

## What a Year and Here It Comes



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MIKE PHIPPS FINANCE ACL (364 314)

fresh ideas...



We live in uncertain times. Disruption is everywhere. Unpredictability is the new normal and in a world of constant change who would dare to suggest what 2018 might hold.

Yep, you guessed it, I'll have a crack! Let's look at 2018 with crystal ball in hand and tongue firmly in cheek. In no particular order and based on nothing but wild guesses, blind hope and a generous serve of optimism here we go.....

1. The word Like is banned from use by anyone under the age of 35, thereby rendering speechless an entire generation and having absolutely no negative impact in the national discourse
2. Management rights vendors start providing 3 years financials and pre-offer, full due diligence access to buyers, causing multiples to hit 10 times and no transactions to crash throughout the year.
3. Donald Trump finally snaps and hits the nuke button. It's ok, his advisors saw it coming and connected it to a trapdoor. The Donald is never seen again although his hair gets a gig hosting a games show in Las Vegas. In an unprecedented development Kanye and Kim are elected joint presidents. The inauguration highlight is RUN DMC and the Beastie Boys rapping the Star Spangled Banner. Like....umm....gee....umm....like....wow!
4. Banks fess up at the royal commission that they've been a bit naughty and promise to change, and actually do. Finance quotes are honoured, credit managers become human and no finance extensions are requested for the entire year. Deals settle on time due to appropriate staffing levels and bank staff morale hits an all time high. They make a few less dollars but no one cares.
5. Malcolm Turnbull switches to the Labour Party, overthrows poor Bill in a midnight coup and loses the next election to Julia Bishop. New government decides to make all new policy via non compulsory electoral postal ballots. Tony Abbot buys large number of licensed post offices.
6. Someone decides that selling your house, moving to a new town, turning your life upside down and spending lots of money might not be the most clever first step in applying for a new job. Body corporates start meeting buyers early in the process. They don't all get on but at least no one ends up being declined for no good reason by a crazy committee after spending a stack of dough and almost having a nervous breakdown.
7. South Australia moves to 100% renewable energy, saving the last person in Adelaide from needing to turn the lights out. Submarine contracts are subsequently awarded to anywhere with a reliable power point, India and China win.

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8. Motel vendors start banking all takings, agents cured overnight of the need to nod, wink and occasional twitch when presenting a P and L with a number in red at the bottom.

9. Governments decide that hiding policemen behind bushes is not improving road safety. Driver training and better quality roads program combined with increase in speed limit to 120kph on dual lane highways sees road toll halved.

10. Vendors realise that presenting a profit they wished they'd made is not the same as the one they actually made. Management rights industry abandons premise that a 100 room resort can be run by a little old lady with a walking frame and no other staff. Verifying accountants rejoice at the news. Mike Phipps Finance boycotted by little old ladies with walking frames. Volumes do not suffer.

11. Governments decide, after an overwhelming response to a non binding postal vote, that if its good enough for a dog, it's good enough for us and introduce voluntary euthanasia for the terminally ill. Fear of a nasty death virtually disappears overnight and a "live life to the fullest" optimism grips the nation. Not everyone is happy but no one's forcing them.

12. Banking royal commission finds that a significant contributor to the somewhat poisonous relationship between the banks and the punters is a result of next to no education about finance and the real world in schools. Money diverted from the Understanding Gender Reassignment Program for kindergartens is pooled with money from the banks and used to provide programs to better prepare kids and adults for the day to day practicalities of all things money related. Students start to understand how banks and finance works, grownups learn a bit as well and disputes start to trend down.

13. The profession of finance broking is recognised as a valuable contributor to consumer education and a viable and trusted conduit between the needs of the borrower and the shareholder focused interests of the banks. In the public interest the banking royal commission recommends that broker commissions be doubled to reflect the important role the profession plays in the finance economy and to allow brokers to devote more time to consumer advocacy and outcomes. The banking industry respectively declines to implement the recommendation. Brokers are not surprised.

So there you have it. I could go on but how deep a hole should I dig? On a personal note Mike Phipps Finance will be expanding in 2018 with new brokers, enhanced systems through further investments in technology, the opening of our Hawaii office and a continuation of our singular focus on doing the best for your clients. Whoops, sorry, no Hawaii office, the managing director has declined my proposal.

We wish everyone all the best for 2018.

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