

# FRANCHISE FINANCE MADE EASY WITH REGIONAL FINANCE SOLUTIONS

**At Regional Finance Solutions, we are here to listen and work with you to get the best possible solution to your financial needs.**

We will consult with you, your accountant, the franchisor and bank to work out the best lending structure for you to suit your cash flow, lender obligations and to maximise tax effectiveness.

Plus, we can assist with a range of working capital solutions to suit your needs.

## What lenders (and franchisors) want in a candidate

- ▶ Established with a good level of equity in property
- ▶ Capable with a history of business ownership, management, related trade or professional skills
- ▶ Good track record for supporting franchisees, defined processes and products, and developing saleable businesses
- ▶ Contribution available towards the purchase (either cash or equity in property)

## BORROWING TO ACQUIRE THE FRANCHISE

Many franchise systems have agreements with banks, allowing you to borrow a predetermined figure against the value of the franchise. This is commonly used when the franchise system has high entry costs, a track record and a recourse agreement with the lender. Some lenders will lend up to 50% of the business if you are buying an existing business.

Equity in property can be applied when unable to borrow against the value of the franchise. This entails mortgaging your property to the bank and establishing a business loan, and refinancing any existing loans secured by this property. As a general rule, banks will:

- ▶ Extend a loan up to 80% of the value of a residential property
- ▶ Extend a loan up to 70% of the value of a commercial property
- ▶ Not permit a guarantee from family to assist with financing a business purchase

## BORROWING FOR PLANT, EQUIPMENT AND VEHICLES

Finance for all manner of equipment and vehicles can be financed through a range of lenders and does not have to be through the same bank financing your home or business. In most cases, the lender will rely on the value of the equipment financed as security.

## WORKING CAPITAL

It is important to remember you will need to cover all manner of expenses while waiting on payment from your customers. Your franchise development manager should have a good handle on how much you need to provision for working capital.

## WHY CHOOSE THE TEAM AT REGIONAL FINANCE SOLUTIONS FOR YOUR NEXT FRANCHISE OPPORTUNITY?

- ▶ Experienced bankers with a focus on service, not selling widgets
- ▶ Communicate with a wide range of lenders to design the right solution for you
- ▶ Knowledgeable bankers who know the right bankers for the job

GET IN TOUCH TODAY! CALL YOUR REGIONAL  
FINANCE SOLUTIONS COMMERCIAL SPECIALIST ON

**1800 734 346**

[www.regfin.com.au](http://www.regfin.com.au)

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