Open minds and open doors

The Oakland Partnership's Tom White talks to **Jonathan Minter** and **Peter Johnstone** about the recession, credit analyst shortages and the mistakes some companies make when looking to recruit

Asset and motor finance recruiter The Oakland Partnership, based in central London, was formed as a sister company to general recruiter Oakland Associates as the company sought to meet the requirements of its clients in the leasing industry. It's an industry Tom White, managing director of The Oakland Partnership, knows well from his previous experience working for Anglo-Leasing. Although Oakland Associates, founded by White in 1991, was already filling a wide range of junior roles in asset finance, clients' preference to use specialist recruiters to find candidates for high-paying senior vacancies saw the company consolidate its leasing recruiting work with the formation of the Partnership in 2006, with Denise Lawlor, a fellow asset finance specialist, brought into the team as director and shareholder.

Being able to market a company with ring-fenced hiring for the leasing industry, made a "big difference" in terms of market perception, says White, and has helped with the firm's growth since inception. Today, by White's estimation, the Partnership works with 60-70% of the major funders in the leasing world, including bank subsidiaries as well as major brokers.

White attributes part of such success to the company's location, and the range of vacancies for which it is willing to recruit. While an office near St Paul's may be expensive, the capital's position as a national transport hub means the Partnership is able to meet every candidate it would put forward for an interview, which contributes to an average rate of one in every 2.8 candidates Oakland puts forward for an interview getting offered the job.

In contrast, says White, for a recruiter in Hertfordshire or Berkshire, "if they're working on a non-senior role in Surrey or Sussex the candidate is rarely going to want to travel all the way to Hertfordshire just to meet the agency.

"They therefore have to rely on a telephone interview, or wait to meet the candidate the next time they are both in London."

The company also aims to use its relationship with Oakland Associates to offer its leasing clients a broader range of candidates, from fields such as marketing, HR and administrative support. As a consequence the businesses can together offer to "recruit not just their technical roles, like credit analysts, sales and sales support people, asset managers, credit controllers and so on, but also, if they want help, with a marketing role or an HR role."

All roles

The Partnership itself recruits across the board in leasing positions, from graduate entry-level to senior management roles, which benefited the company in the worst of the post-2008 downturn.

"During the financial crisis some positions became very scarce," explains White. "There was virtually no sales recruitment. There was very little recruitment for credit analysts and so on, because if a company wasn't being offered any business, they didn't need anybody to analyse it."

The Partnership was able to plug this gap, however, with a rise in extra credit control positions, litigation positions and asset management positions as companies tried to protect the back-end of their books, although White points out this did not make up for the shortfall entirely. In comparison, recruiters who specialised in sales were not as flexible and able to turn to recruiting alternative roles, and therefore struggled.

The recession also saw companies leaving the market, as recently as the withdrawal of ING Lease in October 2012. However, the departure of ING presented the Partnership with an opportunity as more than 150 highly-trained people immediately entered the job market. Within a few days of ING's announcement, a number of other finance houses were giving presentations to its staff, looking to secure employees to expand into the void ING had left behind.

However, the timing "was a bit too soon; staff were reeling from what had happened," according to White. Some employers rushed to entice ING staff to join them "without much forward planning" and many employees, despite the offer to join another finance house, chose instead to approach White's team to explore what the rest of the market held.

"Many people at ING had been there 10 or 12 years, and were quite comfortable. It came as a huge shock. Some of them just didn't know what to do."

New players

Now, with the economy recovering, and motor finance doing especially well, the situation has reversed, and new players are entering the market.

The Partnership is "working with several of the more entrepreneurial businesses, which are looking to enhance what was a small presence in leasing into a much bigger model. But also there are some companies which haven't been involved in it at all and which are now looking to come into it. We're also doing some work with peer-to-peer and alternative lenders as well, who are starting to get into leasing and asset finance.

"I wouldn't say we're back to where we were in 2008," cautions White. "But it's certainly the busiest it's been for a few years."

The recession has also resulted in a change of salary structure: "Sales roles, for example, might have paid a £40,000 base and a £40,000 commission are now maybe paying a £30,000 base and a £50,000 commission."

However, the end of the recession has signalled a return of sales jobs. According to White, some companies cut their sales staff by more than was needed at the lowest point of the crisis and some talented staff were let go.

"The recession hasn't been as long or as deep as they thought," he explains. "Some of the vacancies we're seeing now are positions made redundant a year or two ago, but they're now struggling to get somebody of that calibre again."

This is partly because a lot of people have simply left the industry since the recession, says White, who cites the example of a former credit analyst he knows who is now a gardener for a parks department of his local authority.

"What happened in the recession was too bitter a pill" for some in the industry, he believes.

Demand now is for top-quality sales staff "who can generate revenue and profit," in a market with a surfeit of candidates. "There are a lot of sales people in the market," he says. "But a lot of the ones who have been made redundant, and not been re-employed, have not been re-employed for a reason."

Credit analysts

Judged by industry roles, rather than individual competitive ability, White singles out the credit analyst as a position particularly in demand and experiencing a lack of quality applicants thanks to the contemporary use of credit scoring and automated systems by lenders who are no longer training individuals for such a position. With roles outnumbering candidates, the credit analyst position has not only bucked the trend by maintaining salary levels, but actually increased in pay in several instances, and the Partnership has turned to applicants from New Zealand and Australia, where people are still "trained properly".

At the other end of the spectrum, the Partnership has received plentiful applications in areas such as operations, project management and administrative roles. Unfortunately for these applicants, White reports "there aren't many roles like that, and there are a lot of qualified people out there. And they're a lot of what was let go."

One area the industry is struggling with is young applicants. From the applicant's side, "the leasing industry isn't an industry anybody ever leaves higher education wanting to go into. It's something that tends to be presented to them," without specific interest in, or knowledge of, the industry from the recent-graduate demographic. The problem of 'fresh blood', as some in the industry have labelled it, has then been compounded by the unwillingness of clients of the Partnership to advertise to graduate recruiters or universities. On top of which, most jobs, from fairly junior levels and upward, often come with a demand for previous industry experience, making it "hard to get into the leasing industry even if you want to when you leave college or university. There are very few opportunities for graduates or youngsters to be trained in the sector."

White: Open to 'good quality'

The requirement for specific motor finance experience in even junior or graduate roles from a lot of clients is not always necessary, advises White, and can be counterproductive. He offers the example of a £22,000-a-year sales support role, for which clients will usually demand a year's leasing experience. However, White says, "for someone with experience of mortgages, it's still instalment credit. In reality there's not much of a learning curve for somebody in that field at a junior level."

As a result, companies are missing out on the long-term benefit of recruiting the best talent for the short-term gain of recruiting someone who doesn't require a lot of training. "Even then you often have to un-train them because if you took, for example, a sales person from a large wholesale lender and introduced them to a small brokerage, it's a completely different culture anyway.

"With the motor finance side, a lot of people feel motor finance experience is important. But if they would look at candidates, even from other areas of leasing or asset finance, they would get a lot of candidates through the door that way. There are some very good people in the leasing industry in general, who don't necessarily have a motor background, and whose skills are very transferable, particularly in areas like sales support or credit control.

"Some employers ask for experience, particularly at a level where it isn't necessary, say, a £30,000 job. If they have a background in leasing in general, that should be fine.

"It saves in that first couple of months, maybe, but immediately you're cutting out 70 or 80% of the market with one line on the job description."

And White believes the situation is getting worse: "The perception is there are a lot of people in the market, and therefore it will be easy to get leasing experience. There is some truth in that, but it still doesn't mean they're the best people."

Instead, White believes "open-minded" employers gain long-term benefits from hiring "good-quality people" willing to work many years for companies which will invest in the early stages of a role.

For example, White says a company may interview two candidates, one is "bright and switched-on" with a background in mortgages, the other has 15 undistinguished years' experience in leasing. The second candidate may more often be offered the job but the first one "is probably the better option" in the long run. As a result, "you see the same names going round the industry, again. You get people who work for six or seven different leasing companies, but much less new blood coming in and getting their first shot."

Such a mentality created problems for the motor finance workers during the recession, as "many stay in it their whole life but could broaden their experience much more. When the market went through a very difficult time, a lot of those guys found it hard, because they'd never done anything else."

New ventures

White predicts that the economy will continue to pick up, especially if interest rates stay low, "and it looks certain they will", encouraging more entrants into car and asset finance.

"We're already aware of some more significant players looking quite closely at the market," he says. "We know some people with some well-established funders who are being approached about new ventures."

Particularly, he suggests peer-to-peer lending as an "interesting area" liable to make an impact in the next couple of years.

For the future, the Partnership is hoping to improve its presence among motor finance companies. As White concludes: "We'd like to show what we can do.

"We'd like to have candidates and clients, particularly employers, in that sector, if they're open to good-quality candidates from a specialist recruiter."