

CLOSE ASSET FINANCE LTD

Relationships that work

Roger Stone, Managing Director of Close Asset Finance, believes success lies in providing more than just finance.

Roger Stone has worked single-mindedly since 1987 to build up his leasing company on traditional lines, based on the core tenets of the leasing industry, namely Know your Customer; Know your Asset; and, Know your Market. The twenty-odd years of hard work has paid off, judging by the current size, scope and positioning of Close Asset Finance ("CAF"), and its subsidiaries.

There are few asset areas that CAF does not cover with its portfolio of financial and insurance products, even equine equipment is catered for, but it is important to recognise how CAF builds its relationships, because it believes that this is the secret of its success. It's been partly a case of natural progression, according to Roger Stone. "To give an example," he says, "we started financing

one-off trucks and trailers to our customers, and as we grew comfortable with the assets, we extended our reach to transport companies, and then transport hire companies."

"CAF relies on the skill and experience of its sales professionals to do the deal"

CAF is equally prepared to make an acquisition to consolidate its position in an asset class, as it is to create a new company from scratch. An example of a recent acquisition (August 2008) is Commercial Vehicle Solutions, which provide truck rental and contract hire services. In contrast, Close Business Finance was set up by CAF (in

November 2009), based in Northampton and headed by Richard Briscoe, which offers small ticket leasing facilities to the broker community.

This approach has resulted in a portfolio of group companies, including Close Aviation (<http://www.closeaviation.com/>), Close Leasing (<http://www.close-leasing.com/>), Braemar Finance (<http://www.braemarfinance.co.uk/>), Kingston Asset Finance (<http://www.kingstonasset.co.uk/>), One Business Finance (<http://www.onebusinessfinance.co.uk/>), Reliance Financial Contracts (<http://www.rfc-ltd.co.uk/>), Surrey Asset Finance and Close Brewery Rentals (www.closebreweryrentals.co.uk).

CAF is one of a diminishing group of lessors that relies on the skill and experience of its sales professionals to do the deal, one that doesn't just know



The CAF team receiving their LeasingWorld Expo award. Left to right – Stan Chan, Sharon Chalkley, Grant West, John Fawcett, Mike Randall, Roger Stone, David Wilson, Lord Mitchell, Noel Poxon, Steve Gee, Brian Dhenin



Roger Stone

finance, but also knows the customer's industry inside out, too. Knowing the intricacies of the business means there's also a good chance that they know what's right for the customer, and how to tailor the perfect solution.

"Take the example of a printing company, you need to speak to them not just as a financier, but as a printer as well. You need to show your interest in their business, go round the shopfloor with them, their business is the most important thing to them, and they are proud of what they have achieved," says Stone. In fact, a number of CAF's sales people were previously working in the industries they now serve as financiers. Even so, Stone says, "Many of our people were trained in the old-style at Bank of Scotland, and NWS, in fact nearly forty percent of our senior management falls into that category."

CAF really believes in delivering the full package, so not only does a customer get the benefit of finance (commercial loans as well as all types of leasing and lease purchase) from an expert in both fields, but can also arrange key personnel insurance, asset breakdown insurance,

and GAP insurance. If the customer wants a secondhand machine, or if it wants to sell or upgrade its equipment, then CAF has the expertise and capability to source the asset through its own portfolio or its many industry contacts, and create a tailor-made funding solution.

CAF subsidiaries are expected to deal with assets that come off lease unexpectedly early, as well as end of lease. Each company has its own necessary expertise and network to carry this out successfully, and looked at in aggregate across the group it adds up to an important asset management capability covering its core assets to include commercial vehicles such as rigid, tractors, trailers, and LCVs, in addition to cars, coaches, construction plant, printing equipment, machine tools and even horseboxes (through the Close Equine Finance connection).

Altering a well-known expression to his own use, Stone says, "Unlike many who give the customer an umbrella when the sun is shining, but take it away when it starts to rain, we don't take our umbrella away. We have kept lending through the

difficult economic times, and kept our sales force in tact, in fact we are currently actively recruiting area sales managers." (Email: recruitment@closeasset.co.uk). The belief is that difficult times bring opportunities for those who want to continue doing business; but has the weaker credit standing of customers affected results? "Our shareholders are not unhappy," Stone answers, with typical understatement.

Neither are brokers unhappy with CAF, as they have found that CAF's specialised subsidiaries continue to fund good transactions, for example, Reliance Financial Contracts is a long-established asset finance brokerage that was acquired by CAF in May 2008. The company specialises in funding LTI Traditional Black Cabs, Mini-Buses, Disability Compliant Conversion Taxis and Light Commercial Vehicles. Then there is Kingston Asset Finance, operating in Hull under Neville Macdonald and One Business Finance in Blackburn under Mike Hartley, which are two other CAF subsidiaries that specialise in funding broker deals.

As well as having offices across the

country, from Scotland to London, enjoying good access to funding is another major advantage for CAF, thanks to its parent the independent merchant-banking group, Close Brothers listed on the London Stock Exchange. Founded in the City of London in 1878, Close Brothers is amongst the 200 largest companies by market capitalisation listed on the London Stock Exchange. Their strategy has been a straightforward one of developing continuity in its relationships with clients through excellent service, quality advice and uncompromising professionalism.

"Close Brothers is the last of the famous pre-Big Bang British merchant banks"

Close Brothers is the last of the famous pre-Big Bang British merchant banks, Close Brothers has beaten the recessions, the credit squeezes, the addiction to derivatives, and all along has nurtured its leasing and asset finance businesses. CAF in turn has avoided over-specialisation,

over-concentration, over-exposures, and over-tinkering with the business model, which has probably earned it a high degree of independence within the Close Brothers Group.

Has CAF cut training budgets like so many others in the leasing industry? "No, we do training all the time," replies Stone. "We use different specialists for our managerial level, for our sales level, and new entrant level, because it helps to instill our vision and values into our people. We always aim to be the funding partner of choice, especially in the SME market. Now, a lot of people say they are interested in the SME market, but I'm not sure if they really are. Our customer surveys give us over 90 percent positive ratings, for dependability and good value. It's a matter of fishing in the right ponds, and dealing with the right customers."

Here is what some of CAF's customers have said, "I was very grateful to receive the support and trust of Roger Stone and all his staff at Close Asset Finance Limited when I started my business in 1989, just at a time as the Construction

Industry began to fall into recession," "Dealing with Close Asset is like a breath of fresh air in the finance industry," "I have found Close Asset to offer a friendly, family service with fast and efficient assistance, based on strong industry knowledge."

It's a good sign when customers say they are getting what the lessor says it is giving, and CAF has been recognised this year with awards from the NACFB, and LeasingWorld. CAF is a fascinating company, and makes the leasing old-timers remember when, back in the late 1980s, the CAF model was how most people thought that a leasing company should evolve, and grow. Strangely, many of those lessors then proceeded to take all kinds of diversions, and ended up almost unrecognisable, some smaller, some weaker, some gobbled up and some disappeared altogether. Yet, CAF stuck to the blueprint, and has come up trumps. As Stone says, philosophically, "Difficult times always provide opportunities, so we have always kept going, wanting to do business, through bad times, and good."

Our door is always open

We may have been recognised for supporting the SME market during a difficult year, but our door is open to everyone and that includes you.

We're renowned for our flexible funding solutions and are keen to work with fellow finance providers to deliver an exceptional service to their clients which will be to everyone's benefit. Our door is also open to assisting our peers with their non-core business and with asset finance portfolio acquisitions.

**Try our door now by calling
Grant West on 020 8339 4949**



Close Asset Finance Limited

No other finance package comes close

www.closeassetfinance.co.uk