

# Evolve500

## Finance

### THE FITOUT FINANCE HANDBOOK RESTAURANTS AND CAFES



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# TABLE OF CONTENTS

WHY FITOUT IS IMPORTANT!.....	1
PLANNING YOUR LAYOUT!.....	1
FINANCING RESTAURANT AND CAFE FITOUTS.....	1
WHAT CAN BE FINANCED.....	1
WHAT CAN BE FINANCED CONT'D .....	2
HOW FITOUT FINANCE WORKS.....	2
THE BENEFITS OF FITOUT FINANCE .....	2
HOW TO PLAN YOUR FITOUT.....	3
THE FITOUT FINANCE PROCESS.....	3
FINANCIAL INFORMATION REQUIRED .....	3
INSURANCE .....	4
WHY USE EVOLVE 500 .....	4
SHARON PIENING.....	4



## WHY FITOUT IS IMPORTANT!

The feeling and ambience you create in your restaurant or cafe with a fitout contributes significantly to its success!

First impressions, and the customer experience, count! The starting point is to think about:

- Your customers and what is important to them
- The feeling and experience you want to create
- How to ensure the fitout is aligned to your brand

The foregoing questions are critical, for if something is out of place, it will be noticed!

## PLANNING YOUR LAYOUT!

Your premises layout needs to be carefully planned.

It needs to work from both a customer and employee perspective. If you get it wrong, it can:

- Cause delays and frustrations
- Diminish the customer experience
- Reduce productivity
- Erode your bottom line

It is essential to do your research, and if needed, seek professional assistance.

Whilst planning a fitout takes time, the rewards if you get it right can be enormous!

## FINANCING RESTAURANT AND CAFE FITOUTS

For many restaurants and cafes financing the fitout of their premises is a smart alternative to using business capital that may be needed to fund ongoing operations and growth.

Fitouts can involve outlaying substantial capital which is often better preserved for alternate purposes.

Evolve 500 can assist business owners finance both tangible (hard removable items) and in-tangible items (soft costs)

## WHAT CAN BE FINANCED

- Cabinetry bench tops
- Fixtures and furnishings, counters signage
- Shelving and racking storage
- Security systems, point of sale
- Electrical plumbing
- Floor coverings, internal walls
- Cabling lighting
- Curtains and blinds

## WHAT CAN BE FINANCED CONT'D

In addition to the fitout, many business owners will at the same time need to purchase and finance equipment

Items financed can typically include:

- Refrigeration ovens
- Tables and chairs
- Counter displays mixers
- Culinary equipment, bench tops
- Phone systems, alarm systems, office desks
- Bar stools, couches, computer equipment, filing cabinets
- Delivery vans and motor vehicles

We can provide you with highly competitive equipment finance tailored to your cashflow and specific needs!

Equipment Finance is specialized. It is important the right product and structure are chosen to avoid expensive mistakes!

## HOW FITOUT FINANCE WORKS

With Fitout Finance you borrow funds to purchase the items (assets) in question, then repay the amount at a fixed rate over a fixed term.

Financing options include Rental, Lease or Chattel Mortgage.

Given the different ownership and tax implications, it is important to seek guidance from your accountant to ensure the right product and structure are chosen.

## THE BENEFITS OF FITOUT FINANCE

Financing fitouts offers many benefits including:

- Preserves working capital
- Fixed Interest rate over the term of the loan
- Flexible drawdown arrangements
- Depreciation & interest may be tax deductible
- Cost of fitout is spread over time
- Wide range of items can be financed

### ***Let us do the hard work!***

Arranging fitout finance and making payments to suppliers can be extremely time consuming.

However, we can arrange an Escrow Facility with the financier, which will allow us to make payments to the suppliers under your instructions. This can save you an enormous amount of time and hassle.

When all the payments have been made, the Escrow Facility is converted to an equipment finance facility.

## HOW TO PLAN YOUR FITOUT

When planning your Fitout there are a few elements you need to consider including:

- What return on investment are you looking to achieve as a result of the fitout? How will you ensure this is realized?
- The layout and foot traffic throughout the premises. Will the quality and finished look fit your brand?
- What finishes will be used? Whilst hard finishes often look great, it is important to consider noise element
- When will the work be completed (Shopping Centres in particular will have rules in this regard)
- What access arrangements will you need to make for the suppliers?
- Will you be using one supplier or multiple suppliers? (A project manager can coordinate all the trades involved & manage invoice payments, making the process easier)
- What experience do the suppliers have with restaurants and cafes? Are they willing to let you speak with former clients?
- If you are leasing premises, it is important to ensure the fitout complies with the terms of the lease.
- Do you need to provide notice to the landlord - if so, how long?
- Price is important, but it should not be at the expense of quality. As stated earlier, first impressions count!

## THE FITOUT FINANCE PROCESS

When you are ready and understand the requirements of your lease:

- Document your specific requirements (Including timelines)
- Decide which suppliers from whom you will seek a quote
- Ask details of their experience in your sector
- Seek details of former clients and inspect their work
- Request written and detailed quotes, including timelines
- Confirm any special access arrangements they may require
- Seek guidance as to which product or structure is best to use

**Our experience makes all the difference!**

## FINANCIAL INFORMATION REQUIRED

To obtain formal finance approval you will be asked to provide the following information:

- Last two years company tax returns and year to date management financials
- Directors personal tax returns
- In some instances, you may also be asked to provide financial projections and assumptions (This is usually limited to start-up businesses)

- A list of your personal assets and liabilities, copy of premises lease if applicable
- Identification documents - copy of Driver's License and Medicare Card, copy of current Rates Notice for any properties owned

When the Finance has been approved, you can then pay the supplier(s) their initial deposit. This will be a percentage of the project cost.

(When arranging the finance, you can request the initial deposit be included in the overall amount so that it can be reimbursed).

As invoices are received from suppliers, we will make the payment to them on your behalf.

## INSURANCE

As part of the process, you will also need to provide the Financier with a Certificate of Insurance covering the items financed with the Financier interest noted.

## WHY USE EVOLVE 500

Fitout Finance is highly specialised. Indeed, not all lenders participate in this sector.

It involves many different facets that need to be carefully coordinated to ensure problems do not arise.

If not properly managed, it can be an extremely time-consuming process.

As a business owner, your focus needs to be on running your restaurant or cafe, not putting out fires.

We can help you access highly competitive quotes from our panel of specialist financiers then coordinate the whole process to make it as seamless as possible.

We will also work with you to select the right product and structure.

## SHARON PIENING

As a business owner, I understand both the challenges and joy of running your own business!

I have an in-depth knowledge of fitout finance and understand what is needed to deliver the right outcomes for my clients.

I love the complexity and managing the different facets involved with this type of specialised finance.

With a practical, down to earth approach, I strive to make my client experience as seamless as possible.

### ***My strengths include:***

- Knowledge of the market and different industry sectors
- Exceptional organisational skills
- Persistence - I am tenacious when negotiating competitive finance packages for my clients
- Ability to structure finance to align with cashflow
- I have developed a niche delivering finance solutions to businesses across a wide range of industries including:
- Restaurants and Cafes Retail & Office, Fitouts Shopping Centre
- Medical and Dental Practices

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