



"the building part is not hard, it's managing people and money" MATT, SELF-EMPLOYED BUILDER, GLADESVILLE

TOOLS TO BUILD A BETTER FINANCIAL FUTURE

VERVE financial partners ARE PERSONAL WEALTH ADVISORS
OFFERING A SPECIALISED SERVICE CATERING TO BUILDERS





WHO ARE **VERVE** financial partners

We are personal wealth advisors. We are different from typical financial planners. Our process is more involved and much more personal. We're willing to put much more time into getting to know your situation and give better advice specific for you. It's not just about superannuation and investments, although that's part of it. It's also about getting a clearer picture of what you want and knowing the steps on how to get there.

We are based in Sydney with offices in Bondi Junction and Burwood. The authors of this report, Bill Murray and Kerrie Ray, have in excess of 30 years experience in financial planning.

Our clients are varied and by working with so many small to medium sized builders we've honed our expertise in this area. We know builders have different kinds of financial needs than other businesses and we are attuned to this by offering tailored financial advice.

There are so many ways we can help you. For example, **VERVE** financial partners can help with setting up strategies around better cashflow management or creating business structures that take advantage of tax laws to save the business money and protect your family against liability claims. We understand that you just need to know where to start and how to do it. We provide accountability, energy, advice and momentum to help you achieve your goals.



“managing cashflow and making sure money is coming in is more important now economic uncertainty is on people’s minds.” JEREMY, SELF-EMPLOYED BUILDER, SUTHERLAND



WHAT WE KNOW ABOUT BUILDERS

In 2012 **VERVE** financial partners conducted research into the financial well-being of builders.

Our findings revealed the following common themes and challenges.

The main financial issue for self employed builders is cashflow. For many, it is a constant struggle to ensure invoices are being paid and money is coming in while also sourcing new work and paying bills for tradesmen, materials and equipment. There is a feeling that being a self employed builder you spend as much time dealing with financial and administration pressures as building.

Often the administration side of the business is managed by a wife or partner indicating that being a builder is very much about being part of a family business. Like with many family businesses there is a concern for the ongoing financial security of the family and how to protect the family from liability claims or unnecessary tax burdens.

The physical demands of building combined with increased levels of administration make it important that builders are in a position to consider retirement or working less at 60 years of age.

The trouble is finding the time to plan the future. Accountants tend to be the main source of financial advice for builders, though it is felt accountants are not proactive or able to offer advice about how to improve a builder’s financial position for the future.

Building industry associations such as the HIA and MBA sponsor regular group meetings to help members retain their professional accreditation. Much of the information provided is focused on changes to legislation or the promotion of building products. Rarely do these meetings have relevance to the real life financial circumstances of builders.

Builders appreciate objective advice that is delivered in a clear and concise manner. Many builders who have previously sought personal advice from a financial planner have been disappointed with the experience.

A **VERVE** personal wealth advisor can establish an integrated, tailored approach to financial advice that is goal orientated and focused on the future.





THE KEY ISSUES FOR BUILDERS

We've worked with builders and conducted several interviews on what is important to them. There are common struggles among builders that affect their ability to make good financial decisions.

► NO TIME AVAILABLE TO PLAN FOR BUSINESS AND FAMILY

Builders have too much to do and not enough time to do it, which can be a burden and a worrying situation for their business and family's security.

"Tradies don't have enough time to do anything. You get swept up with what you're doing and don't have time to step back and think about the big picture for the future."

DAVID, SELF EMPLOYED BUILDER, EPPING

► BUILDING A BUSINESS IS MORE THAN JUST BUILDING

Builders may lack the experience in making financial decisions with their skills squarely founded in the trade.

"A builder has actually got to be better at management than building. The building part is not hard, it's managing the people and money. If you can't manage your money, you won't last, you will go broke. If you can't manage people you lose contractors."

MATT, SELF EMPLOYED BUILDER, GLADESVILLE

► WHERE'S THE NEXT BUCK COMING FROM

Not knowing where the next job will come from, chasing up what is owed, paying contractors and cashflow management are the biggest bug bares of builders.

"I've never been hit by someone not paying, but if you're around long enough, that day will come." MARTY, SELF EMPLOYED BUILDER, YOWIE BAY

► ACCOUNTANTS' ADVICE FOCUSES ON THE NOW RATHER THAN THE FUTURE

Your accountant just tends to help with how much tax you have to pay, but what about help with paying less tax and being more flexible in running the business.

"A lot of the time you ask a question and you really don't get a clear answer to make a clear decision on what you want. I wish someone could look at my whole situation and say "Well, right now you are doing this, maybe in 12 months to 2 years this is where you want to be and this is the best option for you." JAMES, SELF EMPLOYED BUILDER, SYLVANIA

"It's more tax advice than financial planning, but not long term."

MARTY, SELF EMPLOYED BUILDER, YOWIE BAY



“I wish someone could just look at your whole situation and say...this is the best option for you.”

JAMES, SELF-EMPLOYED BUILDER, SYLVANIA



HOW WE CAN HELP BUILDERS

Advisors at **VERVE** financial partners are specialists working with builders. Knowing what builders' need, which is very particular to other professions, helps us ask the right questions and provide better advice to you. This is what makes us different.

The big picture is more than just super, but also having more for you and your family along the way.

Below is a list of what **VERVE** financial partners can help you to do based on what we know to be most important to builders:

- ▶ Invest properly with tax benefits in mind
- ▶ Protect your business and family from liability claims
- ▶ Set up strategies to help manage cashflow
- ▶ Work out what type of business structures, such companies or family partnerships, suit your business and family situation
- ▶ Improve your ability to borrow at competitive interest rates
- ▶ Identify areas where quoting can be improved
- ▶ Calculate long and short term benefits of decisions like hiring new staff and purchasing equipment.
- ▶ Analyse costs to help minimize the waste of money
- ▶ Source the right loans to accommodate cashflow restrictions and ensure the best payment plans
- ▶ Save time dealing with financial matters and help you work with your accountant
- ▶ Get a clear picture of what you want and providing steps on how to get there
- ▶ Provide control, energy, advice and momentum towards goals



"I don't want to get big. It just gets complicated."

DAVID, SELF-EMPLOYED BUILDER, EPPING



WHAT ELSE WE CAN OFFER:

► TRUSTED SOURCE OF INFORMATION

We stand by the fact that **we spend more time than anyone in getting to know your business**, what you want, what your problems are and where you want to go. That means the advice is specific for you with solutions that make you the money you and your family need.

► FRESH PERSPECTIVE

When it comes to our own money, we don't always see clearly and **VERVE** can help with being objective. Things that cloud our judgment include:

OVERCONFIDENCE

The 'It'll be alright on the night' philosophy without proper planning.

RISK AVERSION

Being afraid of losing money can reduce opportunity for gain whilst sometimes not taking a risk can be risky itself.

KNEE JERK REACTIONS

If sound investments don't generate positive returns immediately, regret can stimulate a costly exit from investments too early.

► PRACTICAL AND HASSLE-FREE

We understand you don't have much time and you need hassle-free solutions. We can do so much of the leg work for you and explain things in no-nonsense, simple language. This is so you can get back to what your main job is and that's building.

► CREATIVE AND SMART THINKING

There's always more than one way to approach a problem. With your end goals in sight, we'll offer different ways to get there and give you the full explanation on how to do it. You make the choice for what suits you.





WHAT ELSE WE CAN OFFER: (CONTINUED)

► OBJECTIVITY

We're not paid by anyone else to sell you financial solutions. That means we consider every option.

► LONGEVITY

We'll be in for the long haul. The relationship between you and a **VERVE** advisor is ongoing and built on confidence, contact and consistency. **VERVE** advisors are committed to being responsive to your needs and being available when you need us. We are proactive and always work to help you stay on the best financial path.

► WELL RESEARCHED

We make decisions for you based on up-to-date knowledge of changing economic markets, taxation laws and legislation. It is our job to interpret the latest financial issues so we can make informed suggestions about maximizing and protecting your income and savings.

► ACCOUNTABLE

We will always tell you the whole story in a language you understand to make sure that you know of all foreseeable outcomes for your financial decisions.



HOW WE HELPED ONE PARTICULAR BUILDER

CASE STUDY – A REAL LIFE EXAMPLE

John is a self employed builder operating in partnership with his wife Denise for the past 4 years.

They are 36 and 35 years of age and have 2 children aged 3 and 2 years.

Their main focus was to provide a home in which to raise their two children.

They had wanted to purchase a home and had made several unsuccessful attempts recently to borrow funds from major financial institutions. The tightening of credit due to the global financial crisis coupled with being self employed made their task of purchasing a home seem impossible. They had reconciled themselves to having to continue to pay rent for some time.

In the past John and Denise's planning was done on an ad hoc basis by consulting their accountant and various friends and family.

Their accountant was good for completing their tax returns but only responded to questions initiated by them rather than offer guidance for future. Well meaning friends and family were not aware of their personal situation so how could they be sure that their advice was appropriate.

It was October 2010. John and Denise were building a successful business but were not convinced their efforts were driving them towards their most important goals, which were:

- ▶ "How do we get ourselves in a position to purchase a home in the Sutherland Shire by the end of February 2011?"
- ▶ "Are we sure that we are making the most of various tax structures whilst we develop our business?"
- ▶ "Should we put more into superannuation considering we want to generate \$60,000 pa (2010 dollars) when retired?"
- ▶ "What happens to our family if either of us do not wake up tomorrow?"
- ▶ "What happens to our plans if either of us cannot work temporarily or permanently in the future?"



CASE STUDY

JOHN AND DENISE (CONTINUED)

- ▶ “Is there a way that we can purchase a factory or warehouse to facilitate business growth and be a worthwhile long term investment?”
- ▶ “Is there a way of helping John’s father enjoy his retirement and stop worrying about money?”

Whilst working on site John was put in contact with a **VERVE** advisor to find answers and solutions to their questions.

To help them, Bill Murray of **VERVE** financial partners:

- ▶ Undertook a discovery process to find out John and Denise’s attitude to money.
- ▶ Confirmed their financial goals which included the purchase of a house, developing their business and being financially independent upon retirement.
- ▶ Undertook an analysis that confirmed the price negotiated for their new home was appropriate. The right approach to the right institution secured their loan and they moved into their home in the Sutherland Shire in the desired timeframe.
- ▶ Recommended some changes to their tax structures to provide more opportunity to reduce tax and provide some protection to family assets in the future.
 1. Utilised their retirement savings to provide tax effective protection for their family in case of death or permanent incapacity.
 2. Recommended a change to the way they are saving for their retirement which will facilitate the purchase of the factory by their superannuation fund within 2 years.

It did not end here.

John and Denise continue to meet with Bill regularly to monitor their progress towards their objectives, make recommendations and work with them through whatever financial issues life throws at them.

They have laid the foundation to build a successful financial future for their family.





WHAT THE PROCESS IS FROM HERE

This process is easy. **Just pick up the phone and call us.** We'll set up a meeting where we'll listen to what you need and then give you a quote for the work we undertake.

Our fees reflect the complexity of your situation and are reasonable. We will only work with clients for whom we can add significant value. You'll have a clearer direction for a successful financial future and the steps on how to get there.

It's worth your effort to call. Accountants only take you so far. Accountants are also no longer allowed to give financial advice, so it's important that there is someone else you can trust who can guide you toward a stable financial future. Advisors from **VERVE** financial partners will help you work towards **true financial independence**. We are **specialists working with builders** and **we put in more time than anyone else** to understand what you need and give better advice that is just for you.

CONTACT US



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