



Wyelands Bank

Barriers to raising finance report

Helping the UK's mid-sized manufacturers
to unlock growth



Wyelands Bank

A British bank focused on UK and global trade
Summer 2019



ABOUT WYELANDS BANK

Wyelands Bank was set up to help industry trade, grow and create jobs.

Supporting small and medium businesses by providing the finance they need to trade effectively, filling a vital gap in the market

Understanding that every business is unique and tailoring solutions that meet a business's individual needs

Innovative yet simple, providing direct access to decision makers

Developing partnerships that provide opportunities to grow

Helping small and medium businesses to unlock growth.





EXECUTIVE SUMMARY

Mid-sized manufacturers feel like “small fish” of their bank

“We take the time to get to know and understand the individual mid-sized manufacturers we support. We help identify and tailor the bespoke finance they need to bring their plans to life now and in the future to unlock growth.”

Iain Hunter, CEO, Wyelands Bank



Raising finance is becoming more difficult for the UK's mid-sized manufacturers – many of whom don't feel valued by their bank.

As mid-sized businesses are responsible for creating around half a million jobs a year, it is crucial for them to be able to access the finance they need to survive and thrive.

New Wyelands Bank research shows that three fifths (59%) of UK mid-sized manufacturers turning over £10m to £300m feel their business is not a priority for their bank.

Half say they are given the run around by their bank. More than half (56%) say they are made to feel like a 'small fish'.

Highlighting the problem, half of these firms believe their bank would not accurately be able to describe what their business does.

As a result, half (51%) are not able to access the bespoke financial solutions they need to unlock growth.

Iain Hunter, CEO of Wyelands Bank, said: “Our research shows that UK mid-sized manufacturers are struggling to access the funding they need to unlock growth. But when mid-sized businesses are responsible for so many jobs, it is crucial they can access the specific finance they need to survive and thrive.

“The challenge for many established banks will always be how to deliver personal service on an industrial scale. They try to base their service on a real understanding of their customer's need. But it takes time and effort to understand a firm's specific challenges and identify how to help them.”



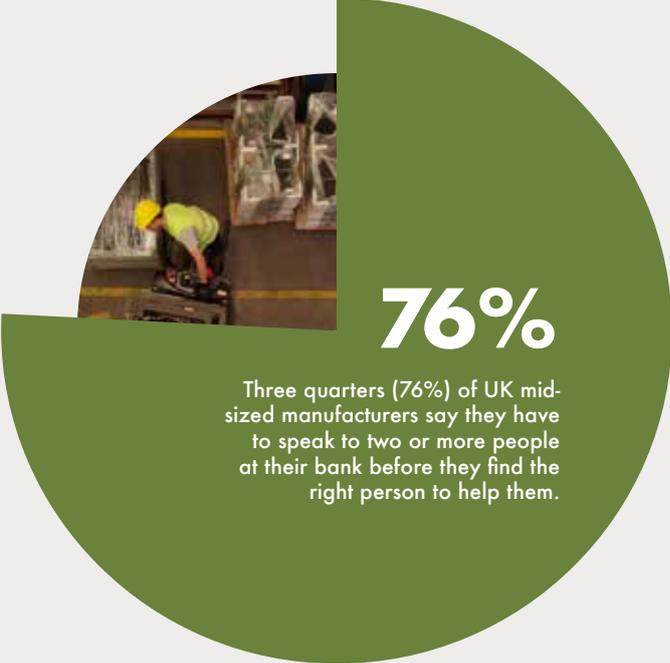
THE DIFFICULTY ACCESSING DECISION-MAKERS AND FINANCE

Our research also shows the importance of giving the UK's mid-sized manufacturers access to decision makers at their banks.



31%

Nearly a third have to speak to three or more people at their bank before they find the right person to help them



76%

Three quarters (76%) of UK mid-sized manufacturers say they have to speak to two or more people at their bank before they find the right person to help them.

Nearly one in three of these firms say accessing finance is more difficult now than five years ago.

Iain Hunter, CEO of Wyelands Bank, said: "UK mid-sized manufacturers are struggling to access the finance they need to grow because they are unable to speak directly to their bank's decision makers.

"But without greater access to finance, UK mid-sized manufacturers will not be able to trade, grow and create jobs. Helping mid-sized businesses unlock growth along the manufacturing supply chain would also help tackle the UK economy's productivity challenges.

"Mid-sized firms generate more growth and create more jobs than their larger or smaller peers, but they are often neglected by banks and financial services providers. Wyelands Bank was set up to address these issues and help these firms to unlock growth, filling a vital gap in the market."



41%

Two fifths (41%) say their banks do not often give them access to the people who make decisions about whether their business gets finance or not at their bank.



THE IMPACT OF A LACK OF FINANCE

The research shows these barriers in raising finance to support growth have stopped UK mid-sized manufacturers from winning new contracts and stifled new job creation.

Each firm said that the difficulties raising finance meant they had missed out on an average of £20 million in revenues and an average of 11 new contracts. These would have enabled each firm to create 10 new jobs.

These figures suggest that the 23,000 mid-sized manufacturing businesses in the UK have collectively missed out on revenue, contracts and jobs.

**£183
billion**

in potential revenues

163,537

possible contracts missed

175,584

jobs they have been prevented
from creating



THE PREFERENCE FOR DEBT OVER EQUITY

The UK's mid-sized manufacturers also have a preference for debt financing over equity funding.

Two thirds (64%) said they would prefer not to consider giving up equity to raise finance.

Highlighting the difficulty many firms now face, a third (34%) of those who would prefer not to give up equity have nevertheless been forced to consider it.

Wyelands Bank helps businesses tap into the value in their fixed and working capital assets so they can unlock growth without giving up equity.

To do this, we get to know the customers we work with and tailor the solution to their specific needs.



64%

said they would prefer not to consider giving up equity to raise finance.

34%

of those who would prefer not to give up equity have nevertheless been forced to consider it.

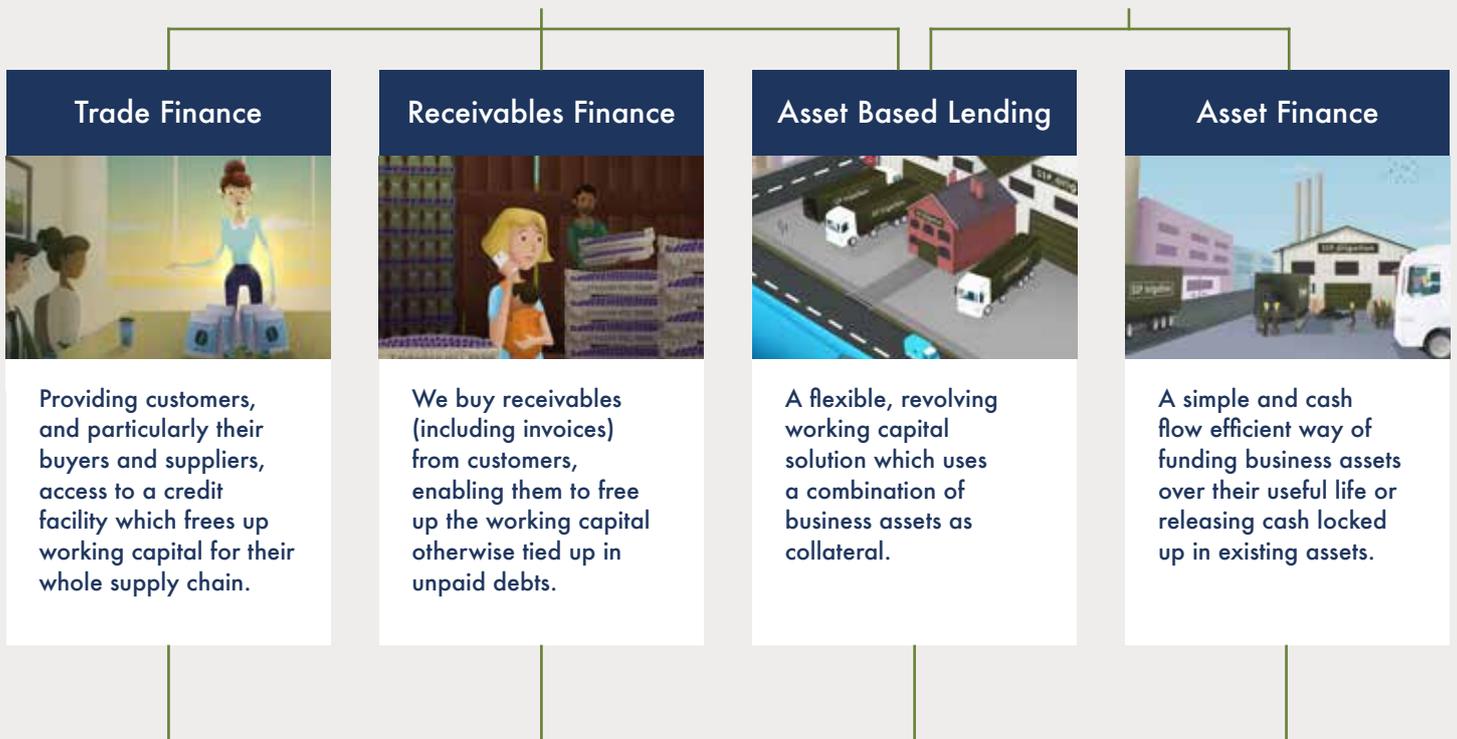


HOW WE HELP BUSINESSES TO UNLOCK GROWTH

We provide firms with finance solutions based on the value of their assets, wherever they are in the supply chain.

WORKING CAPITAL SOLUTIONS

ASSET FINANCE



Target market

- Our customers are typically established businesses with turnover of £10m or more
- They are typically looking for a facility of between £1m and £15m, with a maximum lending term of five years
- Preferred sectors include: industrial manufacturing (automotive and aerospace), construction, steel, aluminium, renewable energy, food and beverage

In enabling greater access to finance Wyelands Bank will help the UK's mid-sized manufacturers to trade, grow and create jobs.



BUSINESS DEVELOPMENT TEAM

If you would like to know more about how we could help your business unlock growth, then please get in touch.

David Locking

Head of Origination

david.locking@wyelandsbank.co.uk

+44 (0) 203 889 0866

Jim Higginbotham

Managing Director, Asset Finance

jim.higginbotham@wyelandsbank.co.uk

+44 (0) 203 889 0864

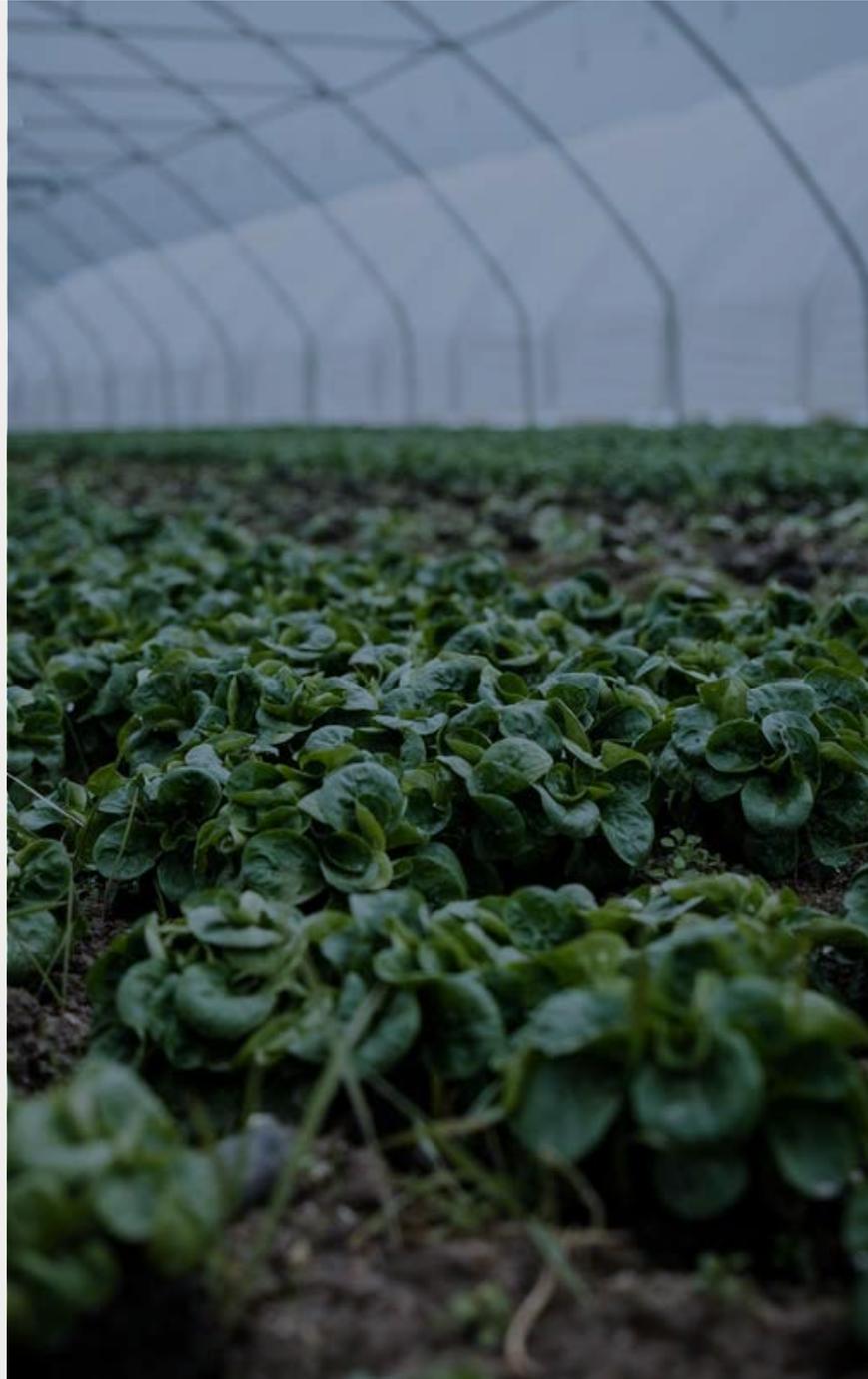
Ian Flaxman

Managing Director, Working Capital Solutions

ian.flaxman@wyelandsbank.co.uk

+44 (0) 203 889 0869

www.wyelandsbank.co.uk



About Wyelands Bank

Wyelands Bank partners with businesses to support industrial growth, enable businesses to trade more easily around the world and to create jobs. It provides finance to businesses and will provide savers with competitive and attractive products.

The bank is owned by SKG Financial Holdings PTE Limited which has been set up and funded by the Gupta family. SKG Financial Holdings PTE Limited is ringfenced and run with an independent structure and governance.

Wyelands Bank Plc is authorised by the UK Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority. It has regulatory approval to raise retail deposits in the UK and Germany. Wyelands Bank Plc is registered on the Financial Services Register and is a company registered in England and Wales.

Methodology

The study was conducted by Circle Research and completed in November 2018. The research surveyed 305 UK mid-sized manufacturers turning over £10m-£300m. Respondents were senior financial decision makers from the following sectors:

- machinery and components
- computers and electronics
- electrical equipment
- oil and gas
- textiles and apparel
- chemical and pharmaceuticals
- wood, paper and printing
- rubber and plastic products