

# CASE STUDY: H&T PAWNBROKERS

RUTLAND  
PARTNERS

## Cashing in on potential

When Rutland bought the UK's largest pawnbroker H&T from US company Cash America, it found a business that was definitely not making the most of its potential ...

## Profitable but could do better

That was the conclusion from Rutland's thorough examination of this 50 branch UK pawnbroking business. During due diligence it became apparent that its US parent had not focused on the UK business and that there was an incomplete management team with key areas of weakness. Rutland visited branches and invested in customer focus groups to assess how much potential for growth there really was.

The existing CEO needed support and a new management team was recruited across finance, marketing and property. The new team was driven, motivated and worked well together, soon leading to efficiency gains, new product offerings and a roll-out of new stores. Targets for improvement included staff numbers in store, operational, procedural and IT systems.

## Better information means better business

As usual with Rutland, the investigation into the way the business worked day-to-day was rigorous. Key Rutland staff worked in stores to assess how time was spent and what processes could be improved. Analysis of staff numbers led to a 15% saving with no impact on customer service and improved management reporting provided better statistical information with a new focus on key performance indicators. Rutland even recruited a University mathematician to analyse historical transaction data, studying loan amounts and interest rates charged to see how changes to the proposition would impact the business.

## Fine-tuning pays dividends

Under Rutland's ownership, the number of stores grew by 40% and a detailed formula for the roll-out of new stores was developed. What had already been a UK market-leading business was now a much more profitable market-leader, with better branding, marketing and attractive new products. In Spring 2006, two years after first acquisition, Rutland listed H&T on AIM where it achieved an enterprise value of £91.9m with a market capitalisation of £54.2m. Rutland achieved a return on their investment of 3x.

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