

# Keeping it nationally local

In June of this year Andy Wright was appointed as the head of Lavendon UK, Europe's largest aerial lift rental business. Wright is responsible for both Nationwide Access and five regional rental businesses, each headed up by its previous owner. C&A visited Lavendon's Lutterworth HQ to talk to Andy and to learn more about his strategies.

**C&A:** You are responsible for six companies with quite different strategies, styles and images in the market place, how do you tie this into an overall strategy or business plan?

**AW:** Within the UK we see two separate powered access markets with quite different demands and customers. On the one hand you have larger contractors or businesses working on big projects looking for a seamless national service, with a consistency of products and service that can respond to large demands and fluctuations. On the other, you have local businesses working mostly within their region which are looking for personal service and machines that suit their specific needs. These quite different demands impact on everything a rental company does, from the way an order is taken, to the fleet profile and down to the manner in which credit control is handled. For example our regional companies tend to be more focused on electric scissor lifts, smaller boom lifts and niche machines to suit local customer requirements. While a national fleet needs to have a complete and full product line, with less stress on niche or speciality machines. So Nationwide has a greater focus on large booms, diesel scissors and big truck mounts through the Skylift division.

**C&A:** What about competition between the different companies?

**AW:** "You have to allow it of course for several reasons. For a start, the previous owners are on earn-outs, but more importantly once you start preventing any competition you

start to lose the entrepreneurial spirit that attracted us to these businesses in the first place. You have to understand that it will happen and ensure that at least it is sensible and fair. The customer will decide what works for him and will deal with the business which he feels most comfortable with. In some cases that might mean a major national company continues to work on major projects with one of our regional businesses.

It makes no sense though to compete needlessly or negatively. The regional businesses have very little overlap in terms of locations. If one has developed a special niche - such as Higher Platforms with its LPG powered fleet or Rise with its van mounts - it is best for that company to continue to develop and expand its expertise. That doesn't mean that Panther can't buy LPG scissors or van mounts but there is no point in them targeting those areas, better to call on their colleagues to supply it.

Some of the differentiation between the companies comes from the way in which the products are hired rather than from different products. Rise Hire for example concentrates on what we call 'casual contract hire,' a hybrid service between short-term day to day hire and long-term fixed contact hire or leasing. Our target is to service customer needs whatever they are wherever they are."

**C&A:** Is there much cross selling between companies?

**AW:** We look of course for some 'pull through' from each business with all group members generating extra business for the others, particularly

for the specialist businesses like Skylift and Rise. Over 60 percent of the Group's re-hire needs are now met from within the group.

**C&A:** What about the previous owners of your regional companies? You have more millionaire employees than most businesses.

**AW:** "Yes we do and these guys were an important part of our decision to buy their companies. We hope that they will stay on board for the long term and help build the business. Most of them seem to be enjoying what they do. Richard Miller (of Panther) for example is now managing director of the regional businesses. Retaining these people and the guys below them is critical. They have grown up in the rental business and spent most of their working lives in the access industry. They enjoy the business and at the moment there is no better place to be than at Lavendon UK.

**C&A:** You have introduced some UK group functions what is your policy on this?

**AW:** "We have co-ordinated some backroom functions, but one crucial rule is that we leave any function that touches the customer to the local company. We have had to ensure that minimum standards are met in any area that is covered by regulations, to ensure that we have a consistent approach to legislative driven functions. For example the HR role at each company has a dotted line back to the group. This though has added some tangible benefits to regional employees, such as child care vouchers and a share incentive plan which encourages them to build ownership in the company. Employees also have the opportunity to progress or change career within the group. We are careful though not to destroy the special feel within each company that attracted the employee in the first place.

**C&A:** What about Accounting and IT?

**AW:** We have had some consolidation in these areas, with all companies going onto the Lavendon IT platform, but our IT system is tailored to suit the way each individual business works. So while the essential information provided to the group is standard, the way the system is used and how it looks is different at each company.

On the accounting role we are increasingly centralising this wherever it does not touch the customer, so for example each business continues to collect its own cash.

**C&A:** What is the group policy on purchasing equipment?



Andy Wright

**AW:** We have a group budget of course and we do try and maximise our purchasing power and limit excessive multiplication of suppliers. However each company decides what it wants and puts this forward at the planning stage. Our managers have a vested interest in buying the right equipment, not to mention a good track record of having done so without supervision.

**C&A:** How much has their ability to take advantage of a deal or make a last minute un-budgeted purchase been curtailed.

**AW:** The only difference is that today they have to make a call, but there are no approval layers to wade through, so it can literally be a two minute telephone call to take the decision.

We are also developing group-wide best practices with members of each company participating in project groups so that we can share the best way of doing things with each other. We began by employing a consultant to compile the data on various activities to highlight which company or region within the group was doing it best. The project groups are now looking at that information and uncovering what it is that makes the best the best. The idea is that each company will then adopt the conclusions from those groups into their businesses.

**C&A:** Finally what are your favourite things?

**Gadget** - Bose CD player

**Film** - Gladiator

**Music** - Heavy Metal

**Hobby/sport** - Football - not playing but watching my boys play

**Car** - BMW

**Book** - Biographies in general



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