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The much publicised £255 million Management Buy-Out of Ainscough Crane Hire last October marked the end of Martin Ainscough's involvement with the company he was instrumental in building into the UK's leading crane rental force. It also signified the start of the new era headed by managing director Neil Partridge, previously chief operating officer and leader of the existing management buy-out team. Cranes & Access talked exclusively to Neil about the past, present and future.



Neil Partridge

One of the big surprises in crane hire over the last 30 years was the continued rise of Ainscough Crane Hire to become the UK's leading crane rental company. Led by Martin Ainscough, it grew mainly through acquisition including the audacious purchase of its two biggest competitors - GWS in 2000 and Baldwins in 2002 - finally confirming it as market leader.

But Ainscough not only grew in size over this period but also in stature and standing within the crane sector, gaining respect for its professionalism and responsible attitude. As the leading rental company others look to it to set the industry standard a position it has not shied away from.

So can Neil Partridge, the Ainscough number two over the last few years take over the reigns and continue to further develop the company?

Partridge joined Ainscough in 1995 having spent 14 years with Harrogate-based Vibroplant, joining as chief accountant in 1981 and

rising to financial director in 1986. A chartered accountant by profession he obtained a first class honours degree at Newcastle University before spending four and a half years training at Price Waterhouse. It was during this time that he decided that he wanted to be 'at the sharp end' in industry which is when he joined Vibroplant.

However, after 14 years he realised it was time for a change but not knowing what, he resigned with nothing definite planned. In spring 1995 he joined the troubled Kilroe civil engineering group. He knew it had problems, but after three weeks he realised they were not in recovery but in intensive care and spent the next three months putting the company into receivership. An earlier chance meeting with James Ainscough at Conexpo 1993 resulted in a subsequent meeting with James and Martin and being offered the position of financial director of Ainscough. After Ray Ledger left the company, Partridge took on more and more of the day to day operations from Martin Ainscough; subsequently being appointed chief operating officer.

The question on everyone's lips is 'what changes are there going to be at Ainscough?' Well nothing major and only changes that may well have been done even if the company had not been sold. And rather than changes, tweaks might be a more accurate description.

"We have stepped up the level of



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face to face

health and safety assessment of contract lifting work, utilising our top experts for these assessments," said Partridge. "This is an area of the business which is growing significantly. We are also proactively auditing selected re-hire crane suppliers. In an effort to improve this side of the business this list is now quite small. Ideally we would rather not have to rehire cranes - mainly up to 100 tonnes - but as we have to, we want suppliers that work to our standards." Even though Ainscough has 525 cranes in the fleet, during the latter months of 2007 it was rehiring about 50 cranes each day.

"Utilisation is running at about 90 percent," said Partridge. "Allowing about five percent for repairs and servicing it means that the cranes are basically working almost all the time."

"The servicing side is therefore being scrutinised. With such demand, time required for service reduces availability for hire. We are liaising with manufacturers to reassess service intervals as we probably service our cranes more than the industry average and if we can reduce the service time and increase utilisation just one percent, that would create in excess of an additional £1.0 million of revenue."

"We are also working on instigating a second shift for servicing in one or two depots to reduce the amount of time a crane is not available for hire and therefore help again to increase utilisation."

With more deliveries due the fleet

will increase to 550 this summer and to 575 by the end of the year. By mid 2009 it should reach 600 cranes. "We will be adding a number of units this year with sizes from 40 tonne ATs to the 'boom on concept' Terex Demag AC1000/9 due this August with a second arriving next year.

Ainscough is primarily a 'Liebherr' customer - in fact the company is Liebherr's biggest customer worldwide. At present supply from Liebherr is restricted due to the strength of world demand, even though Liebherr currently manufactures about 1,650 cranes per year.





"Because of the global demand for cranes, we are currently looking at the Liebherr crane purchases for 2011," said Partridge. "Whilst Liebherr is the preferred choice, if there are other manufacturers that offer cranes that are not available from Liebherr then we will buy these."

One of the new arrivals is the new 300 tonne Demag AC300/6. But with Liebherr also due to introduce its 300/350 tonner into the market, subsequent machines may be bought from Liebherr.

"All the major manufacturers produce good cranes, but for us, Liebherr has the edge," said Partridge. "In the UK it has the biggest population of any manufacturer and we think the best after sales and support facilities, although with more than 60 fitters and technicians, we need to be largely self-sufficient in that area." Ainscough currently has six large Terex Demag cranes on order and in 2004 bought a number of Grove cranes. "We have a particularly good relationship with Liebherr and every year we have reciprocal visits by senior management. Our engineering director, Steve Cooke has a big influence on the future designs and features of the cranes we would like to see in the UK."

Current average age of the fleet is about four and a half years and it is thought that this will remain at this level for the next few years. According to Partridge, cranes have a least a 10 year productive rental lifespan.

Ainscough also has a full refurbishment facility where it can carry out a complete mechanical and paint refurbishment. This is ideal to refurbish its small industrial units including its Grove AP415's which were purchased in 1996 and even older Iron Fairy units. The refurbishment facility was in great demand following several of the acquisitions - particularly Baldwin and GWS.

"GWS had an older fleet but the Baldwin cranes needed more work. The 360 dark blue GWS cranes and 200 blue/white Baldwin cranes - and more recently 35 Nationwide



cranes (although some were sold) - all had to be repainted into the Ainscough livery," said Partridge, "and since 2005, at least 150 cranes have been refurbished." "Over the last few years mobile crane hire has become very specialised,"

he said. "Ainscough offers a very high level service - we are not saying we are perfect, but we are not complacent. Before the MBO the customer service was second to none and the challenge is to keep it that way and if possible improve it. Unlike other general construction equipment where hirers can easily offer the same levels of equipment and service, mobile crane rental has the opportunity to differentiate between hirers."

At about 10 percent, general construction is a relatively small proportion of the company's work. Its largest sector of business is derived from infrastructure projects (about 30 percent) then petrochemical work (about 20 percent) followed by commercial and shipbuilding.

The current huge infrastructure demand looks set to continue and future projects are already looking very promising. Projects such as the widening of the M25 motorway, the Olympics and Scottish road network as well as the nuclear power station programme means that the overall level of business is the highest seen by anyone in the company for more than 30 years.

An ideal time to take over the company?

"The MBO was the ultimate end result that all started in 2006," explained Partridge. "The Ainscough family wanted to sell the company and appointed Price Waterhouse Coopers to investigate. More than

pressure on the VCs bids as well as the bid by the Bank of Scotland's Integrated Finance Team. Up to that point an MBO was not even thought about, however Martin indicated that if the final decision was marginal he would back an MBO with the existing management team remaining to run the company. I think the headline price of £255 million not including debt, was a good deal for all involved, the Ainscough family, the Bank of Scotland and the MBO team."

Martin still owns and runs Ainscough Vanguard, Ainscough Training Limited, Ainscough Brothers and Ainscough Investments which leases back buildings to Ainscough Crane Hire. Martin's other two brothers, James and Brendan, are also not involved in the crane rental company any way.

There are a few family members still working for the company. Martin's daughter Danni Hitchen remains as marketing manager and her husband Steve is the director of heavy cranes.

So as the new head of Ainscough is Partridge ready to be in the spotlight?

"I had a great time working with Martin, we made a great team and I think we learnt a lot from each other," he said. "The position of chief operating officer has exposed me more and given me the experience of being the 'visible' head of the company. It is true, Martin did enjoy being in the

limelight, but I am more than happy to lead the company into its next exciting phase of development."

With Partridge now firmly at the head, the company is looking for a 'highly competent' finance director to take over his old position.



This was a requirement of the bank with an appointment expected within six months of the buy out.

"The MBO has worked out better for the company in that venture capitalists would have been looking for an exit after three years, but the Bank of Scotland is happy with four or five years or even longer which is when I will look to vacate the position," said Partridge. "The business is currently doing well and ahead of predictions so there is no pressure from the bank."

The management structure below Partridge is made up of six directors - George Kesterton and Grant Mitchell sales directors for the North and South respectively, Peter Kernohan, operations director, Steve Cooke service and engineering director, Keith Hartis, health and safety and training director and Steve Hitchen heavy crane director.

"This is probably the most buoyant time the company has ever seen in its 30 year history," said Partridge, "the current level of demand is quite extraordinary. We now have 25 percent of the UK market and I believe the market should continue to grow at around four percent per year. We intend to grow our fleet and take benefit from this growth in market size."

And does further expansion include into elsewhere in Europe?

"A definite No" he said, "the UK and Ireland is more than enough for us at present." But does he fear others coming into his market?

"With the worldwide demand making it difficult to obtain cranes, the overseas crane rental companies have not done a lot in the UK. No foreign companies have been interested in the acquisitions,"



(L-R) Steve Cooke, Grant Mitchell, Neil Partridge, George Kesterton, Peter Kernohan, Keith Hartis and Steve Hitchen.

he said, "Nationwide would have been a good target but nothing materialised."

Nationwide was Ainscough's latest acquisition but not its last. "The company had a good mix of cranes - about 7 heavy and 30 smaller units - and this allowed us to increase our exposure at the larger end of the sector," he said. "We will continue to make acquisitions perhaps one to two a

Over the last two years we have added almost a further £50 million. All the systems are in place for continued growth, we have an excellent computer system and very strong senior and middle management."

A recent joint appointment between the Bank of Scotland and Ainscough was non executive chairman/director Jim Faulds who attended his first board meeting in January.



year, as we need a better crane mix at the larger end and there are geographic gaps in our coverage. We are very good at acquisitions, we know what we are doing."

Look out for at least one acquisition this year then.

And in the longer term?

"We had to put forward a three year strategy and business plan when going through the MBO. We are currently ahead of our growth and earnings forecast so the bank is more than happy with the performance - even without additional acquisitions which would move us further ahead of the plan."

The company has been growing at a substantial rate. Revenues from 2006 to 2007 increased from £77 million to £96 million (£104 million if Crane Services' figures for the full year were included). That looks set to increase to about £120 million in 2008.

"The rate of organic growth has to slow down, but with acquisitions we would certainly hope to maintain revenue growth above 10 percent," he said. "It took the company 30 years to reach £77 million.

"Ainscough has built a reputation for being at the forefront of the industry," says Partridge. "I am happy to continue this, but whatever we do, we do nothing to sacrifice safety and live by our commitment - Safety before Profit'. We all take accidents very personally and painfully and do everything foreseeable to avoid them."

"I thoroughly enjoy the work and challenges we face, as do all the directors. We are all totally committed to improve all aspects of the business and drive the company to even greater achievements."

Ainscough has just entered its next phase of development. Watch out the rest of the industry.

Neil Partridge - essential or favourite...

- Reads** - Fiction last book Tell no-one, Harlan Coben
- Gadget** - iPod and Bose sound system - wide variety of music
- Car** - Drives a BMW 330d for work. Just bought an Aston Martin V8 in Tungsten silver - 'a lovely car'
- Sport** - cycles and walks
- Interests** - Travel - sun sea and sand.