



FirstFolio to change shopfronts to NewLoan

Key points

- **FirstFolio to incorporate all shopfronts under common NewLoan brand**
- **Managing director Mark Forsyth says he expects cost savings of \$1m from the plan**

FirstFolio has decided it is not a case of the more the merrier, by announcing its individually branded stores will all adopt the name NewLoan.

Managing director Mark Forsyth said the plan was to incorporate Firstfolio's existing operations into two NewLoan stores in

Queensland, and one in both Tasmania and Victoria.

"We decided after six months of working together that rather than having individual brands, everyone would re-brand their offices to either NewLoan or Firstfolio, as we thought it was better to have one brand and one message rather than 20 different sub-brands," he explained.

"It's a lot harder to get synergies when you're on your own in South East Queensland than it is to have 10 offices all with the same message."

Firstfolio is also looking to slash costs by restructuring its back office operations, Forsyth said. In Queensland, the strategy will see the total number of Firstfolio-associated branches drop from four to two.

"We're all doing similar back-end processing ... so we said let's pick two offices for the whole of Queensland," Forsyth said.

The company anticipates that its new slimmer look will deliver significant cost savings. "We're expecting about a million dollars a year cost reduction," Forsyth said.

He said the money would be used to support branding and advertising, as well as in systems development and on supporting the area directors. Firstfolio is also committed to expanding this model in the current environment, and is considering further initiatives in Queensland, NSW and Western Australia.

Forsyth added that the decision to re-brand would help Firstfolio, which has already acted as a consolidator in the segment, and take advantage of further strategic opportunities in the current credit-constrained market environment. ■