

ABDI Specialty Webinars:

Becoming Lender Ready:

A business owner perspective – Accessing Money from Lenders



Gordon Stone:
ABDI Director, Business
Mentor and Strategist



Kym Thomas; CEO
Kahmoo Pastoral
Company



The Lender Ready Program



- **Professional Development** – to support better business management – and business growth (not production)
- Part of the **ABDI and MLA Business Management Program**
- Lender Ready **Webinar Program** – a 3 or 4 part series:
 1. **How to engage with Lenders** – support your operations and plans
 2. **Understanding a Lender's perspective** – wants, needs and drivers
 3. A **Producer Perspective** – my experience in shortlisting and approval
 4. **Optional Q&A session** – answering your questions (if you'd like)!



DONOR
COMPANY



Queensland
Government

Core Program Principle



Our Aim (a Mantra for you):

"Creating a high performing, self managing, profitable and saleable / investor ready business"

Because:

The **ABDI 12-Pillars of Business Best Practice** focus on the business owner(s) **exiting the business** with wealth and/or **sell a profitable asset**.

Kym and Tony – sought **extra funds** to **build their business!**



Who is Gordon Stone and Kym Thomas?

Quick introduction:

- Business owner (ABDI)
- Agribusiness Adviser
- Advisory roles – small business, corporates and international
- Board: Int’al Ag Consultants (5 yrs)

ABDI focus:

- Business management + business growth (not production)
- Across all ag sectors
- Getting money – from investors and lenders.

Kahmoo Pastoral Company:

- **Australian White meat sheep** (Wagyu of lamb) – commercial + stud market (QLD)
- **Cunnamulla and Inverell** – risk of climate + water = feed certainty + close to markets
- **3 generations** – succession / resourcing; Kym and Tony = succession and planning
- **Growth trajectory** – ABDI advice since 2016.

Finance sought (last 7-months):

- Extra property (it just appeared) + refinance
- To implement our 15-yr business plans
- To secure our future.

The problem: Frustrations on 'getting money'



Clients say (on lenders):

1. "Things seem to change all the time"
2. "They ask me Q's I don't have the answer to (I feel like an idiot)"
3. "Is there a checklist of what they need (that works ... and makes my life easier)?"
4. "I just don't have the time to do something this complicated – and that I don't understand"
5. "I feel abit confronted baring my soul (and finances) ... knowing that they probably see so many good operators"
6. "How do I get the best deal – and how do I even know?"

More issues:

"Getting money from banks is so complex – and frustrating"

"I've got no time – and the admin does my head in"

"Where can I get some help?"

To get an Optimum Result

Apply **6 Key Principles** to become '**Lender Ready**':

1. **Understand** – the (constantly changing) lending environment
2. **Clarity** – 'your plan' has to give potential lenders 'confidence'
3. **Commitment** (and courage) – the time, effort and discipline to create 'the plan and documents'
4. Understand **you're in 'lenders hands'** – you must put your case

5. **Orderly engagement** – with lenders (you're selling yourself to the lender; specifically to 'credit')
6. **Assess the offers** in detail – **quantitative and qualitative.**

Optimum Result – best **rates + Terms and Conditions** – to suit you

To get the Optimum Result:

A self-help system ... the **Lender Ready Program.**

Agenda:

Kym: an **Optimum Result** was crucial; hence the **6 Key Principles** to become '**Lender Ready**':

This session – our experience in becoming '**Lender Ready**' was:

1. Self understanding: '**head-space**' – it's more complex than we thought
2. **Get all the info together** – plans, financials, family, clarity
3. It's a constantly **moving target** – especially when changing lenders.

Kym's thinking now:

"Getting finance takes time – its taxing – we 'didn't know what we didn't know' – so glad we had support – so much to juggle".

- Thankfully, we already had a **Clear Plan**
- Had to show **strong professionalism**
- Reasonable **Financials** – but updated
- **ABDI Program** + advisory – and accountant support.

Wish we'd had a **Lender Ready Program** – tho' we knew about '**being investor ready**'.

1. How did I/we tackle it?

My plan of attack:

1. I have to **manage it** – not do it (too much going on)
2. **Understand** what's required
3. **Get help**
4. **Monitor** what goes on
5. **Engage** with lenders
6. Assess and **Sign-off**
7. **Be happy** with the (15-year) result.



2. What did I / we find out?



The complexity and admin "did my head in"

It's a changing space

I'm used to quick decisions

We had to jump through hoops

It can be a rollercoaster

There were a heap of balls in the air

The business is growing – will I run out of money?

"We didn't know what we didn't know" (our advisor did)

Changing banks is highly complex

You think you know your own bank – you don't!

To lenders, it's purely a profit and risk based decision – to us it's business and personal!

3. What would I suggest to others?

“Know thyself”:

- My / our strengths and weaknesses
- Truthfully where is my time best spent?
- How would I like to best manage the process?
- How do we go with uncertainty?
- What if time delays?

Predict the process as best you can; via:

- Checklists + data
- Expect the unknown – delays and things from left field
- Get your plans and financials in order ASAP
- Find out what you don't know you don't know
- Is getting an adviser money well spent?
- Who will do the admin?

Expect the unexpected:

- Will I have to change lenders?
- Time spent on admin / financials
- Enquiries into my / family affairs
- Specifics around money flow – personal and business
- Re-do things after enquiries
- Time scale blow-outs.



In summary (the Lender Ready Program):

I feel 'getting money from commercial lenders' is like:

- a **Game of Poker**; and /or
- I'm **playing Monopoly**:
 - I'm buying and selling – but **don't quite know** what the properties are
 - The **book of rules isn't available** to me (ABDI had them)
- Seems **rules change over time**
- "Got to **fight hard** to be **heard and understood**".

As **I think back**:

- Glad we had an advisor to **walk down the path with us**
- We had **control and a say** – but also things change (lack of control)
- The **admin and (intricate) detail** did my head in
- I'd love to have had **access to the system Gordon has developed** – just so I knew what I was in for (forewarned)
- We also know **the ABDI systems work** too = personal confidence in the outcome.

Poll:



Would a 4th Webinar be of interest to you?

What:

- A Panel Session (Lender, Kym and Gordon) – to answer your questions; and/or
- Specific topics covered on request

When:

- Week of 12th April
- Note: Online Lender Ready Program starts 19th April

Poll Question:

- Would a 4th webinar be of interest to you?
- Yes / No / Maybe
- If Yes or Maybe; do you have a question or concern to be addressed? Please put in Chat.



Kym's Take Home Messages:

Work out for yourself (you may need help):

- What **can I do / what can't I do?**
 - What skill and time?
 - What head space?
 - Managing the decision makers – inside the business and the lenders
- How do I get **the paperwork** together?
 - The Business Plan
 - The Financials
 - The Financing Proposition – and the rest
- How do I ensure **the deal is attractive** – to get what I want?
 - Ensure the win:win:win
 - Manage the negotiations.

Drawing things to a close

Questions to consider:

1. What can I do / **can't I do?**
2. Can I manage **the paperwork** – and balance everything on my plate?
3. Do I have **the headspace?**
4. **What don't I know ... that I don't know?**
5. Do I **need and want help?**

Could this **help?**

- i. Access to **Advisers**
- ii. Getting an **education** – professional development
- iii. A **Lender Ready Program** – including a support group.

Advance Program bookings:

Lender Ready Program details:

Call: Gordon ph: 0408 063 229

Email: gordon.stone@abdi.com.au



Information

Contact:

- ABDI via email:
- info@abdi.com.au

Direct:

- Gordon Stone – 0408 063 229
gordon.stone@abdi.com.au
- Kym Thomas – 0428 550 224
kym@kahmoo.com

Lender Ready Program details:

We'll email you details

Disclaimer



This information is general in nature, and is no substitute for seeking specialist input for your own circumstances.

The Lender Ready Program is designed to help you work out what you don't know you don't know – then develop the 'data' and 'documents'!