



Double delight



Asset Alliance Group won Finance Provider of the Year and Rental, Leasing and Contract Provider of the Year at the 2017 CM Awards

By Christopher Walton

WHEN CM HOOKED up with Asset Alliance Group CEO Willie Paterson, he was still buzzing from the company's double win at the Commercial Motor Awards in November last year.

Paterson may be familiar to some readers as the former MD of commercial finance at Alliance & Leicester, while others may know the group's different divisions: contract hire and leasing specialist Asset Alliance; temperature-controlled contract hire and leasing specialist Total Reefer; bus and coach finance specialist Forest Asset Finance; and new and used dealership ATE Truck and Trailer Sales.

Back on 14 November 2017 at the Vox in Birmingham,

Asset Alliance Group picked up Finance Provider of the Year as well as Rental, Leasing and Contract Provider of the Year. Paterson describes the double win as "really, really pleasing" and a "genuine surprise".

"The really pleasing bit is the recognition for the staff, who work so hard for what we do. There is a hard pace in this business and sometimes you can get a bit close to that and forget to look back, and to see the ground you have covered," he says.

On the winner of the Finance Provider award, the *CM* panel of independent judges said that they liked Asset Alliance Group's "flexible approach geared to client requirements" and "genuine indications of listening to customers". On the Rental, Leasing and Contract Hire award, the judges were taken by its "strong product offering" and "open, honest and proactive relations".

A tailored service

So why does Paterson think Asset Alliance Group is an award-winning business? "At the risk of sounding arrogant, I hope it is the fact we have tried to be a little bit different from the mainstream bank and finance companies and the bigger, more stereotypical lease companies," he says.



At the helm: Asset Alliance Group CEO Willie Paterson



"We've also spent a lot of time trying to get the culture of the business right, thinking about, if you cut us in half what do we stand for? And that's from the top of the business to the bottom, or the bottom of the business to the top.

"We try to have our communication right, so we are close to our customers, we are open, and we are honest. It is a tough industry we serve, and our customers have to run at 100 miles per hour – not literally! But it is a low-margin, highly competitive industry, and our mantra is that if they are running at 100mph then we have to be running in front of them," he says.

What also sets Asset Alliance Group apart from the others in its category is its unique business model when it comes to finance: it uses its own funds and buying power to supply vehicles of any brand on any combination of contract hire, operating lease, finance lease or hire purchase. Furthermore, thanks to its ATE arm, it is able to maintain full control of the residual risk and protect customers from overly strict and onerous return conditions.

"We now have three people in our IT department who have created an app for ourselves and our investors as to why we are setting residual values



and what the impact is. Who is going to be the buyer of the equipment? How are they going to fund it in five years time? How long are they going to keep that asset for? Where is it going to be operated?" says Paterson of the process.

Impressive contracts

In April 2016, Asset Alliance Group secured a £75m revolving asset-based lending deal led by Royal Bank of Scotland supported by HSBC, the same year as it launched its new Flexi-Hire division, investing £20m in rental assets including tractor units, rigid trucks and trailers. A few months earlier the business had celebrated its 2,000th asset – a new Mercedes-Benz Actros 2548 tractor unit delivered in Paterson's native Scotland to 3GL Transport for use on a banana contract. And, by the end of 2017, fleet assets across the group had risen an impressive 65% to more than 3,300 units.

But there is more to an award-winning supplier than just impressive statistics. For Grant Law, the company's group marketing director, relationships are very much to the fore at Asset Alliance.

"I have seen over the past few years the standard of

- **The Commercial Motor Awards** judges said the customer testimonials received as part of Asset Alliance Group's entry spoke volumes as to the success of the business. The quality is evident on the company website and its in-house newsletter: Steinhoff (which owns Bensons for Beds and Harveys); Freightliner; JHP Transport; Yuill & Dodds; steel firm Shawston; and pizza company Domino's are among those mentioned. For Paterson every change to the business must pass the Sir Ben Ainslie test. He says the Olympic medal-winning sailor used to ask this question of his team: "Does it make the boat go faster? If the answer is yes, then do it. If the answer is no, then forget it." Paterson is applying the same philosophy to Asset Alliance Group. We will be tracking the speed of that boat quite closely.



professionalism from our salespeople, the way they interact with the customers. They really develop, foster and strengthen relationships," he explains. "I think that has been a factor in the growth of the company in the past few years – the quality of that side of the business. I think 'sales' is not necessarily the most positive term, but when you approach sales from a service perspective and you meet customers' needs, then I think that is where Asset Alliance Group is now."

At seven years old, how has Asset Alliance Group continued to evaluate itself as a business? Paterson says it is a continual process: "When I set up the business I set up a long-term plan, and I do not think that there is a quarter that goes by when I am not looking at that plan, that strategy and stress-testing it.

"We had a strategic awayday with our senior team in November, which is our normal, end-of-season recap. What are the numbers going to look like at the end of the year? How are we travelling? What does the medium-term plan mean for the next year? Do we need to change it? That kind of thing.

"We are travelling well and business is great, but when you stop and ask yourself the hard questions, that's a good thing. You need to constantly be looking at what you are doing; you just cannot rest on your laurels – that is a good behaviour. A challenging one, but a good one," he says. ■

"The Sir Ben Ainslie test... does it make the boat go faster? If the answer is yes, then do it. If the answer is no, then forget it"