

ANSON
ADVISORY
YOUR FUTURE, ANSON YOUR ANSWER

Advisory and Management Services for:

- ▶ Business
- ▶ Agri / Rural Business
- ▶ Corporate Governance

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**CAPABILITY
STATEMENT**

About Us

Anson Advisory provide management, financial and governance advice to businesses and agribusinesses to improve management ability, productivity, efficiency and profitability.

Our consultants are innovative and perceptive, ready to help your operation adapt and find solutions for success.

Our main areas of specialisation are:

- ▶ Business
- ▶ Agri / Rural Business
- ▶ Corporate Governance

We utilise the best facets of very successful operators to build on strengths, identify weaknesses and form a strong, robust business that is both efficient to manage and profitable, while minimising risk to take businesses to the next level with professional but practical advice.

Producers and business owners are generally very good at what they do, but sometimes need a hand in physically documenting their ideas, plans, feasibilities and direction in order to present to a bank/investor/stakeholder of how and why they will succeed — this is our specialty!

Working across Australia and the South Pacific in many industries (both commercial and agricultural), provides a perspective that cannot be achieved from operating a single or small number of businesses.

This gives Anson Advisory consultants an advantage by staying at the 'cutting edge' of contemporary business and helping clients achieve their full potential in the least amount of time.

Corporate governance advice generally involves independent chairman-type services to bring objectivity, fairness and fresh ideas to operations. This promotes good group decision making and ensures operational longevity/sustainability when multiple ownership is involved.

At Anson Advisory, we pride ourselves on providing professional but practical advice for businesses to complement existing skills and experience. Interacting with both superb and poor operators, we understand what makes enterprises succeed (and fail). Our business model is to structure services as 'on-call' or 'part-time' at very affordable prices to promote client growth.

Client confidentiality is extremely important to Anson Advisory, as Intellectual Property is often undervalued by businesses.

ANSON ADVISORY SERVICES INCLUDE:

- ✓ Business Planning & Business Development
- ✓ Financial Projections
- ✓ Corporate Governance
- ✓ Risk Analysis & Risk Management
- ✓ Capital Raising
- ✓ Feasibility Studies
- ✓ Succession Planning
- ✓ Grant Applications

A CONSULTANT GIVES YOU A MUCH-NEEDED EXTERNAL PERSPECTIVE

*An outside specialist will provide a true perspective **ON your business** that may be challenging for you to see when you are working **IN your business.***

What We Do

The Anson Advisory business model is to increase the skill, knowledge and capacity of our clients to enable them to operate from a Chief Financial Officer (CFO) strategic role within the business.

EXPAND YOUR BUSINESS POTENTIAL WITH AN ON-CALL, EXTERNAL Chief Financial Officer

Often business owners and managers are so involved in their business they can no longer provide an unbiased opinion of the operations.

An independent professional, such as an Anson Advisory consultant, can quickly and efficiently itemise areas for improvement and potential risk. Anson adds value at every step of the journey.

Successful organisations have a team of professionals who have built a career around their particular areas of expertise.

By using Anson Advisory's virtual team of professionals, your business can benefit from:

- ▶ Having a virtual CFO and a team of professionals who are dedicated to your business.
- ▶ Creating an environment which fosters improvements and deliver benefits several times their cost.
- ▶ Actively participate in the implementation of strategies.
- ▶ Implement and drive Key Performance Indicators (KPIs).
- ▶ Is prepared to learn about your business/ industry, but not charge you for their learning.
- ▶ Understands the components which impact all areas of the business, including:
 - ▶ Business planning
 - ▶ Financial planning
 - ▶ Risk analysis and management
 - ▶ Capital raising
 - ▶ Succession planning

A simple way to ensure business profitability and a healthy cashflow, is to focus on the drivers:

- ▶ Revenue drivers
- ▶ Cost drivers
- ▶ Product saleability and market parameters
- ▶ Receivables/Payables, terms of trade and holding costs

YOU NEED AN EXTERNAL ADVISOR

An external advisor with experience in hundreds of business operations, and who constantly identifies and rectifies operations, can present a clear and unbiased picture of a business quickly, saving time, money and frustration for owners.

An external Advisor can help create a solid asset, long-term wealth and certainty for the future.

- ▶ Is marketing effective and what is the marketing cost to acquire a customer? Is it profitable revenue?
- ▶ How does the true cost of delivering a product/service compare with the sale price?
- ▶ Are customers returning — if not why not?

YOUR FUTURE, ANSON YOUR ANSWER

Agribusiness Management

Agricultural operations have many similar attributes to a non-agricultural business. They produce (grow) a product which requires some kind of processing (harvesting, mustering, processing, packaging), transport and sale to a customer.

When agri-operations are broken down to their fundamentals, the true nature of the operation can be analysed and assessed for methods to increase productivity, profitability, management ability and risk mitigation.

Anson consultants have extensive agricultural experience, meaning they understand the 'issues of the land' and can apply business principles to the topic at hand, without delays for lack of rural industry knowledge.

Farm financial management and operational efficiency (or strategy) is increasingly important, particularly as modern farming systems require greater outputs from fewer resources. Input costs are rising at higher rates than product sales prices,

meaning to maintain profitability fewer resources must be used to produce the same output.

In the 1990's to 2000's new varieties and farming technologies provided these efficiency gains. Today, efficiency improvements are commonly seen from improving business and financial management tools – this is how Anson Advisory can be 'your advantage'.

Anson Advisory can provide the tools, skills and competitive advantage to achieve the management efficiency required to compete with those companies that can afford to have these services in-house.

The Anson approach allows you to understand your business and farming operation at a strategic level, providing a perspective for more effective decision-making.



Corporate Governance

Corporate Governance is the system of rules, practices and processes by which a company is directed and controlled. It balances the interests of stakeholders.

Anson Advisory can act as a source of Executive Board knowledge and assistance to your businesses and provide services designed to:

- ▶ Help shareholders (often multi-family operations) provide avenues to transparently work through management issues which may be preventing enterprises from reaching their full potential.
- ▶ Prepare founders for governance and corporate responsibilities if/when they take on external investors to grow their operation.
- ▶ Provide Professional Development opportunities for management to increase their skills / knowledge / behaviours.
- ▶ Provide fresh ideas and objectivity to enterprises.
- ▶ Challenge existing ideas and processes to ensure opportunities are not lost / wasted and instill a culture of continuous improvement in management.
- ▶ Ensure accountability among ALL management.



Corporate governance and compliance has been an important area for Anson Advisory clients, as it is often neglected by many companies or operations.

By involving Anson Advisory for 'Chairman' type roles, an independent and unbiased moderator can deliver 'on-the-ground' practical results to unite a board/management group formerly occupied with internal conflict or issues.

Business Planning

The scale of an enterprise can determine its profitability. Knowing your break-even point and optimal scale can save or generate hundreds of thousands of dollars annually.

BUSINESS REVIEW

Provides a working snapshot of a business at that point in time and usually includes:

- ▶ Business process identification.
- ▶ Identify high/low productivity and understand their causes.
- ▶ Key issues identification.
- ▶ Recommendations for improvement.

PRODUCTIVITY ANALYSIS

- ▶ Improve recording methods.
- ▶ Analyse information to identify high/low productivity.
- ▶ Understand the causes of high/low productivity.
- ▶ Investigate vertical integration and diversification options.
- ▶ Investigate alternative markets/marketing.
- ▶ Economies of scale and break-even analysis.

FEASIBILITY ANALYSIS

A feasibility analysis is about ensuring decisions are based on sound data, processes and assumptions.

- ▶ Researching market conditions and assumptions.
- ▶ Determining logistics, suppliers and potential technologies.
- ▶ Formulating budgets, cash-flows and financial feasibility.
- ▶ Formulating a project plan.

BIG is not always better. It is important to determine the right scale for your business.

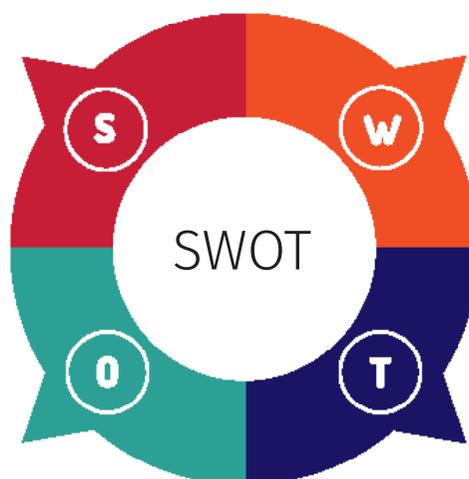
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STRENGTHS

List the business advantages, unique and low-cost resources, factors which mean you 'get the sale', what you do best etc.

OPPORTUNITIES

List the chances to improve performance, take advantage of environmental changes etc.



WEAKNESSES

What are your disadvantages, your limitations, what could you do better, what factors lose you sales.

THREATS

List external threats for the business, obstacles you think you will face, what your competitors are doing.

Business Development

Business development is about improving an enterprise's presence in the marketplace. It identifies and implements plans and processes to increase sales and market penetration.

The **business development** process often includes:

- ▶ Analysis of existing development and marketing processes.
- ▶ Identification of new markets and networks.
- ▶ Develop processes to increase market penetration and diversification.

Strategy and business planning – is all about long-term plans and decisions and typically includes:

- ▶ Identifying long-term market and business trends.
- ▶ Your current and future aspirations.
- ▶ Policies and action plans to achieve desired outcomes.
- ▶ Key performance indicators and progress monitoring.

Benchmarking – compares your business performance against industry best practice and typically includes:

- ▶ Identifying what is to be benchmarked and how data will be collated.
- ▶ Identifying performance gaps.
- ▶ Implementing plans to improve performance.



3 ways to create a successful business

- ▶ **Measure** – if you can't measure it, you can't improve it.
- ▶ **Manage** – compare to industry benchmarks and manage change to drive results.
- ▶ **Improve** – once you measure, compare and manage it, you can incrementally improve it with each cycle.

Cashflow Drivers

Financial management techniques include monitoring the 7 cashflow drivers:

1. Revenue Growth (%).
2. Price Change (%).
3. COGS (Cost of Goods Sold) %.
4. Operating Expenses/Overheads (%).
5. Days Receivable (average Days it takes to collect).
6. Days Payable (average Days to pay all suppliers).
7. Days Inventory (The number of days that stock sits on shelves - or Work in Progress which is the equivalent in a service business).

CAPITAL RAISING

- ✓ Value proposition.
- ✓ Structure and governance procedures.
- ✓ Detailed financials and strong cashflow ratios.
- ✓ Risk analysis and mitigation.
 - ✓ Clear strategies.

Capital Raising

There are large numbers of investors looking for opportunities that are unique, innovative and will provide far greater returns than bank deposits, property or share portfolio returns. Investors don't advertise they have millions to invest, nor is there a website or Yellow Pages you can look up. Therefore, capital raisers usually require assistance to locate investors.

An investor will require a well-structured business plan or 'Information Memorandum' that includes:

- ▶ Value proposition – why your idea/ business and you are worth investing in.
- ▶ Robust assumptions, structure and governance procedures.
- ▶ Detailed financial projections from start-up for a number of years.
- ▶ Strong cashflows and financial investment ratios (NPV, IRR, ROI).
- ▶ Clear strategy and exit plans.
- ▶ Risk analysis and mitigation.

The '**Investment Pitch**' must be packaged into a succinct, informative document to allow investors to conduct their own due-diligence. It's wise to ask prospective investors to sign a Non-Disclosure Non-Compete Agreement to protect your ideas and Intellectual Property.

Investors are wealthy usually because they are successful at something – they usually have a lot to offer a project and can add significantly more value than just their money.

Anson Advisory can assist to develop all the necessary requirements for a Capital Raise and then help promote your venture. We have a database of investors with varying risk profiles (and therefore return requirements) ready to invest in projects.

CASE STUDY

Agricultural production and packaging business – financial projection and analysis summary example, for an external investor.

Cash Flow Projection	FY18	FY19	FY20
Mass of product sold (kg)	84,521	253,863	358,394
Revenue - produce sales	\$2,230,202	\$6,698,488	\$9,456,689
Gross Income	\$2,230,202	\$6,698,488	\$9,456,689
COGS	\$657,940	\$1,973,820	\$2,500,172
Gross Profit	\$1,572,262	\$4,724,668	\$6,956,517
EXPENSES			
Advertising & Marketing	\$105,000	\$90,000	\$180,000
Accounting
Workcover	\$24,000	\$24,000	\$24,000
Total Expenses	\$723,864	\$951,881	\$1,590,120
EBITDA	\$848,398	\$3,391,993	\$4,828,805
Capital setup costs	\$363,000	-	-
Equipment costs	\$534,750	\$ 100,000	\$100,000
Interest	\$-	\$-	\$-
Total setup +Equip't + interest	\$897,750	\$100,000	\$100,000
Profit (not incl. dep'n)	-\$49,352	\$3,291,993	\$4,728,805
Depreciation	\$75,000	\$70,000	\$66,000
Net Profit	-\$124,352	\$3,221,993	\$4,662,805
Opening bank balance	-	-\$49,352	\$3,242,642
Closing bank balance	-\$49,352	\$3,242,642	\$7,971,447
Business valuation			
3 yr Average EBITDA:			\$3,023,066
Use EBITDA multiple of:	2.5		\$7,557,664
Investor equity:	40%		
Capital contribution for 40% equity in company is:			\$3,023,066
Investor Calculations			
Investor investment amount is assumed to be:			-\$3,000,000
<i>Assuming all profits are paid as dividends. This will NOT be the case as a percentage of profits will be required to grow the business.</i>			
Expected investor yield 10%			
	FY18	FY19	FY20
Investor Profit (40% equity) (not incl. dep'n)	-\$49,352	\$3,291,993	\$4,728,805
NPV	\$3,228,612		
IRR	46.58%		
ROI (in 3yrs)	266%		

(Figures are examples only)

What our client's say ...

PRODUCTS BUSINESS

"We have been working alongside Stirling for months now and would highly recommend his services.

From the beginning we were impressed upon meeting him with his professional and confident demeanour.

We engaged his services to bring further detail to a business model we had been developing for some time and Stirling was able to turn a proposal into a workable, profitable enterprise.

He is structured, results orientated and clearly has an unsurpassable level of expertise as well as high attention to detail and efficiencies."

*Col & Lesley Van Staveren,
FNQ Plastics [2017]*

RURAL & FARMING BUSINESS

"We have worked with Stirling Tavener from Anson Advisory since November 2015 and have found his advice and support extremely valuable.

Stirling has been beneficial to us and our business mentoring and providing guidance to improve our production and efficiency, management skills, financial assessment and advice, marketing recommendations for our business in our rural community. We have found Stirling to be very efficient and supportive, easy to talk to and has great knowledge and understanding of rural small business and farming."

Pompey and Tanya Pezzelato [2015]

QUARRY/MINING BUSINESS

"Stirling was extremely efficient, he gave us structure and motivation, simplified our processes, saved us a bunch of money and helped us develop a strong business strategy to grow our business through the next decade. Thank you very much for reducing our stress level and we look forward to working with you further."

*Ian Wallace,
Wallace Quarrying & Mining Pty Ltd [2015]*

SME BUSINESS UPSKILLING

"Stirling, I thought the work you did was well-prepared and very relevant to assist small business holders with transition to new regulations, as well as improve planning fundamentals."

Rob McKenzie, Office of the Administrator, Norfolk Island, DIRD. [2016]

FARMING PROPERTIES

"Primo Produce Pty Ltd is a family owned and operated farming enterprise based on the Atherton Tablelands in Far North Queensland. We operate a number of properties with mixed intensive cropping including hay, pasture grass seed, potatoes, peanuts, pumpkins, sugar cane and avocados.

Our family engaged Stirling to assist us with a number of issues and projects for our business. As the fourth generation of the family to recently assume control of the business, we felt it was prudent to engage a professional to develop plans and strategies to future-proof our business and take us to the next level.

While it is still a work in progress, we have already seen an improvement in our personal development, executive management, communication and financial management since Stirling has come on board. We do not hesitate in encouraging any business, large or small, to engage with Stirling if they desire to improve themselves and their business for the future."

Matthew Poggioli [2016]

SERVICES BUSINESS

I have been extremely privileged to have had Stirling Tavener provide business support to my company periodically for more than a year. His contributions have been wide ranging and also deep and complex, covering the functions of market analysis, financial analysis, management reporting and process improvement.

Very quick to grasp the concepts of my business, Stirling brought to bear his extensive knowledge of other industry sectors in which he has worked, his deep analytical skills and his experience in the banking sector to help us better understand our business's key cost and performance drivers.

In addition, Stirling was able to translate the resultant metrics into practical action plans which defined cost and profit drivers, areas of risk, and where improvement was required.

The proposals were made relatively straight forward and logical under Stirling's guidance. His pragmatic and hands-on approach identified issues and developed solutions aimed at maximising our business potential.

At times all I needed was a sounding board but, on other occasions, totally new perspectives were required.

I highly recommend Stirling's services to any business; perhaps for just a 'health check' to see where or how you could improve or for a thorough, very quantitative analysis of the complexities of your business.

*Gordon Wellham,
Exemplar Coaches [2016]*

The Anson Advantage

Anson Advisory's commitment to client development



We help clients identify areas in need of development and develop a practical business plan.



We help clients prepare for known trends and events – drought proof your business.



While implementing a business plan, we will work with owners to up-skill them in the process.



We help clients critically assess their business by providing an outside perspective.



We help clients learn on-the-job, with an Anson consultant by your side.



Unlock your business potential – we can help by planning for the future.

Anson Advisory provides a holistic approach to work with business owners, managers, staff and professional advisors to ensure every expertise is utilised for a common goal. We analyse the business issues from a management perspective, rather than just a tax perspective. We can refine your operations to strategically adapt to an ever changing market and not just rely on historical data.



INNOVATION CREATES OPPORTUNITIES

Critically assess your business:

Is it Profitable?

Is it Sustainable?

Can it adapt to the Trends?

Does it align with the Facts?

The Anson Offer

Our unique proposition is to work alongside you and your business and provide executive management services.

- ▶ Consultancy on the latest strategies.
- ▶ Business structures and their implications.
- ▶ Funding/Banking requirements.
- ▶ Strategies to drive efficiency and profitability.
- ▶ Corporate Governance procedures.

Trusted professional advisors are often difficult to obtain. With so many 'professionals' out there, it can be hard to know which ones are truly capable, trustworthy, ethical and working in their clients best interests (and not their own).

With such a vested interest in your success, Anson Advisory can help you make those important decisions.

THE BENEFITS

- ▶ You learn quickly from an experienced professional, so next time you can do more things yourself.
- ▶ You get expert unbiased advice.
- ▶ The consultant ROI will be huge.
- ▶ We prepare financial documents for all projects.
- ▶ Our project documents will be more readily accepted as being accurate and reliable if completed by an independent consultant.
- ▶ 100% of our consultancy costs are tax deductible.
- ▶ A consultant costs a fraction of a full-time employee.
- ▶ Having a consultant on board allows you to continue to run your business.
- ▶ We involve our clients as much as they wish during the development of projects, to utilise their skills, knowledge and experience as much as possible and allow them to learn and do more for themselves next time.

POTENTIAL CONCERNS

- ▶ *Your consultant will not know your particular business as well as you.*
This is more of an advantage as it will strengthen your business.
- ▶ *Consultant may not involve you enough during the process to allow you to learn from it.*
You will be involved but it can sometimes be difficult to allow the time. We will work together to make it happen.
- ▶ *You reveal 'company secrets'.*
Any professional advisor should have 'terms of engagement' which cover their obligation to confidentiality. We will prepare and sign a full terms of engagement.

PACKAGE 1 BY THE HOUR

For clients who require ad-hoc services throughout the year, charged on an hourly basis.

PACKAGE 2 BY THE PROJECT

For clients who need a project completed such as a Business Plan, Cashflow Projections, Buyer's Analysis, Grant Application, Business Risk Assessment.

PACKAGE 3 ON-GOING SERVICES

For clients requiring on-going professional services. It is likely to consist of an initial period to collate, analyse, design improvements and a strategy which is followed by regular (such as 1 day a fortnight) servicing to build results.

This package can be open ended or for a set period. A six-month period provides even more value for money as the unit cost is reduced.

**CHOOSE A PACKAGE
THAT SUITS YOU
AND YOUR BUSINESS.**





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What do YOU need to reach your full potential?

Let Anson develop YOUR unfair advantage!

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