



At Capitalflow the team of expert professionals work on a one-to-one basis with their clients, building relationships of mutual trust and support to help many good businesses grow and achieve their goals. The Capitalflow professional you meet on day one is the person who will manage your account and support you as your business develops. The Capitalflow relationship is unique and proudly boasts 'Better Finance, Better Business'.

Irish Broker looks at Capitalflow, a rapidly expanding specialist business lender with exciting plans for 2019 that is invigorating Irish finance by bringing the personal touch back into banking again.



In today's modern world of finance and lending, many of us are exhausted with big banks and financial institutions that spend less and less time dealing directly with their customers. Quite simply, the big boys are not interested in small businesses. We all remember the old days when your bank manager became your friend. When looking for a business loan, those days are sadly gone, with all banking now done online. Furthermore, the problem has become compounded with businesses having to deal with a faceless bank and a credit committee that no-one knows. Business owners now have little or no contact with the people managing their account.

Thankfully, a new financial force has emerged in Irish Lending, who are aiming to turn the market on its head, by reintroducing a more traditional, face-

to-face approach to SME lending, and engaging predominantly with its customer focused approach and bespoke business lending products which are suited to the needs of the customer, rather than the customer being suited to the product.

Capitalflow was founded by its current Chief Executive Ronan Horgan, a finance professional with over 25 years of experience in banking in the UK and Ireland. He began his career with Bank of Scotland in Edinburgh in 1993, and moved to the Dublin office in 1996, where he held a number of senior positions over the past 20 years. In 2014, Ronan was employed as Managing Director of Bibby Financial Services in Ireland. That year he teamed up with Lindsey McMurray, Managing Partner of a London-based private equity firm called Pollen Street Capital. They both saw that there was a great opportunity in the Irish market to service SMEs that were finding it very difficult to access finance from the main pillar banks. As the pillar banks continued to move their customer engagement online, and away from the main street branches, Ronan quickly realised that many of these SMEs wanted a more personal approach from their lenders and wanted to do business face-to-face.

Ronan describes Capitalflow's approach

as "traditional style relationship banking with a modern digital twist". Ronan and Lindsey McMurray set about creating Capitalflow as a truly visionary business-to-business lender in the Irish market.

According to Ronan, the key to the firm's success lies in bringing back traditional banking practices to its services; "Thankfully, the pillar banks have ignored key sectors of Irish industry and abandoned the idea of people doing business with people. This has provided us with a golden opportunity and our disruptive business model is to reintroduce traditional lending practices, where the person you meet on day one is the Capitalflow contact that will provide you with finance and build a lifetime relationship. Our tagline is 'Better Finance, Better Business' and this fuels our relationships with our customers."

Capitalflow's bespoke business model is designed around the needs of businesses who require rapid decisions on lending to allow them to seize opportunities and grow their business across Ireland.

Since Capitalflow launched in 2016 it has advanced over €260m to Irish SMEs right across Ireland through its range of financial products like Hire Purchase/Leasing, Invoice Discounting and more recently Property Bridging and

"Capitalflow sees itself as a challenger in the business lending market to SMEs with its customer focused approach and bespoke business lending products which are suited to the needs of the customer, rather than the customer being suited to the product."

"Thankfully, the pillar banks have ignored key sectors of Irish industry and abandoned the idea of people doing business with people. This has provided us with a golden opportunity and our disruptive business model is to reintroduce traditional lending practices, where the person you meet on day one is the Capitalflow contact that will provide you with finance and build a lifetime relationship"... Ronan Horgan



Back row, from left: Nesson O'Donovan, Avril Deasy, Marc Hawthorne, Denis Maloney, Derek O'Doherty, Shane Flood, John Henry Roche, Adam O'Shea, Jack Sharkey, Ronan Horgan. Middle row: Dermot McHugh, David Daly, Aidan McCarthy, Mark Collins, Henry Roche, Brian McCann. Front row: Ciara Moynagh, Denise Donovan, Brendan Farrell, Feargal Horgan, Jane Wall and Colum Breslin.

Pension and Term loans. Capitalflow also recently announced a commitment to lend a further €300 million to the Irish SME sector in 2019, which will bring the company's total lending to over €560 million by the end of the year.

The firm has also recently opened its new corporate headquarters on Baggot Street in Dublin as part of its aggressive expansion strategy. The new corporate headquarters was officially opened by Minister for Finance Paschal Donohoe TD. In addition to this, Capitalflow is committed to opening a third office in Cork in early spring. A fourth regional office will open in the third quarter of 2019. The rollout of the new offices is to facilitate a nationwide expansion strategy, on the back of an already intensive recruitment drive.

In order to cater for the needs of business, the company has already recruited 68 experienced lenders to the expanding Capitalflow team and will take on another 20 senior staff in the year ahead. Furthermore, the company has headhunted experienced senior executives from other institutions in the past 36 months and are ramping up their campaign. Ronan puts Capitalflow's success to date primarily down to the people in the business and their attitude towards customers.

Commenting on this, Ronan said; "the strategy was to appoint very experienced decision makers who know their way around their local markets and had considerable product lending experience. We knew that by attracting the very best talent these lenders would attract the best type of customers. In today's

business world, lending has become more difficult and complex for many people trying to run, grow and maintain businesses. Our team of senior advisors understand these pressures and provide instant solutions, taking the burden off busy SME owners."

The broker community has grown a very strong relationship with the team at Capitalflow. As we all know, Irish SMEs take great guidance and advice from their accountants and brokers, who are integral pillars of the SME ecosystem. Many brokers that have worked with Capitalflow have been very impressed with the direct manner in which the company does its business and its very speedy turnaround in terms of loan approval. It is a real case of all hands on deck to provide the financial fuel for business to continue. Capitalflow is

● *continued overleaf*

"Irish SMEs take great guidance and advice from their accountants and brokers, who are integral pillars of the SME ecosystem. Many brokers that have worked with Capitalflow have been very impressed with the direct manner in which the company does its business and its very speedy turnaround in terms of loan approval."

creating a panel of valued brokers and intermediaries with which it will work closely as it continues to rapidly increase its presence nationwide and expand the range of bespoke products for local Irish business.

According to Ronan; "The brokers that work with us see us as a trusted partner that is working in the best interest of their clients. Capitalflow is winning over business customers because we have a personalised, common-sense approach to lending and we offer a speed of service in loan approval that is unrivalled in the Irish market. Our customers decide to partner with us because we are able to make smart decisions quickly and deliver on our promises. There is nothing worse than a Slow No and we constantly aim to make decisions rapidly to allow customers to seize opportunities."

Since Capitalflow launched it has applied for a Retail Credit Licence from the Central Bank of Ireland which will enable it to provide property loans to property investors. It has also launched a Pension term loan that is provided through Pension Trustee via Unit Trust structures.



From left: Ronan Horgan, Colum Breslin, Ronan Kelly and John Mackey.

While the number of options open to Irish SMEs have improved considerably in the past three years, Ronan sees a gap in the market as many of the Direct Lenders only offer one product and as such are what he terms "one trick ponies." "To

truly build a business lending proposition in Ireland you have to offer a multitude of products that Irish businesses are looking for and that is why we hope to launch a further SME products in the first half of this year."

"Capitalflow is creating a panel of valued brokers and intermediaries with which it will work closely as it continues to rapidly increase its presence nationwide and expand the range of bespoke products for local Irish business."

Aviva Survey reveals most Irish Households leave themselves financially exposed – with 40% not giving any thought to financial protection during illness



Karen Gallagher, Aviva

60% of Irish workers know someone that has been out of work on sick leave for more than 4 weeks at some stage in their working life, while 28% know someone that has found themselves in this position in 2018 alone. These were among the findings from our recent survey which showed how unprepared the Irish public are when it comes to their financial affairs and illness.

The Behaviour & Attitudes survey found that although people were aware of the likelihood of falling ill at some stage over their working life and knew plenty of people who been out of work for long periods of time due to illness, 40% had never given any thought as to how they would cope financially in this situation. This survey is quite enlightening, as well as worrying, when it comes to understanding public perception of what people would fall back on financially if they were unable to work for an extended period. The research also shed some light on what people consider their biggest expenditures, and what they might struggle to pay for."

4 out of 10 people plan to use their savings as a fall back to cover bills and living expenses if they were unable to work for a period of time. The average savings fund per Irish household is €60,000 – which may sound like quite a lot, but it's a very general average across the board as it covers people with varying degrees of income and wealth and includes retirees

who may have large sums on deposit from pension funds, those who have benefited from an inheritance and so on. The average worker, at age 45 is likely to have far less in savings. However, savings of even €30,000 won't go very far in the event of illness or injury, and realistically, the average household probably has much less than this figure. To put it in context in 2017, the average income protection claim paid out lasted 6.5 years**. €30,000 savings would only last less than 2 years based on spending €3,000 a month on your mortgage repayments, car loans, food bills and other expenses, assuming it was supplemented with a social welfare sick benefit payment.

What's most concerning is people's lack of real understanding or awareness of the position they would be in if they were to get sick, with only 15% of respondents having an income protection policy in place and a further 7% with a savings/investment policy.

This gap in knowledge presents a significant opportunity to Financial Brokers. You can help educate your clients in the type of protection that is available as well as highlighting the need for it. This will help to ensure that their protection needs are adequately covered for whatever life throws at them.

For full information about Income Protection please contact your Aviva Account Manager.