

CASE IH

FINANCE

Focus on cash flow

When purchasing new or used equipment a lot of time and effort is spent ensuring the gear purchased is ideally suited to the work it is meant to carry out, but when it comes to finance, all too often the same effort is not put in. Making sure you have the best financial package to suit your business, structured in a way to mirror your cash flow is a key requirement when setting up finance on machinery.

All businesses are susceptible to fluctuations in their cash flow, but none more so than those in the agricultural industry. Income can be seasonal, exchange rate has an impact and there is something else entirely out of everyone's control... the weather.

These fluctuations in cash flow make it even more important to ensure your financial commitments are structured in a way to match your income.

Not only does Case IH

Finance offer extremely competitive rates but the ability to structure repayment's to suit your individual requirements. This can reduce pressure on working capital; also lowering your interest costs and results in you repaying your commitments faster.

Case IH Finance will structure your loan so that the GST portion of the purchase is repaid when you receive it from the IRD. This in effect acts as a lump sum principal reduction, reducing your interest costs and payments. However you can choose to pay the GST upfront with the knowledge that you will receive a payment from the IRD in the near future. The choice is yours.

When working with farmers or contractors, Case IH representatives often find that seasonal repayments are the best way to structure loans. Options range from having lower payments during the 'off-season', through to one off

annual balloon payments. The key is that Case IH Finance gives you the ability to structure the loan to meet your needs.

Case IH Finance can also give you the ability to make lump sum principal reductions, this enables you to either reduce your payments or reduce the term of your loan and make savings on your interest cost.

Purchasing new equipment can also assist with cash flow. New equipment gives you more certainty of your fixed outgoings as it will be covered under warranty and therefore there is unlikely to be any unbudgeted repairs and maintenance costs. You will know how much your repayments are and when they are due, making budgeting easy.

With the current competitive environment it is more important than ever that farms are run as businesses and therefore the effect on your cash flow should be taken into

account with every major purchase.

The current Red Rate promotion allows for no payments until January 2008. This enables you to buy a new tractor now, and have the benefit of its increased productivity without having to make any payments. This has a great positive cash flow effect on your business. This deferred payment is also useful if you have existing commitments which finish in the next 12 months, with the new payments just taking their place.

Case IH Finance provides you with a seamless financing option that can be put together by your friendly Case IH dealer. The entire Case IH philosophy is based around building relationships, and Case IH Finance is another way we can add value to your business.

Next time you are talking to your Case IH representative be sure to ask about Case IH Finance.