

Stafford firm shunned by banks finds new backer for growth plan

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The credit crunch has seen access to finance become increasingly difficult for even the most viable of businesses. For those still finding their feet or challenged by issues such as seasonality, raising capital can be nigh on impossible.

One of the solutions to this problem is the growing number of Community Development Finance Institutions that have thrown open their doors to companies struggling to raise finance through traditional avenues.

One company that has turned to a CDFI after being turned away by the banks is Stafford-based River Canal Rescue Service.

River Canal Rescue Service is a waterway rescue service for boats and boaters that was founded after mechanical engineer Trevor Forman spotted a gap in the market to provide inland waterway craft with a breakdown rescue service. Alongside his partner Stephanie Horton, Mr Forman founded the company in 2000.

“Trevor broke down on the Trent”, said Stephanie. “He’s a mechanical engineer, so he could cope – but then he realised that the vast majority of boat hirers are like car owners, with little understanding of how an engine works, and that unlike car owners there was no breakdown service to call. The vast majority of people who hire leisure craft would be totally unfamiliar with the workings of an onboard engine. The idea consumed him so much it became a recurring dream and as I was studying for my degree at the time, I told him to just get on with it, so he did, and River Canal Rescue was born.”

Stephanie joined Trevor on completing her BEng and CEng in chartered engineering at Loughborough University. “My background is in electro-mechanical power, maintaining generators and mains power. We look after anything that floats and has an engine in it, on rivers, lakes and canals in the UK. We take care of the all the electrical systems and propulsion systems.

“This provides our members with complete peace of mind, so that they can sit back and enjoy their holiday. The irony is, the idea of a boating holiday means that people aim to switch off from life, and immerse themselves in the life on the river, thinking it will be completely stress free. Then when things go wrong, they don’t know where to turn and the majority of people who hire boats know very little about them.



“Our business has grown steadily and we now have 15 full-time staff, 12 of whom are engineers. We run it like a family. Our biggest sales force is word of mouth and I’m happy to say we run on recommendation. We are one of the first companies in the UK to gain ISO 9001 on the waterways; only the Environment Agency and British Waterways have attained this level. Our website rivercanalrescue.co.uk has one of the biggest chandlery web shops online.

“The UK has a huge inland waterway system and we cover the whole of the UK, from Scotland down to the Medway and over to Bristol. We have nearly 400 contractors on our books providing a constant backup facility. We have our own fully trained engineers, because we recognised right at the beginning that we needed to provide a full, 7-day, 24-hour service 365 days a year, so that if a call comes in on a late Sunday afternoon from a marooned craft we can respond immediately. We have a heavy population of engineers in the Midlands, because of the fantastic network of canals and rivers. We find a contractor who is local to the breakdown and aim to be with our members within four hours – and 98 per cent of the time we achieve that.

“We approached Black Country Reinvestment Society because the company is expanding rapidly now, due to the demand and the fact that we have no competition. We want to implement and streamline new initiatives in 2009 which will need a small amount of finance, including a database for our engineers to access, update and process all info out in the field, to avoid unnecessary paper chasing. But unfortunately the banks aren’t playing ball at the moment.

“Our business is very seasonal and winter is our quiet time, so we concentrate on implementing our forward planning, ready for the spring, summer and autumn seasons. We always need a little flexibility at this time of year, and it has never been a problem in all the time we have been trading, until now. We found out about BCRS and they were happy to loan us £15,000 to implement these plans.

“We also aim to introduce insurance cover for our members, as there is nothing available at the moment. This will provide them with a complete comfort factor.”

Steve Grice, business development manager at BCRS, said: “The potential of River Canal Rescue really jumped out at us. It’s a sound, established business run by immensely skilled people who completely understand their target market. There is a definite shift in leisure pursuits with people holidaying more at home now and boating is a uniquely British holiday.

“It concerns me that this is exactly the kind of business that should have been able to secure finance from a bank. It is profitable, it’s growing steadily, has an excellent client base and offers an unique service. Stephanie only required a small amount of finance to pursue her plans and we were delighted to provide it – we consider that the business has a good future,” said Steve, pictured with Stephanie.

Stephanie added: “It’s important for a small business to quantify the time spent on jumping through hoops to get finance from banks, and as we required such a small amount we did the maths and decided it wasn’t worth it. We’re growing rapidly at the moment and just wanted a straight yes or no. BCRS made the whole process so simple. Steve was very positive about the business from the word go.”