The New Normal

Powering your business forward

2021 and beyond

Working Capital Solutions with a difference.

Powering over 200,000 businesses.

Trade Finance

Boost your purchasing power with a flexible, revolving line of credit. Access up to 120-day repayment terms and 60 days interest-free to get on the front foot with your local and global supplier payments.

Supply Chain Accelerate

Unlock liquidity with a revolutionary working capital solution, funding 100% of your supplier invoices upfront, with 90-day repayment terms.

Debtor Finance

Relieve cash flow strain and get up to 85% of your invoices paid immediately.

OctetPay

Use your credit cards, bank accounts and Octet finance to pay your suppliers, whilst using our bank-beating FX rates to get upfront visibility of exactly what you'll pay in your local currency.

Supply Chain Management Platform

Easily invite your suppliers to enable efficient and secure trade. Track, validate and approve every stage of your transactions in our intuitive, multilingual platform.

It's time to power forward.

Working capital solutions to power your company into the future, stronger and more resilient than ever.

2020 was a business year like no other. And although the storm is far from over, a new normal is very much in full swing.

The swift arrival of COVID-19 meant that many businesses scrambled just to keep operating. They may have had business continuity plans in place for a hypothetical crisis. However, the reality of enacting those plans in true crisis management mode, while also addressing ever-shifting workplace and societal requirements, has been a challenge.

But now it's time for corporations to power up, move forward and strengthen their businesses for the next phase.

Although preparing for the likely continued business interruption events is important, now is the time to refocus ourselves on the future.

The businesses that will come out the other end of this challenging period unscathed are those that have approached resilience planning as a long game. Of course, to play the long game, you need to be in a strong capital position.

Let us show you how our working capital solutions can help to power your business in the post-COVID era.

Clive Isenberg
Managing Director, Octet

Power up *noun*

The process in which something that needs energy or power to operate is turned on and prepares for use.

KEY TRENDS

Retail

Thanks to COVID-19, transformation in the Retail industry went into overdrive in 2020, and this is likely to continue through 2021 and beyond.

Online sales are at record highs with no signs of slowing down, and retailers are scrambling to meet demand while navigating the diverse challenges of doing more business online.

Powering forward

The challenge for traditional retailers is how to pivot to an online model and capitalise on these opportunities. Many big chains are experiencing lower inventory levels, thanks to both panic buying and conservative ordering, which has (somewhat counterintuitively) increased their available cash. But with consumer spending returning to more normal levels, some retailers are being caught out on the cash flow front.

With access to the right retail finance products, businesses can capture once-in-a-lifetime opportunities and set themselves up for a strong, profitable future.

Powering the Retail industry

- Trade Finance
- Debtor Finance
- Supply Chain Accelerate
- OctetPay

INSIGHTS

The future of Retail: how 2020 shaped the path ahead

2020 was the year no-one saw coming.

Governments closed borders, imposed lockdowns and put restrictions in place.

These changes hit the Retail industry hard, forcing many businesses to shut down. Other ‘essential’ retailers faced strict store occupancy limits and reduced foot traffic.

Understandably, traditional retail rapidly declined as consumers were forced to find new ways to shop.

While eCommerce was on the rise well before COVID-19, its growth trajectory skyrocketed during 2020. In February, online sales made up 6.6% of retail and wholesale trade. That figure then nearly doubled to 11.1% in April. With the percentage of online sales having remained elevated ever since, it’s clear that consumer behaviour has changed.

So what does this mean for 2021 and beyond?

For retailers who’ve embraced online business, sales and revenues have soared. Australia Post has brought their eCommerce growth projections significantly forward, with 5 years of projected growth occurring in 6 months.

In short, consumers have embraced digital faster than expected, and everything suggests the trend is here to stay.

The eCommerce legacy of COVID-19

The shift to online shopping began well before the pandemic, but COVID-19 has cemented its growth. As a result, Australian retail is in the middle of its biggest shake-up to date, with the pandemic’s legacy likely to forever change the industry’s landscape.

New-look traditional retailers.

For traditional retailers who relied on foot traffic, the year highlighted the importance of embracing eCommerce and significantly changing their business model. Moving to build an online presence helped businesses to find customers beyond their geographic proximity, expanding their earning potential and diversifying their risk.

In fact, an online presence is no longer an option – it's a necessity for most. Now's the time to look at different eCommerce models and evaluate which would work best for your product or service.

More competition

The transition of more retailers to online business and the growth in drop-shipping popularity means businesses face more competition than ever before. With so much noise online, investing in new product and service ideas and innovation will become crucial to stay ahead of your competitors.

Growing online

Businesses with an established online presence are in the very fortunate position of taking advantage of growth opportunities. Capturing opportunities now while your competitors work to catch up can secure you market share and brand equity that helps to set your business up for long-term success.

How to manage your cash flow and win in online retail

One of the key challenges facing online retailers today is finding the right funding to help them adapt and grow. Traditional financiers are tightening their lending criteria, thanks to COVID-19 and other economic factors. This means it's becoming more vital to increase cash flow and working capital in your retail business to fund those activities.

Consider:

- **Trade Finance:** increase your purchasing power by providing your business with a convenient revolving line of credit to use when and how you need it.
- **Supply Chain Accelerate:** a unique solution that links buyers, suppliers and financiers to lower costs and improve efficiency.
- **OctetPay:** secure better foreign exchange rates and pay your international suppliers via a dedicated supply chain platform.

KEY TRENDS

Food & Beverage

The Food and Beverage sector is Australia's largest manufacturing industry, accounting for 32% of the country's total manufacturing turnover.

While demand for essential food and beverages will always exist, many businesses in the industry are experiencing significant challenges primarily due to:

- **changing customer needs**
- **supply chain disruptions**
- **currency fluctuations.**

A changing customer base has also strongly impacted the demand for some products. For example, many restaurant and event catering businesses initially saw sales fall before they created new, flexible sales channels such as online and local delivery, which have been wildly popular.

Powering forward

Now, more than ever, food industry businesses need to focus on their finances to stay profitable and take advantage of strong opportunities. Some businesses are booming in the current climate, while others' creativity and ability to pivot have kept them going. Strong cash flow can help businesses weather many of the current storms. In such an unpredictable environment, one way to thrive is to leverage the funds tied up in your supply chain with debtor finance.

Powering the Food and Beverage industry

- Debtor Finance
- Trade Finance
- Supply Chain Accelerate
- OctetPay

CASE STUDY

NSW food and beverage company – drinking to success

OCTET FACILITY

$1.5m
Debtor Finance

$75k
Trade Finance

INDUSTRY
Food & Beverage

LOCATION
New South Wales

The Scenario

This long-established food and beverage company manufactures soft drinks and other beverages for customers across Australia.

The business had finance with an existing traditional financier. However, due to having few major debtors, they could no longer meet the facility's concentration limit requirements. Their primary financial institution suggested that they refinance.

The Solution

The company approached Octet to ask about a solution that would meet their needs and provide working capital fast.

Octet approved a $1.5 million Debtor Finance and $75,000 Trade Finance solution for the client. This decision was based on the company's good quality debtors, lack of bad credit, and solid processes. While the company had experienced difficult trading conditions over the past 12 months, they'd implemented strategies that would comprehensively address these issues.

This fast-working capital funding will enable the business to bring their creditor accounts back in line with agreed trading terms. Going forward, they'll then have the funding to continue as a far more profitable business.

The business is now in a prime position to seek improved trading terms with suppliers, better cope with seasonal revenue fluctuations, and fund existing and future growth opportunities.

Facts about the
Food and Beverage industry

According to the Australian Food and Grocery Council's 2020 State of the Industry report, **the food and beverage, grocery and fresh produce sector is the largest sector in Australian manufacturing**, with a

$127.1 billion annual turnover

The industry is made up of

15,000 businesses

of all sizes that employ nearly

275,000 people

And perhaps most importantly, it's the heart of regional Australia, with

40%

of these employees **living in regional and rural communities**.

Customer Testimonial

"Octet assists in growing our business, strengthening our supplier relationships and driving sales. This is all part of the experience we receive and ultimately are empowered to control via their secure and intuitive supply-chain platform.

Our suppliers enjoy the consistency and transparency of each transaction, which has created a definite level of trust that enriches our relationship with them. Early payment discounts are an example of the benefits, as well as being able to procure more throughout the year."

Alan Tunney, Financial Controller
Royal Foods Aust Pty Ltd, QLD

KEY TRENDS

Wholesale

There's probably never been a more uncertain time than right now for wholesale businesses. In the past year, supply chains have become unreliable, and demand has been erratic and unpredictable.

So many businesses are experiencing a feeling of constantly scrambling to adapt, along with the rising cost of freight and fluctuating exchange rates - it's not ideal.

Powering forward

With uncertainty also comes an excellent opportunity to look closely at your business and cash flow structure. The changes you make now to help your business survive can lay the foundation for it to thrive in the future.

In wholesale businesses that are thriving, we often see:

- **management teams using controlled purchasing – purchasing more often and in smaller quantities to shore up their working capital base.**
- **streamlining processes – automating interactions where possible to create room to breathe.**
- **diversifying suppliers and sales channels – with supply chains still affected, diversifying to explore online sales, new marketplaces and other supplier options is key.**

Strengthening connections with all of your trading partners will also pay off in the long run.

And, as always, improving cash flow is critical. At any time, a large part of your success will depend on how well you manage that cash flow juggle. That means you need to put the right structures in place to support it.

Powering the Wholesale industry

- Debtor Finance
- Supply Chain Accelerate
- OctetPay
- Trade Finance

"Clear visibility over when buyer and supplier payments will occur, plus having the right tools to deal with fluctuating sales, cover procurement and capture key opportunities are all key. Getting the right working capital in place allows businesses to capture appropriate opportunities that have resulted from the pandemic.

Changes such as remote working and direct selling online have transformed the way many businesses operate. It's the perfect time to consider what has worked well, what you want to continue doing, and how you can create opportunities to reduce ongoing costs and increase sales.

With the use of effective and flexible funding solutions, you can take advantage of these conditions to gain a powerful competitive advantage."

Brett Isenberg
Chief Commercial Officer, Octet

CASE STUDY

VIC health and beauty wholesaler – set for vigorous growth

OCTET FACILITY

$3m
Trade Finance

INDUSTRY
Health Wholesale

LOCATION
Victoria

The Scenario

Family-owned and operated, this VIC-based health and beauty products bulk wholesale group was established in 2014. The business predominantly sells to overseas markets and throughout China and South-East Asia markets via online retailers and marketplaces, but also sells in local markets.

The company originally had a substantial Debtor Finance facility in place with a major bank. However, the business's strong international growth meant that most of their debtors were now overseas, and therefore couldn't be financed via their existing arrangement.

The Solution

The company's financial adviser identified Octet's market-leading Trade Finance facility as a perfect fit for their client's unique requirements. As the steadily growing business had invested significant funds into itself over time, Octet was flexible enough to assign value to this equity (retained earnings and shareholder loans). This provided the company with a very healthy Trade Finance facility of $3M as their core working capital funding line. Their incumbent bank simply couldn't match this level of flexibility.

The company will primarily use this additional working capital capacity to fund local procurement requirements. Also, because the business is highly seasonal, their next step will likely be to extend the facility by approximately $2M to cover the peak sales periods.

Both the business and their adviser were extremely impressed by Octet's speed to market and flexibility, and genuinely excited about growing the partnership into the future.

KEY TRENDS

Manufacturing

Because so many products are imported, most people don't realise that the Australian Manufacturing industry employs approximately 923,000 people, which is over 7% of the country's total workforce.

Collectively, the 47,530 businesses that make up the sector earn over $32b in profit.

During the pandemic, although demand was up for select products such as toilet paper and home décor, the sector met with some challenges.

Between rolling lockdowns, decreased demand for certain products and issues with sourcing raw materials, it was a rough season.

Powering forward

Healthy manufacturing businesses learned that improving cash flow could be the difference between a struggling operation and one that thrives. In fact, good cash flow has never been more vital than now. After all, when raw material supply chains are unreliable, strong working capital may help you secure what you need to manufacture your products in a more timely fashion.

With so many small businesses folding in the current environment, the ability to outlast your competition is invaluable.

Powering the Manufacturing industry

- Trade Finance
- Debtor Finance
- Supply Chain Accelerate
- OctetPay

"Manufacturing businesses are dependent on the health of their cash flow. And when there's a cash flow problem, it can significantly impact all areas of the business, from crisis management, to the ability to secure materials on time.

With strong working capital, you're in a better position to overcome significant challenges that would otherwise hamper growth and profitability. It gives you options when you need them most."

Clive Isenberg
Managing Director, Octet

CASE STUDY

WA manufacturer – blasting into the future

OCTET FACILITY

$700k
Debtor Finance

$200k
Trade Finance

INDUSTRY
Manufacturing

LOCATION
Western Australia

The Scenario

This business is a new addition to a family-owned group of companies that was first established in 1971. It provides manufacturing, fabrication and wholesale services to the mining, resources, civil and engineering sectors.

The group had recently set up a new blasting and painting business to acquire the assets of an existing company. This required establishing a new funding facility to provide the working capital required to grow the business.

The Solution

The company approached Octet to discuss a solution that would meet their needs and fund their working capital outlay.

Octet approved both $700k Debtor Finance and $200k Trade Finance facilities for the client.

This decision was based on the group's experienced management and solid track record, including a history of increasing revenue and solid profits throughout the years.

The new working capital facilities provide the cash flow the company needs to establish their new business, and ultimately fund their future expansion. Given the extensive network of existing clients within the group, the new company is well-placed to distribute its services to an even wider customer base.

And with the aid of Octet's funding, the client's forecast is continuing along the path of sound profit and growth.

KEY TRENDS

Healthcare & pharmaceutical

Recently, there have been a range of unique challenges for organisations in the Healthcare and Pharmaceutical industry.

Caught by surprise by both the pandemic and sudden spikes in demand, pharmaceutical, biotechnology, equipment, distribution, facilities and managed health care organisations worldwide had to quickly adapt. This led to the rapid adoption of new protocols and unprecedented collaboration across the sector.

Powering forward

The Healthcare industry plays a fundamental role in our collective physical, mental and economic health, so it's important for the sector to be as secure and stable as possible. A healthcare organisation requires constant balance – continually weighing optimal patient care against ongoing financial viability. To ensure growth, healthcare and pharmaceutical companies must focus on growing supplier lists, negotiating better payment terms and creating ongoing working capital stability.

Powering the Food and Beverage industry

- Debtor Finance
- Trade Finance
- Supply Chain Accelerate
- OctetPay

INSIGHTS

How to manage demand spikes in healthcare

A system tested to its limits

COVID-19 is the first truly global pandemic since the 1919 Spanish Flu. Fortunately, while it pushed some international healthcare systems beyond their limits, Australia managed to reduce the pandemic's impact through a prudent public health response. Precautionary measures and advanced tracking helped to contain further case spikes.

But containing COVID wasn't the healthcare system's only challenge. Just some of the additional obstacles included:

- **supply shortages of PPE.**
- **a growing demand for telehealth.**
- **the need to create new COVID health clinics.**

The Australian healthcare sector rose to the occasion, and the industry looks very different today compared to a year ago.

However, innovation and fast evolution have a financial impact. Balancing social influences with healthcare finance outcomes has become more challenging than ever.

Planning beyond a one-off event

While some view COVID-19 as an isolated event, history suggests otherwise. Infectious diseases have always been a part of our world, and pandemics of different sizes have occurred throughout the millennia.

Future pandemics are therefore likely.

When these pandemics do arrive, they're also likely to present more of a challenge. As our global population grows, cities become more densely populated, urbanisation increases and global travel becomes easier and more accessible. All of these factors enable pathogens to spread faster and more easily.

More frequent pandemics will increase the pressure on the Healthcare industry.

As with most sectors, the industry's ability to manage this pressure will likely hinge on its financial strength.

The biggest financial challenges in healthcare

Without ongoing financial viability, the system collapses.

Some of the financial challenges that 2020 highlighted include:

- **Declining revenues:** the cancellation and delay of patient visits and non-essential procedures saw revenues take a hit in some cases.
- **Increased costs:** spikes in demand increased immediate costs, while new protocols added to the expense of both supplies and labour.
- **Narrowing margins:** reduced revenues and higher costs impacted the profitability of many companies in the industry.
- **Funding challenges:** traditional lenders reviewed and tightened their policies as a result of future uncertainty.
- **Cash flow pressures:** large, unplanned-but-necessary one-off investments placed significant pressure on finances and working capital, with cash flow becoming tight.

How to strengthen healthcare finance

To alleviate some of these financial challenges in years to come, healthcare providers can explore a number of solutions.

Growing supplier lists

A key challenge in a pandemic is sourcing the right supplies when needed. Securing a range of suppliers, both locally and internationally, spreads risk and reduces disruption. Building a group of reliable, trusted suppliers, and being able to quickly and efficiently pay them enables the Healthcare industry to better manage unexpected spikes in future demand.

Negotiating better payment terms

Negotiating better payment terms can bring a host of financial benefits. Securing early payment discounts can lead to cost savings, improve cash flow and build stronger stakeholder relationships to help see businesses through tough times. By bringing the different parties together (buyer, seller and financier), healthcare providers can also create more transparency and control over their supply chain.

Creating ongoing working capital

Securing sustainable access to working capital and flexible cash flow solutions can establish a buffer against unexpected future events. If healthcare providers have cash reliably available when needed, they increase their purchasing power so they can better meet demand and remove the strain on their cash flow.

Preparing for the future

The Healthcare industry has shown incredible strength under pressure – and although the future remains uncertain, there is one thing that provides stability to providers and developers in this industry; financial preparedness.

Being financially prepared helps. Taking measures to protect your supply chain and secure sustainable working capital solutions ensures that your organisation will be ready to respond, no matter how the circumstances change.

KEY TRENDS

Transport and Logistics

Although some areas of the Transport and Logistics industry experienced a growth in demand during the COVID-19 pandemic, Australia's border restrictions severely affected the realities of their day-to-day movements.

Operations relating to online retail and freight services benefited from a rise in demand and clearer roads, respectively. But many other areas of the industry experienced significant challenges.

Powering forward

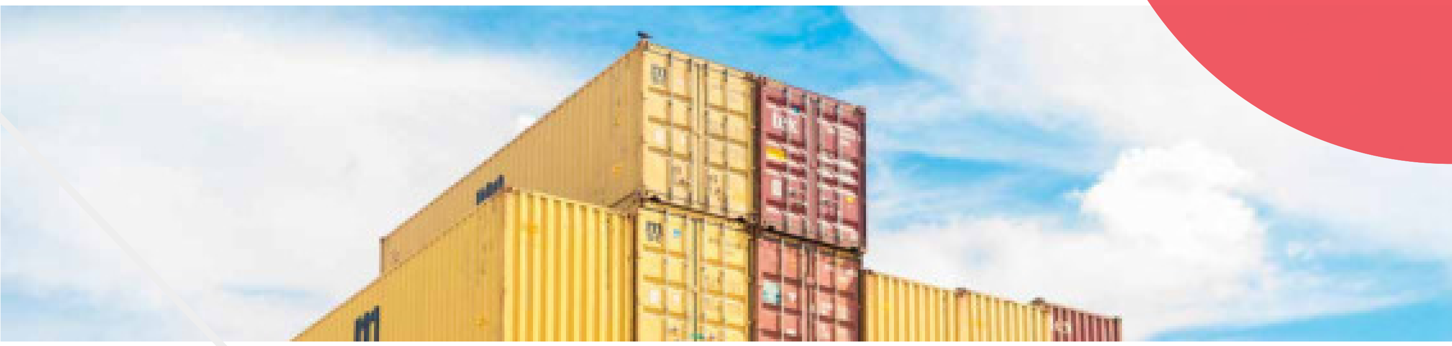
Services related to couriers and online retail are expected to continue to grow, even as restrictions ease and in-person retail becomes busy again. Freight will also likely encounter fewer hurdles in future, thanks to government policies and protocols developed during the pandemic.

Moving forward, transport and logistics companies need to pay particular attention to:

- **diversifying their supply chains to lower the risk of product scarcity.**
- **increasing their efficiency with technological solutions.**
- **considering tailored working capital solutions to increase cash flow.**

Power to operate

- Trade Finance
- Debtor Finance



CASE STUDY

VIC freight forwarding company – unlocking working capital to fuel growth

OCTET FACILITY

$2.5m
Debtor Finance

INDUSTRY
Transport & Logistics

LOCATION
Victoria

The Scenario

Established in January 2019, this award-winning freight forwarding company uses cutting-edge shipping systems to enhance freight movement and improve productivity. In its first year, the company secured major customers in Australia and the UK across a range of industries, including construction, stationery and healthcare.

Going against the industry standard, this client covered all costs and only invoiced their customers after completing delivery. While this approach helped the company to secure major customers, it also created a longer cash flow cycle. However, the relationships the client built, along with their unique service offering, led to rapid growth that was four times higher than projections.

This resulted in a greater working capital requirement and a need for a transport financing solution to help bridge the gap.

The Solution

The client heard about Octet on the radio and visited our website to see how we could help them to improve their working capital position. Octet worked closely with the company to understand their business, invoicing process, obligations and growth potential before suggesting a solution.

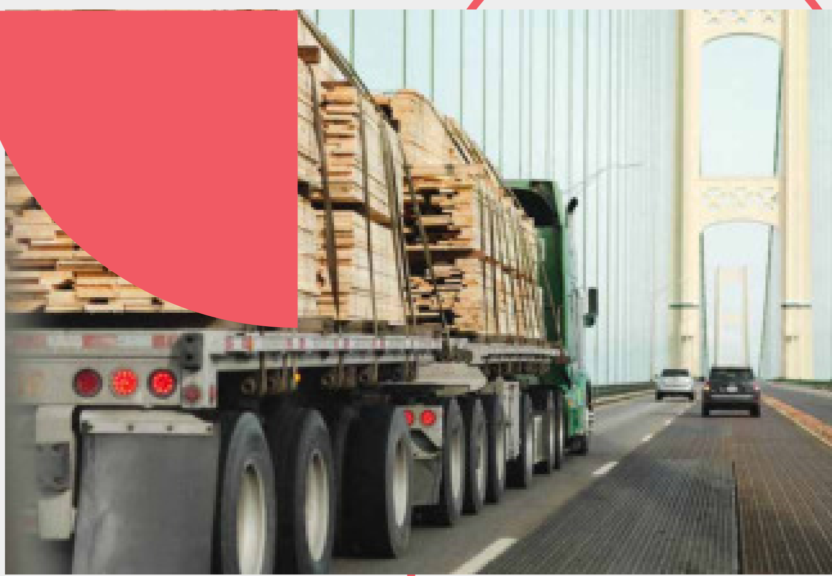
Octet then provided a flexible transport financing solution that helped the client to shorten their cash flow cycle and increase their working capital. The decision was based on the profitability of the business, and the quality of their debtors and paper trails.

With a $2.5 million Debtor Finance facility approved, the company can not only meet their statutory obligations, but is now well-placed to capture new opportunities to power their growth.

Transport & Logistics

2019	2020	2021
the road freight sub-industry accounted for 48,399 businesses	38,221 businesses	36,934 businesses
employs 142,808 people	decline of 21%	decline of 2.7%
Market $47bn	Market $47.8bn	Market $46.6bn

Performance benchmarks from the ATO road freight figures provide a good reference point to compare your business against the transportation industry as a whole. [Source.]



KEY TRENDS

Construction & Engineering

As at the end of 2020, the Construction and Engineering sector accounted for 9.6% of employment across the Australian economy.

Unfortunately, the industry was impacted in 2020, meaning in the 2020-21 period, the amount of construction work fell by 3.2%, resulting in around 42,000 job losses.

As we move into the second half of 2021, continued local shortages of key materials (such as timber after the 2019-20 bushfires) are still stalling productivity in some areas. However, other sub-sectors - such as infrastructure - are returning to normal relatively quickly, and may even see increased demand.

Powering forward

Movement across the construction sector is now ramping up, and experts are forecasting a rebound over the 2021-22 period. Large-scale project activity rates are climbing – particularly in water, sewerage and electricity. The domestic construction sector is recovering even more quickly, experiencing a steady growth that is likely driven by consumers' increased time at home and the now-concluded HomeBuilder grant.

The current focus is on diversifying supply chains to de-risk them, while paying attention to relationship building and shoring up stock with quick payment to suppliers.

Powering the Construction and Engineering industries

- Debtor Finance
- Trade Finance
- Supply Chain Accelerate
- OctetPay

Customer Testimonial

"Our Chinese suppliers have a great deal of trust in the Octet platform and technology, to the point where they exclusively accept this as the source of payment.

Octet's seamless Trade Finance solution enables our relationships with suppliers by also covering the deposit, which greatly helps our overall cash flow and payments."

Akiko Carlton, General Manager
UON Pty Ltd, Perth, WA

CASE STUDY

VIC civil construction company – smoothing out the seasonal cash flow cycle

OCTET FACILITIES

$3m
Supply Chain Accelerate

$1.4m
Debtor Finance

$3m
Trade Finance

INDUSTRY
Civil Construction

LOCATION
Victoria

The Scenario

Established in 1975, this family-owned company provides a full range of civil construction skills, and carries out projects throughout Victoria. The business originally had a receivables facility in place with another finance group, but was looking for an alternative provider. They sought a more holistic funding solution with greater funding at better rates to help them better manage their cash flow cycle.

The Solution

The company's financial adviser approached Octet to discuss solutions that would meet their client's needs. Because the company was mature and had growth potential, Octet could offer a mix of business capital solutions that covered the required funding.

Among the solution mix was an invoice discounting Debtor Finance facility of up to $1.4m, which covered invoices that the company's previous provider couldn't. The business initially used this to pay off their significant ATO arrears.

The company's invoices included a mix of 'do and charge' and progress invoicing. Going forward, the business will fund their debtor's ledger and new invoices using Octet's Debtor Finance for 'do and charge' invoices, and using Supply Chain Accelerate for the progress invoicing. Finally, they will access a more robust, consistent business credit line using Octet's Trade Finance facility.

The business is now in a prime position to seek improved trading terms with suppliers, better cope with seasonal revenue fluctuations, and fund existing and future growth opportunities.

"To take advantage of growth opportunities, construction businesses need to be able to quickly shift materials suppliers if existing sources are low or out of stock.

This kind of agility requires strong cash flow, which in turn often requires funding purchases in innovative ways that go beyond traditional financing."

Anthony Lee, General Manager
Working Capital Solutions, VIC, TAS, SA

KEY TRENDS

Labour Hire

2020 was a particularly challenging year for the Labour Hire industry as the COVID-19 pandemic swept the globe, and related response measures came into place.

Some industries shut down altogether, while others saw spikes in demand and yet others experienced ongoing fluctuations due to changing restrictions.

Some of the changes and their impacts included:

- **Unexpected decline** – For companies that experienced a significant decrease in worker demand, the unforeseen drop in revenue strained their finances and raised questions about their future viability. No matter what their prior plans had been, their focus switched to what they could do to continue operating through the pandemic and come out the other side as strong as possible.
- **Rapid expansion** – Conversely, some labour hire companies found themselves struggling to manage the fast-growing demand. Their attention turned to ramping up recruitment, sourcing new workers and securing fast funding to capitalise on new opportunities.
- **New working conditions** – For labour hire workers in industries with continued demand, new virus-related OH&S factors came into play. While these people could still work, they now faced the difficult balance between wanting to stay safe, and employment that came with no job security or sick leave.

It was truly a year of mixed fortunes and challenges for labour hire businesses across the sector.

Powering Forward

While these more significant changes have passed, their impact will continue into the future. With the pandemic still running its course, and further fluctuations in demand expected, labour hire companies need to keep adapting how they do business to better meet the challenges ahead.

Given the important role that cash flow plays in ongoing financial viability, flexible financing will be key to riding out future downturns.

Power to grow

- Debtor Finance

ANALYSIS

How can the labour hire industry adapt to the new world of work?

2020 has redefined the world of work.

The Labour Hire industry grew significantly in Australia over the three decades leading up to 2020.

It now makes up a significant portion of the workforce in several industries – such as construction, hospitality, mining and manufacturing.

This widespread adoption of contract workers brings the challenge of managing employee rights, commercial considerations and the changing demands of our economy.

A changing landscape

In industries where work-from-home hasn't been possible, new procedures and practices have been necessary to create COVID-safe workplaces. This has made workforce planning more important than ever, especially within the Labour Hire industry.

Job security is now a key concern, as demand fluctuations leave no industry untouched.

These changes will continue to challenge the Labour Hire industry. Some practices will become irrelevant and cease, while others will change to meet the new way of doing business.

Annual investigations by various commissions also consistently focus on the fair treatment of workers, adherence to workers' rights and maintaining OH&S levels. Regulatory compliance is strictly monitored, and non-compliant companies face fines and other penalties.

The risk for labour hire companies doesn't end with a fine, though. Insufficient OH&S measures can threaten company and shareholder value, making access to external capital difficult.

This means managing human and labour rights becomes imperative for commercial reasons.

Looking ahead:
The Labour Hire industry of the future.

Securing stability during downturns

2020 highlighted the impact of demand fluctuations, and the importance of developing strategies to ride them out. Such strategies are now critical in preparing for future downturns.

Flexible solutions such as debtor financing enable labour hire companies to access fast cash flow to help them meet commitments as demand increases.

Capturing new opportunities

In some industries, demand for workers will continue to grow. This may be an enviable position, but it comes with challenges. Access to flexible finance is one of the biggest issues facing companies with fast-growing demand.

Sourcing new labour takes time and resources that are often stretched in periods of growth.

New levels of compliance

As government regulators continue to scrutinise the Labour Hire sector, companies need to mitigate their risk. The financial penalties of ignoring this can be significant and the reputational risk long-lasting. While commissions haven't yet publicly announced any of the breaches they've uncovered, this may change in future.

The key takeaway: be prepared

2020 demonstrated that changes in demand can, and do, happen – and their impacts can be substantial. Although there are signs that we are now coming out of the pandemic and associated economic uncertainty, it's not time to relax.

Being prepared is key. Labour hire finance solutions can help you to prepare for shifts in demand, freeing up capital to support growth and mitigate risk.

Gain a competitive edge:
The Octet Supply Chain Management Platform

Experience the certainty of secure supply chain transactions

As an SME, you conduct most of your business transactions by phone or email. And often, you have multiple transactions occurring simultaneously.

That can make it hard to keep track of all the vital documentation: commercial invoices, bills of lading, airway bills…

Our Supply Chain Management tool makes tracking, validating and authorising every step of your transactions simple.

It takes the hassle out of managing your supply chain.

Centralise your documentation

Our Supply Chain Management tool gives you clear visibility across each stage of a transaction and every purchasing document. No more information scattered randomly across email, messaging and paper notes.

Everything's together, organised in one place to save you time and reduce confusion.

Eliminate the language barrier

Avoid expensive – and potentially relationship-damaging – misunderstandings by easily communicating with your supplier in their own language.

Our Supply Chain Management tool is multilingual, so you and your supplier can each interact in your preferred languages.

Keep your transactions on track

See the status of every transaction at a glance. With no email-based negotiations, it becomes simple to find out where an order is, or authorise the next step, to keep a transaction moving.

Pay suppliers in up to 15 currencies

Access competitive FX rates and make payments to 65 countries with our Supply Chain Management tool. Then close the working capital gap by having up to 120 days to repay us, if you pay using our Trade Finance solution.

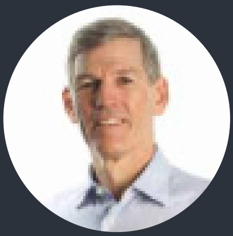
Leverage the value of your unpaid invoices

Convert up to 85% of your invoices into cash with our Debtor Finance facility.

Then take advantage of early payment discounts by using the money to pay your suppliers immediately.

- More about Debtor Finance

Leadership Team

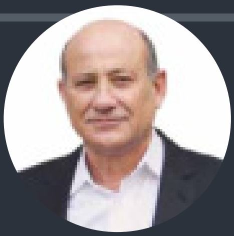


Peter Gammell
Chairman

Peter Gammell is currently the Executive Chairman of Invictus Advisory Pty. Ltd and Non-Executive Chairman of Octet Finance Pty Ltd.

During Peter's career he has been instrumental in acquiring and building multi-billion dollar enterprises with in excess of $10 billion of mergers and acquisitions.

Mr Gammell is a member of the Institute of Chartered Accountants of Scotland and holds a Bachelor of Science degree from the University of Edinburgh.



Clive Isenberg
Managing Director

Clive established the Octet Group in 2008 before introducing Octet Finance Pty Ltd as a financial institution into the Octet Group to provide a complete offering of finance to SMEs for their entire supply chain, utilising Octet's unique closed community Platform.

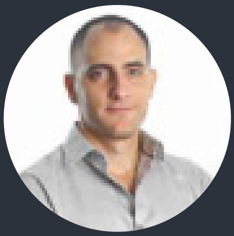
In August 2018 Clive successfully completed a $100 million securitisation program for Octet Finance Pty Ltd. More recently this program has expanded to $200 million.

In August 2019, Clive oversaw the acquisition of Bank of Queensland's Debtor Finance portfolio and effective partnership arrangement to deploy our non-competing supply chain finance solutions across the BoQ network, including a $55 million warehouse facility.

Brett Isenberg
CCO

Brett is responsible for the overarching and commercial strategy, as well as the corporate growth function in the business, along with being very instrumental in product and sales development and implementation.

Brett's vision of making Octet the primary platform for business finance and payments, is the foundation that has spawned proprietary developments, including Octet's Digital Wallet for Business – a powerful tool enabling businesses with a range of funding capability to centralise their payments and finance.



Michael Rom
COO & CTO

Michael currently serves as COO/CTO across the Octet group of companies. He is responsible for ensuring operational success and growth across 6 offices and 50+ team members.

Michael also owns the technology function and is instrumental in the design, build and implementation of the Octet Platform, a world class supply chain financing and management platform that interlinks financial institutions, buyers and sellers on a global basis.

Octet

It's time to Power your business.

Get the power to grow on your terms with our supply chain finance solutions.

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octet.com

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