

franchise
renewal rights
under scrutiny 51

- SMEs
- Finance options

Edited by: fentonjones@afr.com.au

Count for SMEs

However, she says that many of her customers are starting to focus on "good old-fashioned cash-flow management". Faced with scarce external funding, they are no longer prepared to ignore the cash generated from outstanding debts and are looking to husband internally generated funds.

Still, the 1 percentage point cut in interest rates this month by the Reserve Bank of Australia, which followed the previous cut in the cash rate by 0.25 of a percentage point to 7 per cent, confirmed that the interest rate cycle has peaked.

PwC's economist Scott Lennon said after the earlier cut that it would provide "welcome relief to private businesses feeling the squeeze of increased margins on commercial loans.

"Private businesses involved in the retail, consumer goods and discretionary services sector should also benefit from the increased spending in coming months as mortgage and other debt commitments ease."

Will agrees, expecting that interest rate cuts and the additional \$10.4 billion given by the federal government to pensioners, families and first-home buyers will be used to pay bills around the Christmas period.

"Talking to clients, there is more optimism than a month ago," he says. "In the private business sector, consumer confidence definitely correlates with small-business sentiment."

But he does not expect SMEs to emerge quickly from the effects of a slowing economy.

Since February 2007, private business owners have been reducing the amount of debt they carry as a percentage of their assets from 41 per cent to 38 per cent in August, although some have ratios that are well into the 70 to 80 per cent range.

Although Will predicts sales increases for retailers, he doesn't expect a sudden upturn. "It will minimise some downturn but not so significantly that it turns things around for them."

Add the fact that 65 per cent of

Super aid for business

Westpac has launched QuickSuper, an online portal that aims to help small to medium sized businesses manage the payment and administrative process of employee superannuation contributions.

ACCC stops Allphones

Allphones Retail has undertaken to the Federal Court that it will stop negotiations with franchisees until it has fulfilled certain obligations. The undertakings follow the Australian Competition and Consumer Commission seeking orders against Allphones after it alleged misleading and deceptive conduct and breaches of the Franchising Code of Conduct.

MOU for state health

The state health commercialisation agencies from Queensland, NSW and the ACT have signed a memorandum of understanding to establish greater co-operation and information sharing and to commercialise health intellectual property.

Savv-e teaching tools

Eight-year-old e-learning business Savv-e will launch Savv-e Express, an e-learning content development tool designed specifically for content experts and instructional designers, and Flying Start, a toolkit to create, deliver and manage an online induction program, on November 11.

Franchise top 10

Research firm 10 Thousand Feet has launched topfranchise.com.au, a website designed to help potential franchisees pick the best franchise systems. The rating system has Souvlakihut at the top followed by Quest Serviced Apartments, Frontline Recruitment, Ecowash Mobile, Beaumont Tiles, Xpresso Delight, Mortgage Choice, ANZ Mortgage Solutions, Mrs Fields Gourmet Cookies and Worldwide Online Printing.

New Nine Sunday show

Channel Nine has launched *Don't Come Monday*, a program focusing on



their debts.

Photo: PAUL JONES

SMEs with clients in finance, insurance and real estate will find these the slowest payers if they are going to improve their cash flow. D&B's chief executive, Christine Christian, explains that big businesses

Consumer confidence definitely correlates with small-business