



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



Gordon Stone:
ABDI Director, Business
Mentor and Strategist



A Q&A Panel Session



Webinar 2:

Commercial are negotiable

Government (QRIDA) is set; noting:

- Credit policies
- ROI
- Risk
- Servicing debt
- Understand the package of loan players / influencers.

Lender decision: Commercial or provider of government assistance, such as QRIDA?



Vern Ezzy:
Regional Program
Delivery Mgr, QRIDA

Webinar 3:

Kahmoo Pastoral Company:

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

Finance sought (last 7-months):

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



Kym Thomas;
CEO Kahmoo Past Co

Webinar 4:

Commercial Corporate Adviser:

- Restructures
- Investors – institutional and high net worth individuals
- Conventional lenders

Mainstream business + agri-sector

ABDI Business Adviser

- Co-deliverer:
 - Lender Ready Program
 - Business management programs
 - Growing your Business.



Damian Street: Corporate
Adviser; Entrepreneur
and Investor

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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Queensland
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Agenda:

Our intent today:

1. Recap on **Key Principles** of **Becoming Lender Ready**
2. **Key Qs asked to-date** – posed to the Panel
3. **Open discussion** – your Qs posed to the Panel.

How this will work:

- As you have a Q that comes to mind – put your Q in the Chat area
- We'll come to them after the Panel Session
- Plus – summarise all possible past Qs from the webinar series
- If unable to get through them all – we'll send out responses post the webinar.

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:

To be provided on webinar completion

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.**

3. My experience (why 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.

Key Questions from Webinars – Panel:



- To enhance negotiations with the banks – should you **create competition** between the lenders?
- **What information** should we be giving to banks? Is it detrimental to give "**all**" of our expense details?
- Do **gov't lenders lend direct** to producers or do they work with a current lender?
- What **reported values of your expected income** for forward projections over say 1-3 years or up to 5-years? (I hear banks like to see conservative values used + they discount values a borrower attributes to their future projections.)
- How does the **bank stress test a loan**?

Poll:



The Lender Ready Program is being refined over time:

As someone interested in 'becoming lender ready'; on a scale of 1-5 (where 1=low importance, or 5=critical importance):

Q1: My interest is more in 'what I need to know about becoming lender ready'; *ie. get information* (on a scale of 1-5); and

Q2: My interest is more in 'how to get lender ready'; *ie. get and use templates and support materials* (on a scale of 1-5); and

Q3: My interest is more in 'being assisted to get lender ready'; *ie. have someone assist me* (on a scale 1-5); and

Q4: What else we haven't yet covered (short personal comment in the chat).

Q&A



- Now its time to take Qs from participants.
- Greg can you please read out any Qs that have come in so far?

Online Program starts -19th April 2021



The Lender Ready Program:

The What:

- Weekly online business materials
- Monthly group online sessions
- Monthly special topic webinars
- ABDI Member Portal and Resource Library

The Why:

- It's more complex than you imagine
- It takes longer than you think
- Your approach, plans + documents must be 100%
- A system makes it easier – less stressful
- ABDI – your mentor / supporter / sounding board
- Time – from 1-hour / week – over 12 weeks.

To join next Monday:

- Up to 16 businesses max = **personal contact**

True value is:

- Discussion in the **group online sessions** (we don't discuss your financials)
- **Your input** to the **special topic webinars** – (tailored to you)

And:

- Extra – single **personalised 1:1 session** with one of us

+ Extra / extra:

- A **second personalised 1:1 session** – you can discuss your progress + what's on your mind!



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:

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Or, call Gordon

All Questions from Webinars:

- To enhance negotiations with the banks – should you **create competition** between the lenders?
- **What information** should we be giving to banks? Is it detrimental to give "**all**" of our expense details?
- What **reported values of your expected income** for forward projections over say 1-3 years or up to 5-years? (I hear banks like to see conservative values used + they discount values a borrower attributes to their future projections.)
- Do **gov't lenders lend direct** to producers or do they work with a current lender?
- How does the **bank stress test a loan?**
- **Role of the property valuer:** should you organise a mortgage valuation yourself or leave the valuation up to the bank? I hear **banks only use a 'panel valuer'** so shopping around is wasted effort.
- What did **you expect from a bank vs what did you get** from the bank in terms of Qs and inquiries into your personal and other details?
- **Lease of land vs purchase for expansion plans** - what is bank view of lease vs purchase?
- If **an existing loan** and 3/4 through repayment ... and can get a loan @ 3% lower is it advisable to swap (**how to assess upsides / downsides**)?
- Which Lenders **want farm borrowers?**
- **How detailed should** a profit and loss statement be for a bank.

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'!

