

## **Is Asset Finance Invisible?**

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I read an article in the Times about SME finance. I thought: at last someone will cover leasing and asset finance... How wrong can I have been, again?

In a list of 10 ways to raise finance, not a single mention of asset finance other than a reference to the smaller products of invoice discounting and factoring which of course nowadays has the “modernised” new label of “Asset Based Finance” (I see invoice discounting and factoring as vitally important by the way, before I get any comments!). My disappointment was compounded by the fact that one of the SME business examples was actually a car leasing company.

I accept that what I read was a sponsored article (Santander) and they are unlikely to advance a product that they are not interested in. I also accept that this problem is not new, just that it caught my eye at possibly the entirely wrong time!

However, how can Asset Finance have become so incredibly invisible for an industry and product that supplies around £20bn of new capital goods funding a year? For all the research and comments about the industry we will gain no traction if our target markets and people commenting on our target markets don't even believe that we exist. Possibly a worse conclusion is that they have heard of us, but for whatever reason dismiss us as irrelevant to the solution. I for one never thought that I was working in an irrelevant industry and I doubt any of the readers do either.

I am not especially interested in why we have lost the visibility but I am desperately concerned that we get the visibility back. Without visibility and being seen as relevant our industry will not thrive and our ability to assist industry will become increasingly marginalised. We need no noisy rhetoric or elaborate marketing, we need hard examples. We need to demonstrate and showcase, without any spin or political agenda, businesses where asset finance has made a difference. We need examples of where asset finance has been able to assist where “traditional” banks could not. It could be helping companies sell capital goods or acquire them or even assist in providing term export finance (where leasing used to have an excellent track record)

More than anything we need advocates, and noisy ones.

We need people inside the business who will engage in public to show how our industry helps the UK and the initiatives that people care about. I have said before that the best description of Asset Finance as an industry is that we help business acquire and sell capital goods, and nothing else. How that cannot be an easy and popular message to get out into the world is one of life's great mysteries. We do not need articles that are little more than corporate advertising, or pleading for special attention. We need those examples, companies where we have made a difference, irrespective of size of business or size of deal.

The alternative? We carry on as we are, consigned to the bucket labelled “alternative finance” where investors struggle to follow what we do or how we do it, which restricts risk capital flows to the growing and very worthy independent providers. We face into what I see as the start of an “Age of the Independent” for asset finance; a time when the traditional large players are for many reasons less committed to the product and where the opportunity for the more focussed, responsive providers can build exciting businesses. But to do that we need to be heard and understood and my fear is that our invisibility may hamper the huge opportunity.