

# **ASFA National Conference**

## **Business Tips from NAB**

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# Summary

- GFC – what it means for you
- Cash is King
- Don't forget to 'Market'
- Expenses and capital costs



# GFC, World Recession and You

- Banks lent too much
- Banks started falling over
- Banks stopped lending to each other
- Access to money stopped
- Large businesses couldn't access borrowing as freely (many failed)
- Less cash in the system = World Recession
- Commodity prices down, access to cash greatly reduced



# Cash is King - Most business that fail have at least one thing in common – they run out of money.

- A bird in the hand . . .
- Accurate and timely invoicing
- Consider an email + postal
- Establish clear & affordable terms of trade
- Communicate to those late payers
- Develop an Action Plan for late payers
- Outsource perhaps
- Terms to only those you know - then still be careful



# Cash is King (cont.) – Many 'profitable' businesses still fail.

- Be careful of overtrading
- Allow a Bad Debt Provision in your budget (2%??)
- Have a spread of clients
- Cash in the bank is not everything.
- Encourage staff to collect payment
- Easy payment methods (on-line etc)



# Marketing



- Today's customers are not tomorrow's
- Industry ownership is changing (more corporate / less corporate) – your marketing may need to change
- High susceptibility to new entrants / increased competition.
- Ask clients for a referral
- An investment into the future

# Control and/or Reduce Expenses.

- Don't just cut costs
- Use the best accounting package you can afford and learn how to use it.
- Use purchasing card for full visibility
- Lease/HP - don't buy
- Use Gvt investment allowance



# Bank with NAB Agribusiness (the plug)

- 150 years experience
- 570 staff Australia wide
- 110 locations
- We love services Agriculture and Agri services
- More staff, more locations, open for business

# Thankyou