer to talk one-to-one about what matters to you. However, we do know that sometimes it's nice to be able to read up on things before you make a phone call or send an email. So in the spirit of desktop research, we decided to create this ebook on Alternative Finance.

We've kept it simple, because in our minds that's how it should be. You won't find any confusing jargon or complicated explanations. This ebook is just a straightforward overview of Alternative Finance: what's out there and how it could work for you.

If you're looking for the fastest way to deal with your cash flow needs, why not contact one of our highly experienced Business Partners? Or alternatively read on and find out more about your options before you get in touch.

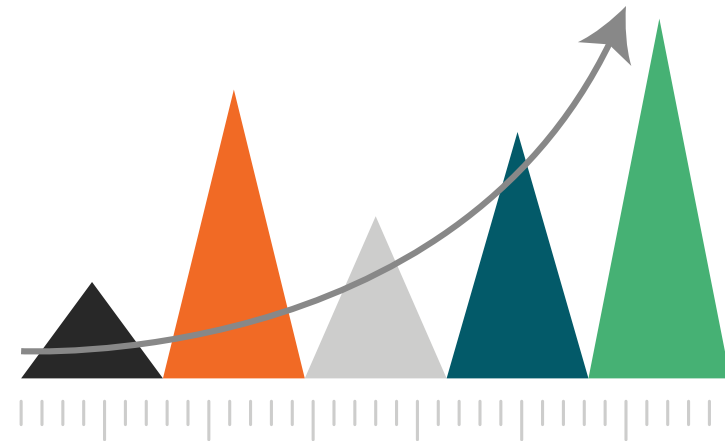


### A note from the editor

We hope you enjoy our ebook on Alternative Finance. If you have any thoughts, ideas or feedback that you would like to share, we'd love to hear from you by email at [info@fifocapital.com.au](mailto:info@fifocapital.com.au). In the mean time if you enjoy reading the information we've included, please share it with anyone else that you think might find it helpful too.

## What is Invoice Factoring?

Invoice Factoring, also known as Invoice Finance, allows a business to access cash which is tied up in unpaid invoices. This is done by effectively selling an unpaid invoice, or group of invoices, to a finance company. The finance company will then pay out a % of the invoice value (usually between 80 and 90%) to the business, holding on to the rest until the invoice is paid by the customer. At this point the finance company collects their fee and pays the remaining cash back to the business.



## Invoice factoring works well for businesses who:

- Deal with long payment terms from customers
- Have lean cash flow and need to access cash that is locked into unpaid invoices
- Manage fluctuating cash flow i.e. seasonal businesses
- Have growth opportunities that require increased cash flow
- Can benefit from early paying supplier discounts
- Are new and/or growing, and can't access traditional lending facilities
- Have a high concentration of their business with one or more customers.

### Top Tip

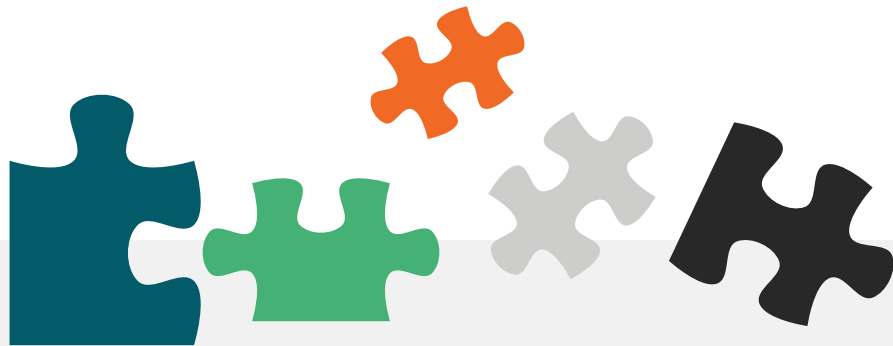
For a longer term option consider building the fees into your margins and use regular invoice factoring to effectively shorten your customer's payment cycles.

## What our experts say:

"Invoice factoring can fulfil lots of different cashflow needs because if you choose the right provider it's a flexible and adaptable product. From selling one invoice to selling many, there's no need to borrow more than you need. And you know exactly how long you'll be borrowing for - until your customer pays the invoice. It's short term funding so you can simply switch it on or off as you require."

## Let Fifo Capital help Introducing Fifo Single Factor

Fifo Single Factor gives you access to the cash you need when you need it. Our experienced Business Partners will work with you to create the best solutions to drive the long term success of your business. From \$5,000 to \$500,000, our one-on-one service means that if you speak to a Fifo Capital Business Partner today, they could have the cash you need in your hands within 24 hours (maximum 48 hours).



### What our clients say:

"The benefit of working with Fifo Capital is that when we need it, they provide the funds we need. And they're quick: they get the money to us within 48 hours of us getting in contact. We only factor a couple of invoices. That's a benefit with Fifo Capital that we can pick and choose which invoices we factor. It helps us to maintain the flexibility to manage our other work commitments while we're waiting for the money to come in."

### Grow, grow, grow

When you're growing faster than you can afford, getting access to cash can become an issue very quickly. Fifo Capital's Fifo Single Factor has helped lots of growing businesses maintain cash flow flexibility by releasing cash that was tied up in invoices. With access to cash it becomes easy to manage the cost of growth. Because they have one-on-one access to our knowledgeable Business Partners, businesses can quickly understand the different ways that Fifo Single Factor can support their goals. It's all about working together to create future success.

### Who's putting the brakes on your potential?

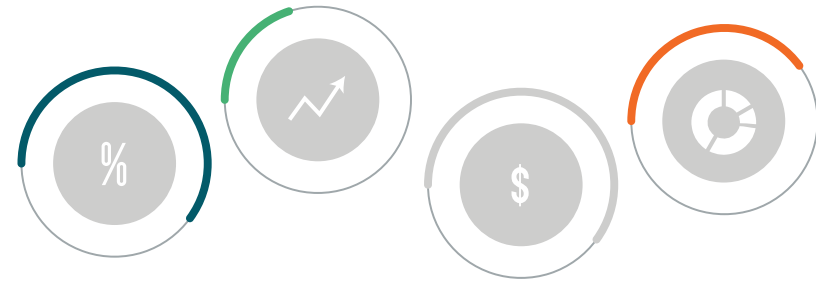
Operating with lean cash flow leaves very little room for slow paying customers or long payment cycles. A high dependency on one or more customers who take an age to pay their bills can translate into no cash to invest in growth or cover day-to-day costs. It can also make traditional lending a challenge. Fifo Single Factor can get you access to the cash you have earned, without the wait. We help you to realise your potential by taking the time to understand your business and your needs.

### Don't look back

If you're a new business or one whose credit history has had challenges in the past, then getting access to finance can be a pain. With Fifo Single Factor we secure your lending based on your customer's ability to pay - so you can unlock the potential of your business with the cash you need to get things moving. Our Business Partners work closely with every business that we support to understand both the challenges and the opportunities. With Fifo Single Factor you can trust that we will support your business into a more productive future.

## What is a Short Term Business Loan?

A Short Term Business Loan allows a company to borrow a lump sum of cash for a short period of time - usually up to 12 months. The finance company involved will confirm fees upfront, set up regular repayments and, depending on the product, should be able to support your needs without impacting existing credit or finance relationships.



## A Short Term Business Loan works well for companies who:

- Need cash but their existing line of credit is already at its limit
- Want to avoid using property as security (may vary by finance company)
- Manage fluctuating cash flow i.e. seasonal businesses
- Only want to access the cash for a short period of time
- Are new and/or growing, and can't access traditional lending facilities.

### Top Tip

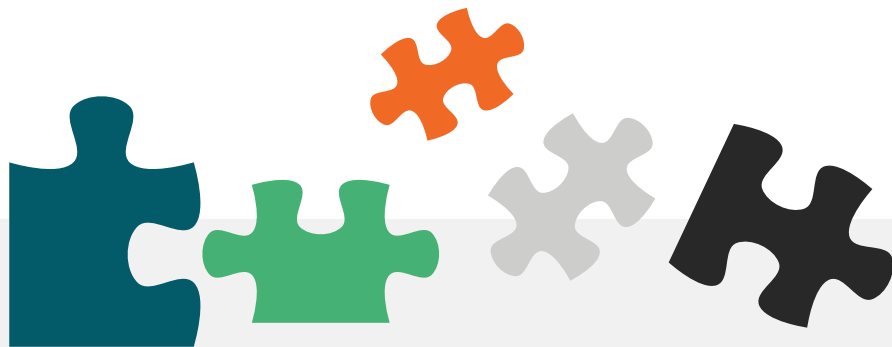
Choose a financial provider you can trust, and they will work with you to show you how a well structured business loan can add long term value to your business.

## What our experts say:

"A short term business loan is a great way for a business to top up it's cash flow in order to deal with an unexpected cost or opportunity. You can arrange to have it only while you need it - meaning you won't pay more than you need to - and repayments can be made regularly to avoid tricky lump sum payments."

## Let Fifo Capital help Introducing Fifo Smart Loan

Fifo Smart Loan gives you access to cash without impacting your existing banking relationship. Whether you need access to \$5,000 or \$500,000; we could help you move your business forward without the need for real estate security. Fifo Smart Loan can be set up within 48 hours and can last from as little as three months to 12. Repayments can be structured to suit your business: either weekly, fortnightly or monthly. If a little bit more cash is all that is standing between you and a lot more profit, Fifo Smart Loan is for you.



### What our clients say:

"Everything worked really quickly and efficiently: the paperwork was easy to fill in and, once approved, the money came through the next day. It really was a pleasure to work with Fifo Capital. And what really made the difference was their focus was on finding the best solution for us."

### Turning opportunities into money

It's not uncommon for a business to find itself facing a new opportunity without the funding to turn it into reality. That's when Fifo Smart Loan can help. Sometimes we get asked to fund the whole amount; and sometimes we're just filling a gap because the bank simply can't offer any more credit. We're happy either way, and because our product won't impact existing funding relationships we know that our solutions will work for everyone. You decide how long you want the loan for, so you can minimise the cost of turning your opportunities into real business growth.

### Get set for seasonal swings

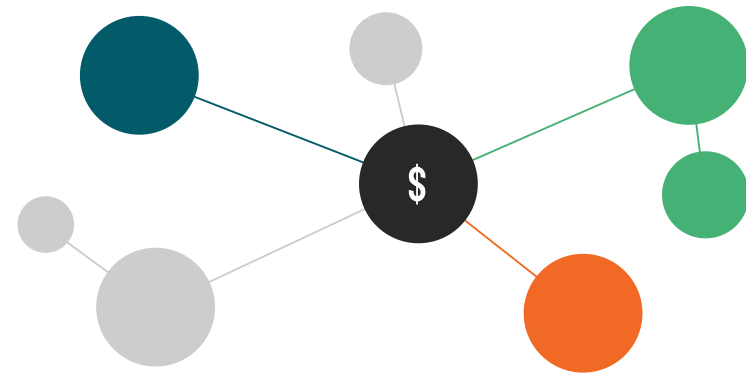
Seasonal businesses often face cash flow challenges; especially when income slows. But costs still need to be managed in advance of the next season of sales. Fifo Smart Loan can be a great solution for businesses who need to buy materials and equipment in order to fulfil orders in the coming months. By supplementing cash flow with Fifo Smart Loan, there's no need to wait until the customers start paying again at the start of the season. It's a great tool to use to get ahead of the game, manage growth in stock orders and costs, and prepare your company for the successful sales season ahead.

### Expect the unexpected

Unfortunately there are times when an unexpected cost can send the most organised business into a spin. That's why Fifo Smart Loan is great. It offers quick, uncomplicated access to cash without impacting your existing banking relationship. New clients can rely on a quick turnaround with cash within 48 hours of application being completed. Existing clients enjoy a one-on-one relationship with their Business Partner and the knowledge that one phone call can mean cash in as little as four hours. So when that unexpected tax bill, vehicle purchase, equipment cost (to name just a few possibilities) comes flying at you out of nowhere: think Fifo Smart Loan for a quick and easy solution.

## What is a payment plan?

A payment plan allows customers to break down a large purchase into small regular payments, spreading the cost over a period of time. It works like a loan, with the interest calculated based on the length of the plan and built into each payment amount. Using a finance company to manage payment plans removes the logistics from the client's business and frees up the cash to be reinvested in running the business or driving growth.



## Payment plans work well for companies who:

- Deal with customers who are struggling to pay invoices in a single payment
- Would like to attract new customers who may not be able to pay invoices in a single payment
- Need to access cash locked into existing payment plans that are managed within their business.

### Top Tip

Attract new customers by offering the payment plan interest free for a limited period of time.

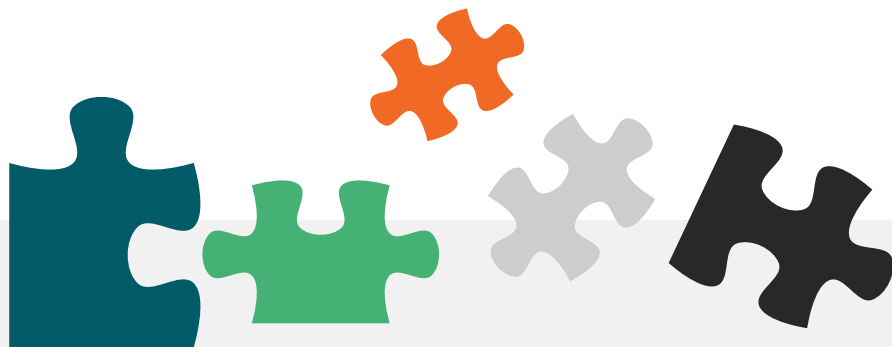
## What our experts say:

"A payment plan is a smart way of spreading the cost of a large purchase over a period of time and breaking it into more manageable amounts. By including payment plans in their product offering, businesses can broaden their audience to new clients who may not have the cash flow available to manage a large one-off cost."



## Let Fifo Capital help Introducing Fifo Flexi-Pay

Fifo Flexi-Pay has been designed to help you increase your sales potential by offering payment plans to your customers. You invoice your customer, and when they choose to pay with Fifo Flexi-Pay you receive the cash straightaway. Fifo Capital then manages the payment plan directly with the customer for their desired duration, usually between three and 12 months. We can even give you the option of paying the interest yourself and giving your customers interest-free credit.



### What our clients say:

"Fifo Capital's option for us to transfer our client receivables over to them has worked brilliantly. It has enabled better cash flow for our business and made offering credit to our clients so much easier."

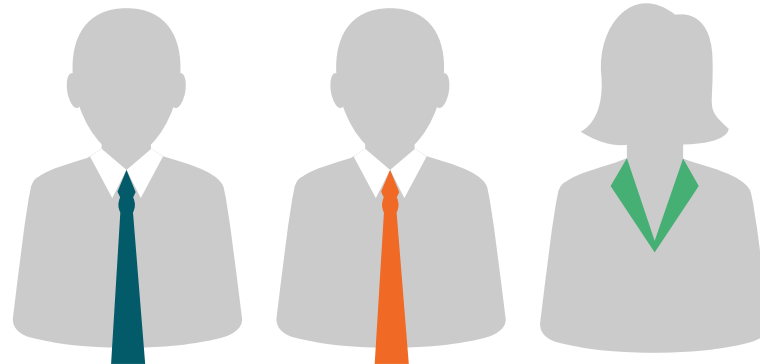
### The support to grow forward

We understand that cash flow is not always easy to maintain. So we created a tool that helps your customers manage costs a bit more effectively, to allow you to broaden your appeal. Our clients love the flexibility they can offer their customer base by including a payment plan in their offering. And it's without the risk of delayed payment or months of paperwork because we take care of everything. Fifo Flexi-Pay allows you to be paid today for what your clients pay for tomorrow.

### Seeing the bigger picture

Not all of our clients are new to payment plans. Sometimes an existing payment plan scheme which has been managed internally starts to be a drain on company resources. Whether the biggest challenge is the time spent managing payments or the pressure on cash flow reserves, handing payment plans over can offer huge relief. We simply take over the processes and pay you the cash that you have been waiting for. Our Business Partners can work closely with your business to identify the best solution to meet your needs.





## Building great businesses, together.

In business, cash flow is critically important. It's the difference between growing your business and a business that isn't going anywhere. It's the difference between grabbing the opportunity and watching it pass you by.

Alternative finance can provide a range of options to help you deal with your cash flow needs. If you're looking for the right solution for your business, we hope the information in this ebook has been of some help.

At Fifo Capital we believe that a smart product is only one part of the solution. Our Business Partners work one-on-one with each of our clients to listen to their challenges; understand their business; and create smart solutions that help them realise their potential.

If you would like to find out more about what Fifo Capital can do for your business, please contact us today. Let's work together to find a solution that works for you.



## Working in partnership for business success

In today's market, everyone has something to sell and a reason why you should buy it from them. But we all know that there is no more genuine recommendation of what a company can do than a referral from an existing client.

That's why we value the Net Promoter Score (NPS). It's a tool that measures a client's likelihood to recommend us. The question asked is 'How likely is it that you would recommend Fifo Capital to a friend or colleague?'.

How do the scores work? If you score above 0 it means you are on the right side of the scale because you have more people promoting your business than being negative about it. It's not unheard of for companies to have negative scores. Anything above 50% is considered very good.

We recently scored 62% in a survey independently conducted and verified by Vantage Performance. We're delighted: this score ranks Fifo Capital as a very high performing company and we see it as a reflection of how important our clients are to us.

We work in partnership with both our clients and referral partners to create solutions that meet their cash flow needs both now and for the future. If you're not already working with us then why not give us a call today and find out how we can support you.

Call Nigel Fitzpatrick on  
1300 73 44 95