

ABDI Specialty Webinars: **Becoming Lender Ready:** Accessing Money to Support Business Operations and Expansion



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Context: A Lender Ready Program



- Part of the **ABDI and MLA Business Management Program**
- **Professional Development** – to support better business management – and business growth (not production)
- Lender Ready **Webinar Program** – a 3 or 4 part series:
 1. **Becoming Lender Ready** – Accessing money to 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)!



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1. Why a Lender Ready Program?

The Business Growth Cycle

To manage, **build or expand a business:**

Generally **extra funds are required!**

To get \$, you'll need to consider:

- **Why** – do this?
- **What** – needs to be done
- **How** – to do it (+ the profit)
- **What if** – it worked (or didn't)?



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?"



Dealing with 'getting money' frustrations

The problems:

- "Just **one more thing** (yes I know it's important) "
- "It's **complex** – how to get my head around it"
- "If I have to do it, what's the most **straight-forward approach?**"
- "Have I got **all the paperwork** – and how can I **take the pain** out of getting it done?"

Using an Industry Program:

- Get someone to **walk you through a process** that works
- Work **in a group** – guided by a **specialist** – to make / help you **get it done**
- Use **templates** to 'fill in the boxes'
- Ask us questions – and **get answers on the spot.**

Advance program book-in to help now:

Lender Ready Program details:

www.abdi.com.au/getting-money-from-a-lender

2. 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 answer those Questions:

Webinars + a self-help system ... the **Lender Ready Program.**

Understand – Lending environment



What this means for you:

- It's now **up to you**
- Apply **CEO Mindset** – someone to **drive the process** with discipline and focus
- Apply **business best practice**
Use the **ABDI 12-Pillars of Business Best Practice** as a **checklist**
www.abdi.com.au/12pillars
- Your docs must **cover all bases.**

Clarity + Commitment

What lenders want is simple ... but:

- A **Business Plan** – to tell your story (why, what, how, 'what if')
- **Financials** – past, present and future
- **Risk** – what can go right + wrong ... how to mitigate?
- A **Proposition** – what money, why, when and how you'll repay.

Hence: Time + Effort + Discipline – to create and tell the story!



The System = Engage Lenders

Understand there are lenders and lenders:

- **Tier 1-3** – representing conventional banks through to institutional investors
- **Banks: the 80:20 rule** – 80% of information sought is common; 20% relevant to their (credit / other) policy
- Manager and analyst = **interpreter** – ‘credit’ is decision maker (risk) + increased automation
- Your ‘data’ goes to **‘the manager’** – ends up in **‘credit’** (a sequence + feedback)
- **Their system** – seeks comprehensive data, so give more rather than less (it ‘depends’ too)
- **Clarify** – build a ‘manager relationship’
- The 3C’s: **Character, Capacity, Collateral.**



Poll question: A Program to help YOU develop Your Own lender application structure:



1. If **Program Option #1** was:

A **two-day face-to-face workshop** + a series of online self complete modules + online coaching sessions – would that be in of interest to you?

- Yes
- No
- Maybe

2. If **Program Option #2** was:

A series of half-day online 'discussion modules' + shorter online self-complete modules + online coaching session – would that be of interest to you?

- Yes
- No
- Maybe

You Assess the Proposition

- **Quantitative (all costs):**



- **Qualitative** (what makes it work for you):

- Term + Int Only -> P&I
- Relationships (manager)
- Other banking products

And:

- Office locations
- Size and responsiveness
- Other??

3. To make this real

Client #1:

- ABDI Business Program Alumni
- DIY Lender app'n (for \$1.5M)
- Used ABDI templates – **business plan, cashflow + forecasts**
- ABDI as sounding board
- Good admin + spreadsheets

Result: took Time and Effort, but:

- Got \$1.5M via shortlist of 2 banks
- Happy + exhausted + relieved.

Client #2:

- ABDI Business Program Alumni
- Strong growth plans + no time
- Outsourced loan #1 = process is 'a mystery'
- Loan #2: **"We need to understand the process; but just don't have the time"**
- Input / ownership of \$>5M loan process
- **ABDI: admin, content, comm'n and feedback**

Result: took Time, Effort and Money:

- Got the \$>5M loan – shortlist of 3 banks
- Frustrated, happy, exhausted – and a cost.

The Pointy End – is this Program for You?



Do It Yourself (without support)	Use the Lender Ready Program (system)
Takes time and effort – far more than you think	It's A System – of proven, practical templates
Highly frustrating – if you don't know ... what you don't know	Follow a Logical Sequence – step-by-step
It's a complex process – particularly as the size of loan increases, or business opportunity expands	Be Guided by Us – so you understand what needs to be done, when and how (how much detail)
Significant administration (paperwork) – as the loan increases	Use the Program Group Process – share ideas, find out what others are doing / thinking = get support
Don't underestimate the stress – on you and yours	Use ABDI as A Sounding Board – that's our job
Is this your strong suit?	Stay On Track – this program helps with self-discipline
Your resources: best in the paddock – or doing this?	De-mystify things + get Help (even if using an adviser)

Your Q&A

Questions to consider:

1. “**When** will I need money – **from whom?**”
2. Can you define **Your Business Plans** – clearly?
3. “Can I define **my financing plans** – into spreadsheets?”
4. Is the **next step** clear?
5. “Do **I** really want to **do this on My Own?**”
6. What **Merit** in **assistance??**

I imagine listeners might be thinking:

1. “That’s interesting”; and/or
2. “Thankfully I’ve got it sorted”; or
3. “Holy smokes – **I need some cash in 4-months;** what will I do”?
4. “I am planning to (... *insert answer here...*) in about 6-months; **how do I get started on getting all the paperwork together?**”



Interested in getting Lender Ready?

1. First **Lender Ready Program** starts:

- 28-29 April 2021 – Brisbane (✓)
- Wagga Wagga, NSW (?)
- Hamilton, Victoria (?)

2. **Online Program** starts:

- 18 April 2021

3. Need to **Start Now?**

- Book-in
- We'll send Advance Materials (no cost)
- First: 'How to do a 180-Day Plan?'

Personal direct contact:

Gordon Stone – 0408 063 229
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Lender Ready Program details:

www.abdi.com.au/getting-money-from-a-lender

Disclaimer



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’!

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



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