



# GROWING YOUR SMALL BUSINESS.

The role of business schools and professional bodies.



GROWTH STORY

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## INNOVATION AND INCLUSIVENESS

Raedex Consortium is an innovative, self-financing car leasing company based in South Godstone, Surrey. It is financed via a crowd-sourcing-style business model with funders from the public domain. These funders are sourced via our funding arm Buy2LetCars; the cars are leased out via our leasing arm Wheels4Sure.

In the 2008 financial crisis I lost business and sought an alternative financing route to banks, business angels, friends and family. I was turned down 150 times. It took an advert in the Sunday Times to attract my seed investor, who today has gained 12 times his investment.

Our present model is based on essential car users, such as nurses driving brand new manufacturer warranted vehicles. W4S's two directors have over 40 years combined experience in the automotive industry. Five major UK manufacturers are already providing vehicles with others requesting to work with us. With the advances in telematics we track both real-time car position and payment record.

We aim to maintain and improve our products and service offering to the cash rich, credit poor customers in the UK who have been affected by the credit crunch and are now in need of our offering. Our mission is to be the best

alternative vehicle solution for the new 'post credit crunch consumer', dealing mainly in the sub prime market.

The business has grown rapidly from an average of £10,800 per month in lease income during 2013, to an average of £97,400 per month by the end of 2014.

As the business was growing during its first year, I began to gradually remove myself from its day-to-day running, staying at home longer to spend time setting strategy and building relationships with legal and accounting advisers as well as other business owners. This led to a few of the other guys in our small team taking the reins. It's important you can entrust leadership to a secondary team of managers early on.

### Getting the right advice from the start

In 2013 and 2014, the business went through issues with HMRC, the FCA, RACC and the ASA. Of course for a small company, the advice we got to start up the business was non-specialist and that became the main-stay for HMRC to withhold VAT payments to the business to the tune of circa £1M. Somebody trying to do a business of a certain magnitude could do themselves a good turn by seeking first and paying for the right advice in regulatory matters, legal and accounting.

### Embedding the vision

Placing trust in my people and involving them in the strategic direction of the business is something that has been core to my talent management. I held weekly staff meetings to share the vision of why we're in business beyond making a profit and what we're trying to achieve in terms of growth objectives. This even came to form part of the firm's approach to recruitment – managers would invite job applicants to these meetings ahead of interviews, and one recruit even attended them consecutively for five weeks.

One of the most important things I have looked for in recruiting is people who will fit into the start-up environment - whose ambitions match that of the business. We need a willingness to learn and adapt, as it gives us the agility we need. We're not interested in people who are just there to pay their bills. The company's training programme is core to this. I set group reading tasks as part of this, aimed at developing ambition and drive, and educating employees on what it takes to be part of a small team in a fast-growing entrepreneurial business.

### Innovative Approach to Finance

I found an innovative way to finance Wheels4Sure that frees me from the





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constraints of traditional financing routes. Our business model allows ordinary people with cash who are looking for a better return on their investment to fund new cars of those who have cash but no credit. If you talk about normal banking/funding routes, you would either have somebody coming in taking equity or someone backing your assets based on invoice which is limited in terms of your growth, because you have to wait for that asset to start working for you in numbers before getting some cash to fund the business. We've found a way to structure everything whereby, just getting the asset on the road, gives us money as well.

## Leveraging Partnerships

As part of our successful marketing strategy, we have established and developed relationships with firms in related areas. Wheels4Sure was predominantly leasing only to the private sector. In the latter part of 2014, we were approached by Uber (the app-based taxi network) to provide vehicles to taxi drivers who join the network – we are now ranked amongst the top 3 providers on the Uber platform. This was a major turning point in the business as it put us in a new market outside of our core business at the time. We are now partnering with the likes of Toyota and Mercedes, supplying vehicles to Uber drivers in the executive and luxe categories.

We are having great success in this new offering to the Public Carriage Office (PCO) market. This new market opportunity was identified last year and

quickly adopted in the strategic growth plan for 2015/2016. In recent months there has been heavy interest from financiers and/or venture capitalists that have complimented the relevance of the Wheels4Sure model in today's market. These relationships will help us to build on our growth plans.

We also have a nationwide dealer referral with one of our main manufacturers. If you're in Glasgow for example, but went into this particular manufacturer and for some reason – perhaps due to tightened credit criteria – they can't help you, they will refer you to us to see whether we can supply you with a vehicle on the lease terms that we have.

Our offering is unique, as not many car manufacturers are able to offer finance to customers in the sub prime market. I first identified the opportunity for growth and profit in the sub prime market in 2006 whilst still at university and wrote my dissertation on this subject. Wheels4Sure is looking to maintain first mover advantage and grow the business to £100 million turnover by 2017.

The vision and mission is to be the best alternative vehicle solution for the new 'post credit crunch consumer' dealing mainly in the sub prime market and to grow the business to £100 million turnover by 2017. Our long term strategy for success is to open up branches nationwide, beginning with high street branches in London where potential customers can have a one to one consultative meet with a sales representative who has been fully trained in vetting customers to come

on the Wheels4Sure platform. We expect to grow from this, branching into Birmingham, Manchester, Scotland and the rest.

We are market leaders in our unique offering and so therefore competitive risk is limited. Our brand is garnering interest due to our TV ad campaigns on Sky News and other Sky channels. Our customers have given us an overall customer satisfaction rating of 98% on the Review Centre and we have been able to maintain that position. We have listened to good reviews from our customers and we continually look for ways and ideas to improve our offering and services, based on customer needs, recommendations, suggestions, current trends and demands.

We are one of the fastest growing companies of 2015 in City AM's Leap 100 list of firms that demonstrate success and commitment in innovation and expansion.

We also featured in Barclays Entrepreneur's Index and we have been nominated for the UK Private Business Awards sponsored by PwC.

We may be unique in being the only car leasing company to supply brand new vehicles to private individuals as well as the PCO market. We are well placed to continue to offer credit-strapped individuals who are keen to improve their credit-worthiness, the opportunity to go out and work. We hope to grow the list of manufacturers we can work with in the future.

For more information on *Growing Your Small Business* visit

[www.managers.org.uk/growingsmes](http://www.managers.org.uk/growingsmes) or join the conversation [#GrowingSMEs](https://twitter.com/GrowingSMEs)

