

T H E J O U R N A L F O R A S S E T F I N A N C E

LEASINGLIFE

May 2015 Vol 21 No 260

www.leasinglife.com



General



NEWS: Lessors address Basel concerns

As such, employees can determine how suitable they are for a role and, where shortcomings arise, can work to fill any gaps in their experience. Transparency in regards to openings will encourage self-development and indicates a fair policy in the consideration of candidates. Complementing this is a two-way process that ensures dialogue between employees and their line managers on short and long-term initiatives that should be taken to expand knowledge and skills so employees can attain the capabilities and perspective required for senior positions and more importantly, to be successful in those jobs.

3. Mentoring and coaching

Mentoring helps high-potential employees develop their skills, improve performance and maximise their potential through the invaluable guidance, encouragement and support of a senior employee. Through the

exploration of individual's abilities, motivations, desires and needs mentors can help the mentored make lasting personal growth and change. By creating connections between junior and senior staff, companies are helping to develop a longer-term view in the eyes of employees, providing them with a clear trajectory under the guidance of someone who's followed such a path to seniority. Coaching also helps employees develop their capabilities and knowledge in a collaborative, solution-focused and result-oriented process. By widening employees' perspective and increasing their understanding on how they are engaging with their objectives, coaching helps employees maximise their performance for the realisation of organisational goals.

Employees and employers need to drive and engage with the core principles of self-directed and lifelong learning; the combination of these with clear organisational

direction will improve overall engagement and retention in the long term.

Conclusion

Successful talent management boils down to dialogue and engagement. Programmes must be structured on the basis of clear and transparent analyses that welcome discussion and feedback. They must also encourage high-potential employees to take an introspective approach to their work as a means of identifying key areas for self-improvement. Finally, a clear trajectory and visible opportunities for progression are crucial for talented employees so they can visualise themselves remaining in a work environment on a long-term basis. Apart from the global economic conditions, the fortune of the asset finance industry will be dependent on its ability to attract the right people, then develop and retain those employees. ■

Renaissance launches brokerage and aircraft leasing product

After expanding its loan book, Renaissance Asset Finance has set up a brokerage operation at a time when competition in the field is growing. Chief executive officer Hugh Sigrist spoke to *Sotiris Kanaris* about the decision to launch the brokerage, and the new markets the lender intends to enter.

UK lessor Renaissance Asset Finance was launched last July with a £35m (€44.2m) funding line from UK bank and asset finance provider Bank of London and the Middle East (BLME).

The first six trading months saw its loan book develop to £25m, while by the end of March it had reached £38m. Seventy per cent of the loans were to SMEs and the rest were for high net worth (HNW) individuals.

Renaissance, which funds a variety of small-ticket assets including commercial vehicles, coaches, high-value cars and plant machinery, wants to expand its loan book to £120m in five years. It has negotiated a new facility with BLME which allows it to drawdown whatever additional funding it requires to fulfil its growth expectations.

Loans for high-value and vintage cars have proved to be a popular product. Sigrist says: "Some wealthy individuals are investing money in buying or setting up or increasing the size of their vintage car collections. There are tax advantages in having classic cars if they are appreciating in value, because if they could be classified or deemed as heritage asset, they don't attract inheritance and Capital Gains Tax."

The company aims to increase its range of small-ticket assets funding, through the launch of an aircraft funding project over the next couple of months. This leasing

product will be aimed at the small-ticket market with an average deal side of around £200k.

According to Renaissance, there's a gap in the market for this product and it will fit its wider loan offerings to HNW individuals.

"It's not a huge market sector, but it's a specialist niche and our business is looking for those," says Sigrist. "We identified an opportunity to lend in that market about £3m to £4m a year for the first 12-24 months. We believe it sits quite nicely with a large part of our book which is HNW individuals."

Launching a brokerage was in the business plan Renaissance submitted to the Financial Conduct Authority (FCA) as part of its authorisation application. In February, the lessor received its authorisation and immediately launched its brokering operation. The lessor believes the brokerage will help in retaining customers seeking a product it does not provide, for example a regulated transaction, as the company will be able to broker that deal into one of their funding partners. In addition the brokerage could find finance for clients who have a monetary requirement exceeding the amount the lessor is prepared to fulfil.

Sigrist says: "The principle is to be a one-stop shop. If customers want a loan that we don't offer, we can still offer it to them by broking it out. It is also useful when we believe that we're up to our exposure limits, as far as a particular customer is concerned."

Renaissance has already established a funding line with challenger banks Paragon Bank and Hampshire Trust Bank as well as asset finance loan provider Arkle Finance.

Sigrist acknowledges that it's a very competitive market to enter, and characterises the competition among brokers as being fiercer than it's been for the past 15 years. Currently 80% of the company's route to market is via premium brokers and 20% is from direct corporate customers.

Speaking about the recent trend of many brokers setting up their own book and offering loans, Sigrist says: "I think that makes perfectly good sense. A broker may think that one of its customers is unlikely to score high on a typical lender's credit system, but, as it knows the customer well, it may be prepared to lend the money itself."

Renaissance's chief executive officer says he doesn't believe these businesses will affect the lending market to any great extent because most brokers will find it difficult to raise the scale of funds necessary to lend a large amount from their own books.

Sigrist says while he agrees with the need for regulation, some of the more onerous FCA rules could potentially act as a barrier to entry for new entrants, as well as a reason for exit for some existing brokers.

He says: "I think it's a good thing that the FCA is there to monitor the market and make sure everyone is trading in a professional and ethical way. On the other hand it's probably restricted new entrants into the regulated part of the business.

"For regulated business which the FCA covers, it's hard for lenders and brokers to meet all those obligations. I think many brokers will disappear or come under the banner of bigger brokers which have the infrastructure to go through the regulatory process." ■