

Managing growth is 'Priority One'

FOCUSED: Financial firm stays course in boating world

Jane Meinhardt — Staff Writer

Lisa Gladstone is no "little filly."

However, enduring such sexist comments was just part of doing business when Gladstone started her company, Priority One Financial Services Inc.

It was in the late 1980s, and Gladstone was navigating her way through the marine financing industry.

"I was a woman in a male-oriented world," she said. "Being a woman made it a little easier to get in to see boat dealers, but they took what you had to say less seriously. It was interesting."

Gladstone's St. Petersburg-based company is serious business now.

Priority One Financial had 2001 revenue of \$2.3 million. Revenue for this year is projected to be \$3.4 million, based on sales records of boat dealers the company has as clients.



The company currently provides financing and insurance outsourcing for about 300 powerboat dealers across the country, including 19 in the Tampa Bay area and 75 around the state.

Priority One recently partnered with Transamerica Financial Services to provide retail financial services for Transamerica's boat dealers, an alliance which will increase Priority One's client base.

In addition to handling the loan and boat insurance processes for dealers' customers, Priority One sells extended service contracts and credit insurance to people buying boats. Her employees work one-on-one with dealers' customers.

The privately held company incorporated in 1989 and began with one employee, Gladstone, in an office with a telephone and fax machine. Now the company has 37 employees and operates in a 6,500-square-foot leased building in downtown St. Petersburg.

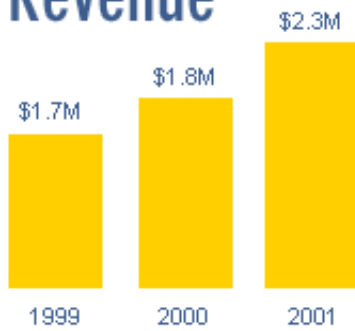
For Gladstone, the company is an extension of her family's business. Her father is a Chevrolet dealer in Michigan. His father also was an automobile dealer.

After handling some financing for her father's business, Gladstone decided to apply similar strategies in the marine industry where dealers finance millions of dollars worth of boats each year.

She borrowed \$13,000 from her parents, set up her business and hired two employees the first year.

"We convinced dealers we were offering them a profit center," said

Revenue



Gladstone, 39. "Once they realized that, we grew. When we started, no one did what we did. Now it's become mainstream in the industry, although we really don't have any competitors our size. You have slow growth when you don't have capital, but that's not always bad. One thing we've always done is we decide what our path will be and stick to it."

She puts together a three-year plan each year, using a growth strategy designed to maintain customer service while increasing her dealer base.

"Our business plan goes out three years so we can run hard and grow and then curtail it to be sure we maintain our level of service to dealers,"

Gladstone said. "My biggest challenge is to keep up with immense growth."

She decided to concentrate on powerboat instead of sailboat dealers because the market is larger. The company's dealers average \$3 million in retail sales a year.

The turning point for Priority One was in 1996, she said. At that time, she had nine carefully selected employees.

"That was when I stopped being a one-man shop," she said. "I was trying to do everything myself until then. The hardest thing to do is to let go, but you can when you get the right people working for you."

Gladstone uses a team concept and cross-training with her employees to increase efficiency and productivity and to improve communication.

The \$13,000 loan to start the business was paid off long ago.

"We have a revolving credit line, but we are debt-free," she said. "We have no long-term liabilities. That's a beautiful feeling."