

Increased turnover, new premises

Andrew Bullard chats to Kathy Lewis about expansion



July was a busy month for State Securities, and not just in terms of business. The Southampton-based company moved its head office operation to larger premises and, in addition, opened another regional office in Glasgow to enhance its business opportunities in Scotland and the North West.

Operating throughout the UK and Ireland, State also has regional offices in Birmingham, Leeds and Preston and employs approximately 75 people, 60 of whom are based in Southampton. Sales director Andrew Bullard explained that the head office move had been dictated by the need for more space due to the company's expansion during the last 10 years, which had resulted in the doubling in size of staff numbers. The larger premises will also allow the company to implement its strategy for continued growth and development.

Formed in 1980, State was a privately-owned company until it was sold in 1998 to First National. It is currently owned by Five Arrows Leasing, part of the Rothschild group.

With all its business sourced through intermediaries, the company provides a wide range of products to businesses that find it difficult to obtain finance from more traditional sources. It has stepped into the breach, so to speak, left by mainstream funders by providing asset finance, refinance and factoring services to companies and sole traders that are "credit challenged"- young businesses whose credit histories have not yet developed, those undertaking corporate restructuring and phoenix companies, including administration or insolvency clients, MBOs and MBIs. The focus on this sector led to State receiving formal approval from the DTI to offer the Small Firms Loan Guarantee to small and medium-sized businesses.

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ANDREW BULLARD

Initially focused on the provision of asset finance, in the late 1990s the company moved into commercial mortgages. Bullard explained: "Mortgage clients were also potential asset finance customers. This move into another area

allowed us to link our other products into the same type of customer profile."

Last year it introduced a factoring service so that it can now offer a larger combination of products. "As all our business comes from intermediaries it means that brokers do not have to try and coordinate different companies' lending requirements for separate products," said Bullard.

Bullard joined State nine years ago and has completed 26 years in the finance and leasing industry. He said that when he joined State the book was £30 million, it is now £150 million. During March 2006, it recorded the strongest lending month ever in its history, financing UK SME businesses to the tune of over £11 million.

"The broker market in our sector is doing well at the moment," said Bullard, "and we are ahead of our growth target for this year." He added: "There is a lot of talk about the high level of competition in the marketplace, but in general we've not suffered. This is not to say that we are complacent. We aim to be one step ahead of wherever we consider our competition may come from by looking at different ways of doing business, developing additional products so that we can add to our portfolio and, importantly, providing a level of service that will ensure that people want to deal with us."