

# HELPING FINANCIALLY SECURE BUILDERS STAND OUT



## Developers & Lenders are Nervous

The recent wave of highly publicised insolvencies has cast doubt over all Builders; the issues of some causing all to be tarred with the same brush.

This doubt has led to ever increasing scrutiny on Builder finances but ultimately, Developers know that they can never be sure; even Builders with great reputations are not immune to external market forces.



## 'Good' Builders are being undercut by those willing to 'buy' projects

Tendering is competitive & without a key differentiator, assessment of bids is largely based on cost, requiring margins be kept low at the best of times.

But when you're competing against Builders who have no intention of making a profit on the project, you're unlikely to be considered unless you're prepared to match them with margins that leave you highly exposed.

## Developers are often reluctant to help cover cost escalations

When you're working under a fixed price contract on narrow margins, any cost escalation hurts.

It doesn't take much to turn a profitable project into a loss-making one, but Developers and Lenders can be reluctant to help, questioning whether any shortfall is truly due to current market conditions impacting their project, or a case of Builder mismanagement.

## IT'S DIFFICULT TO 'PROVE' YOU DO THE RIGHT THING SO YOU'RE PAID UNDER TERMS THAT ASSUME YOU DON'T



From providing financial information during due diligence to signing stat decs with every claim, Builders are already operating under various checks & balances, essentially being asked to 'prove' what they say is true.

The problem is, none of these processes allow definitive verification & some Builders are willing to falsify responses, meaning all Builders (including the honest ones) are subject to the same risk-mitigating payment terms.

# WHAT IS IPEX?

IPEX is an online payment platform that secures funds intended for a project with a powerful software layer that integrates with a dedicated Project Trust Account.

The IPEX Payment Platform provides Developers & Lenders with:



## SECURITY

IPEX ensures that progress payments are used only to pay approved Sub-Contractors & Suppliers linked to their project



## TRANSPARENCY

IPEX provides Developers with visibility over who has been paid & when, without sharing a Builders' commercially sensitive information\*

Whilst IPEX eases the nervousness amongst Developers & Lenders created by multiple, high-profile insolvencies, Builders are now leveraging IPEX as a tool to prove their financial health & differentiate their bid from their competitors, helping to negotiate more favourable commercial terms.

## WHY ARE 'GOOD' BUILDERS INCORPORATING IPEX INTO THEIR BIDS?



**IPEX elevates your bid above those of non-IPEX capable Builders**

IPEX confirms what due diligence checks can't; any Builder willing to operate under IPEX conditions is stating that they have no need or intention of diverting funds to other projects, potentially justifying a premium in terms of margin.



**IPEX deters Builders with existing cash flow issues from tendering**

There is no motivation for a Builder with existing cash flow issues to attempt to 'buy' a project; why bother when you can't use the money? IPEX levels the playing field, leaving only financially sound bidders in the race & encouraging contracts to be awarded at fairer margins.



**IPEX helps Builders negotiate improved commercial terms & reach a cash positive position earlier in the project**

Unlike typical risk-mitigation processes (i.e. stat decs), IPEX lets Builders prove they are doing the right thing, making change to several 'standard' payment processes possible. IPEX may help Builders to reduce security requirements in some instances, whilst also creating the potential for the release of funds in advance for site establishment/long lead time material deposits.



**IPEX enhances Builders reputation, helping to attract Sub-Contractors & Suppliers**

Any Builder choosing to work under IPEX conditions is significantly lowering the risk of non-payment for Sub-Contractors & Suppliers, helping to instil trust & stand out as a Builder of choice in a market where labour shortages are widespread.



**IPEX makes any request to renegotiate for additional funds more palatable to Developers**

Builders that find themselves in cash flow difficulty on a project may choose to bring IPEX to their client as a means of confirming that their request is genuine (a payment through IPEX doesn't help their position on any other project) & increase their chances of securing the additional funds they need.

## ADDITIONAL BUILDER BENEFITS

- Multiple IPEX implementation models allow Builders to provide their clients with additional security & transparency without sharing subcontract values or margins\*
- No change to existing Builder/ Sub-Contractor progress claim processes & IPEX works with any accounting software
- QLD Builders: minimise administration load & aid compliance with QBCC Project Trust Account Legislation

\*2 IPEX Developer portal configuration options with multiple additional variables impacting level of security & transparency; final implementation model to be agreed between Lender, Developer & Builder

# TESTIMONIALS

## Balmain&Co.

**“Based on our experience IPEX should be mandatory. It is now an integrated and essential part of our governance. It’s delivering a new standard of providing trust downstream to our subcontractors and suppliers that they’ll be paid and upstream to our clients and the financial institutions funding these projects.”**

Ken O’Connor, Director,  
Balmain & Co

[VIEW THE BALMAIN & CO CASE STUDY](#)

## nash

**“IPEX delivers the security of funds subcontractors need on projects. Everyone prices risk into jobs; however, with the IPEX concept, there is a reduction of payment risk, which should translate into a more competitively priced trade insurance outcome. It’s really in everyone’s best interests in the long run to use IPEX.”**

Sam Leslie, General Manager,  
Nash Project Management

[VIEW THE NASH CASE STUDY](#)

**IPEX IS EASY TO USE, CREATES NO ADDITIONAL WORK & IS FREE FOR BUILDERS**

## REGISTER YOUR BUSINESS AS ‘IPEX READY’

Developers are now specifying IPEX on future projects & are looking for Builders who are willing & able to operate within the IPEX framework. Builders in good financial order are even introducing the IPEX framework to their Developer clients, differentiating their bid from their competitors. REGISTER

[REGISTER YOUR INTEREST IN IPEX](#)

[VIEW BUILDER PROPOSED SET-UPS BY IPEX](#)

**Manage all IPEX projects from a single dashboard, paying Sub-Contractors & Suppliers in seconds**

