

# Alliance Trusts

A CASE STUDY



"WITH THE CRITICAL MASS OF COMPANIES AND INTELLECTUAL ASSETS NOW AVAILABLE, SCOTLAND COULD BECOME THE 'THOUGHT LEADERSHIP' CENTRE FOR THE UK INDUSTRY. FOR AMBITIOUS MANAGERS THIS IS A STIMULATING PLACE AT AN EXCITING TIME".

ALAN HARDEN, CHIEF EXECUTIVE, ALLIANCE TRUSTS



Scottish Enterprise

# New opportunities in a challenging environment

## FACT FILE

**NAME:** Alliance Trusts

**HQ:** Dundee, Scotland

**DATE ESTABLISHED IN SCOTLAND:** 1880s

**LOCATION:** Dundee, Scotland

**OPERATION IN SCOTLAND:** Investment Management and Financial Services

**SIZE:** 170



**THE BUSINESS CASE** Based in Dundee, the Alliance Trusts are two leading UK investment trust companies, the Alliance Trust and the Second Alliance Trust, that have been investing since the 1880s. The larger of the two, Alliance Trust, is the third largest UK investment trust by assets. With net assets in excess of £2 billion between them, the trusts also own a growing financial services business – Alliance Trust Savings.

The appointment of Alan Harden as new Chief Executive and Lesley Knox as new chair in 2004 provided Alliance Trusts with a catalyst for change and was a recognition of major growth potential for the companies.

**WHY DUNDEE?** The adaptability and intellectual capability of people working in the industry are some of the main reasons why Alliance Trusts have remained in Dundee, Scotland. Alan Harden explains: **“We employ a young workforce – early 30s on average – and with the reliance on excellence in customer service, we train our new recruits to very high standards which lead to industry recognised qualifications.”**

**“Train and air services are good, and the fact that office accommodation is up to 30% less expensive than in south-east England allows us to concentrate fully on creating value for our customers,”** says Alan Harden. With its headquarters in Dundee and low staff turnover, the Alliance Trusts’ expense ratio is low: **“At Alliance Trust Savings our customers benefit from excellent value, transaction-based charging, a very broad range of investment options and the opportunity to hold all their investments in one place,”** says Alan Harden.

**THE RESULTS** The two year graduate training programme offered by Alliance Trusts is increasingly attracting applicants from top British universities. Customers benefit from the award winning customer service provided by highly trained employees with years of experience. Recent awards include the 2004 Investors Chronicle Awards for “Best SIPP Manager” and “Best Self-Select PEP and ISA Manager”. Further testimony to the excellent service is that some 55% of new accounts in Alliance Trust Savings are opened as a result of word-of-mouth recommendation from existing customers.

With the new challenges and growth opportunities offered by an expanding financial services sector in Scotland, as well as UK government reforms to the pension system, the trusts’ financial services arm, Alliance Trusts Savings, looks set to capitalise on its strategy of transparency and excellent customer service:

**“Reforms in the financial services sector are creating exciting new opportunities for us. We have a competitive advantage. At a time when the industry is increasingly being asked for greater clarity, we already offer transparent services. We believe that when you buy an investment you should see exactly what you are paying for, why and for how long,”** says Alan Harden, Chief Executive, Alliance Trusts.



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