

Accessing money in this environment

Harry Pontikis is the Manager of Master Builders Financial Services, presenter for the Trade Night seminars and facilitator of the Managing Your Business Finances workshops.

Many building and construction related business owners rely on financing to fund their projects, operate day to day, fund business growth or pay their bills on time.

Approaching a bank at a time when they have effectively 'turned off' their business lending, have drawn-out application processes and are staffed by inexperienced business bankers are all reasons loan applications are getting declined. This often puts businesses at risk or cause them significant and often unnecessary, stress and strain. Having your clients approach the banks directly also puts them at unnecessary risk of not getting finance and therefore not being able to pay you on time or at all.

Businesses who have cash flow challenges further disadvantage themselves by purchasing equipment or cars rather than leave any excess money in the business. This may have the effect of reducing taxable income but also impacts the ability of the business to fund its operations comfortably.

Dealing with banks directly often results in the banks risks being mitigated at two or three times debt cover instead of merely enough to secure the loan; dealing with professional finance brokers strive to structure your loan applications in a balanced way, focussing on mitigating the banks risks whilst not exposing the clients to unnecessary vulnerabilities.

Pre-emptively accessing your credit file and explaining low scores, blemishes, late payments or other factors which trigger a 'decline' once the bank discovers these anomalies is also how an experienced finance broker can assist position your application in an accurate way, increasing your chances of an approval.

Identifying cash flows, income distributions, providing explanations for expenses which are anomalies and not re-occurring will also assist in accessing funds during this time where banks are loathe to lend.

An expert finance brokerage like Master Builders Financial Services has the credibility to workshop applications with credit assessors who are the ones who approve or decline the loan applications.

There is plenty of money available in the banking, non-banking and private funding arena in Australia but the criteria has changed so don't risk your credit worthiness, your business or your family's future by going directly to a bank.

To speak with a professional business finance broker, contact Chocolate Money (which trades as Master Builders Financial Services) on 1300 137 539 or email harry@mbafinance.com.au for general advice on managing your company's cash flow better or reviewing your company's financial management method.

Please note: the information in this article is general in nature and not to be considered specific advice as your situation has not been taken into consideration.