

# Video transcript – Banking solutions to support business growth

When you're preparing to grow your business, there are lots of important things you need to consider, and how to best structure your finances is one of them.

There are a variety of ways to support the growth of your business and there are multiple finance options available from banks. But what's the best solution for you and your business?

Suitability of finance options will depend on various factors and a business banker can help you find a solution for your situation and business.

But let's take a look at six common banking solutions designed to support business growth:

- business credit cards
- overdrafts
- asset finance
- business loans
- bank guarantees
- merchant services.

## Business credit cards

Credit cards help support business growth through helping you manage business expenses and cash flow.

Some business credit cards offer interest-free days, which may help manage cash flow, as well as a revolving line of credit to manage your incremental purchases.

You could also earn reward points on eligible purchases.

Typically, credit cards can be useful for covering everyday business costs.

## Overdrafts

Overdrafts help support business growth by giving you access to funds, like a safety net, when expenses arrive or income is seasonal.

A business overdraft is a line of credit available when you make any withdrawal for an amount greater than the balance in your business transaction account.

Typically, overdrafts can be used to pay suppliers, invoices and staff wages.

## Asset finance

Asset finance supports business growth by allowing you to upgrade existing business assets or purchase new ones, whilst taking the pressure off your savings.

Rather than paying the full purchase cost upfront, you can split the repayments over an agreed period.

Asset finance is a method of purchasing specific assets for your business and may help you maintain your cash flow, or preserve working capital.

Typically, asset finance is used for vehicles, machinery, business equipment, technology and fit-outs.

## Business loans

Business loans support the growth of your business, by allowing you to make larger purchases, without having to dip into business savings, with flexible repayment options.

Business loans are variable or fixed-term borrowings that are typically secured against property.

A business loan is commonly used for new premises, fit-outs, purchasing of stock or a business itself.

## Bank Guarantees

Bank guarantees support business growth by allowing you to take advantage of new business opportunities.

You may be able to use your cash as security or preserve working capital by using property.

A bank guarantee is a confirmation given in writing by a bank to a third-party (the beneficiary), who is owed money by the bank's customer (you), to guarantee payment will be made.

Typically, bank guarantees are used as security instead of retention money in building contracts, also known as performance bonds, as security for the payment of your customers or suppliers future accounts, or as a bond on a property lease.

## **Merchant services**

Merchant services help support business growth, through helping you to maximise cash flow by offering a payment method popular with customers.

Merchant services are a secure way to receive payments electronically, reducing the amount of cash your business has to handle.

You can use merchant services to collect payment services on the go, in-store or online.

To find out more about banking solutions to support your growing business, speak to a Bankwest business banking specialist on 13 7000 or visit [bankwest.com.au/smallbusiness](http://bankwest.com.au/smallbusiness).