

Australian businesses count on lender love

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Despite the challenging economic climate, almost nine-tenths (88%) of Australian privately held businesses remain optimistic about their relationship with their current lender, and over a third (34%) are confident that their access to finance will not change over the next 12 months, according to new research.

7,200 businesses across 36 countries were analysed by the Grant Thornton International Business Report (IBR), a survey which compares business expectations regarding access to finance, with how supportive they feel their lenders are being in the current climate.*

Whilst only half of businesses in influential block economies like China, Brazil and Russia, feel supported by their lenders, Australian businesses are second only to New Zealand in how positively they rate their relationship with their lenders.

Tony Markwell, National Head of Privately Held Business at Grant Thornton Australia, commented:

“Ensuring that you maintain a close and positive relationship with your bank can reap great rewards in the current economic climate. It is a tough time for lenders and they need to know that the select money they are investing is secure, so it is up to the individual entrepreneur to persuade them that they are worth backing.

"Historically, Australian lenders tended to be very proactive in maintaining relationships with their business clients, to ensure they kept market share in what used to be a very competitive lending environment. Now the roles have been reversed, and Australian business owners will have to work hard to ensure they maintain solid relationships with their financiers, to protect them from the chill ahead."

Tony Markwell provides several tips for improving your relationship with your bank:

- Treat your banker as a partner in the business – keep them fully informed on what is going on and the decisions you are taking.
- Give your bank lots of notice if you need help – The last thing a bank wants is to receive one week's notice that you need to increase your overdraft facility.
- Proactively manage your relationship with them – Take a hard look at your reporting and accounting systems. If these are weak and not quite what the bank would like to see, think seriously about improving them.

- Ends -

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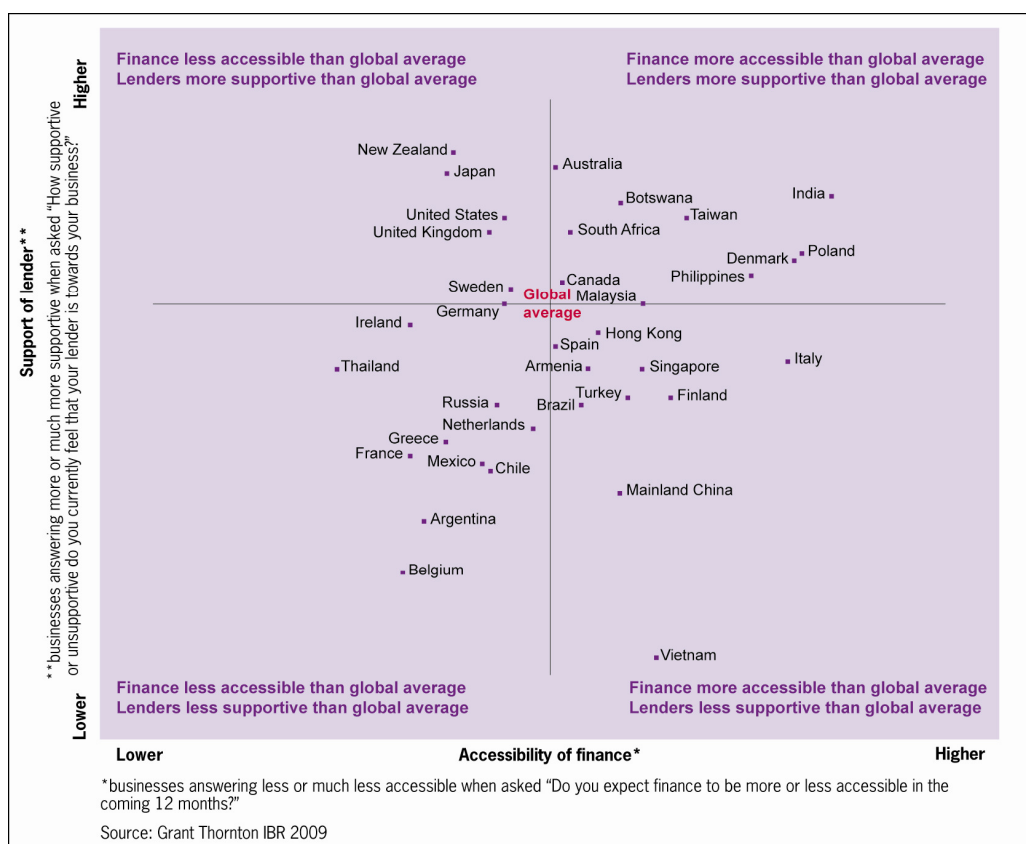
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* The chart below shows the global disparities between expectations for access to finance and lender support. Four scenarios emerge, painting an interesting picture of the disparities in different economies.



The International Business Report

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR survey draws upon 17 years of trend data for original EBS participants and 7 years for original IBOS countries. The 17 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and the United Kingdom, while the 7 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Russia, Singapore, South Africa and the United States.

Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2009, this will result in a donation of almost US\$36,000.

The research was conducted by Experian Business Strategies Limited. To find out more about IBR and to obtain details of IBR reports and results please visit www.internationalbusinessreport.com.

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