

# cranes & access

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FOR UK BUYERS & USERS OF CRANES & ACCESS

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# The synergy thing



Do cranes and platforms naturally go together? Martin Ainscough (left) says Yes, while David Barrass (right) says No. **Timothy Whiteman** reports.

**S**hould you mix hooks and baskets? Something that many of our readers will have wondered when they saw the new title of our magazine. We got two industry leaders with very differing views in one room and asked for their views. The result was a very instructive afternoon as Martin Ainscough,

chairman of Ainscough Group and David Barrass, managing director of Initial Plant Services, owner of Initial GWS Crane Hire and Initial PTP Aerial Platforms, became unusually passionate about booms and baskets.

"Why should the customer have to phone completely different people for his cranes and access equipment? After all, it's similar technology and the customer



wants just one invoice – why give them separate ones from GWS and PTP?" asks Martin Ainscough in a move calculated to rattle his debating companion, David Barrass. Ainscough continues: "What it's all about is making sure your salesman has more in his bag – the more he can offer the customer, the better the relationship they will have – access equipment is a natural extension to cranes."

Barrass responds with vigour: "That may be true, but you are only targeting a tiny bit of the access market, this little bit that overlaps with cranes and is basically the construction industry" he says pointing to a quickly drawn series of diagrams.

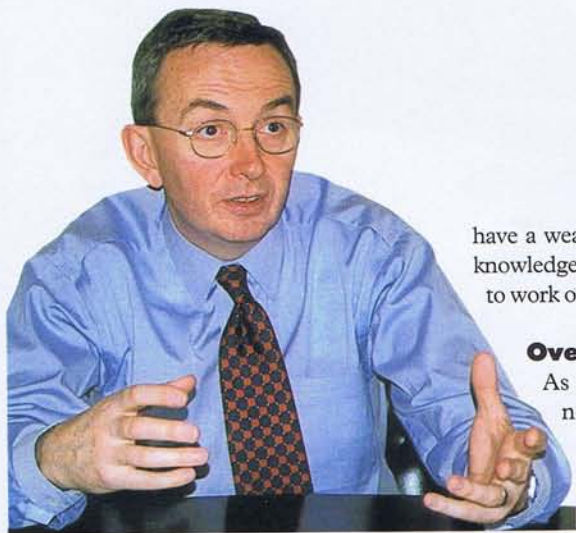
Barrass should, of course, know. His group Initial Plant Services includes both PTP and GWS. The former owns about 1400 platforms while the latter has nearly 500 cranes. Between them they operate 45 to 50 depots. Ainscough Group, in contrast, runs about 280 cranes and has just started in the access business where it now has about 150 platforms.

Barrass warms to his theme: "The overlap is tiny and it's the lowest margin business in the world – construction".

Ainscough is quick to jump on that one: "If other people want to get out of



## DEBATE



have a wealth of detailed health and safety knowledge, would be under-utilised if put to work on a general hire desk.

### Over capacity coming soon?

As to the state of the access business, Barrass is cautious: "There are great margins, but they are falling away like there is no tomorrow because the extra volumes coming in are more than the market growth".

"That's why you can't afford to have two lots of costs" says Ainscough triumphantly. The big advantage he sees with access equipment is that it can be bolted onto the existing crane sales and maintenance activities with virtually no addition to overheads. Where before his sales team would simply sell crane hire, they now have an extra service that can be

made available to the same customer base.

Barrass is unimpressed. Access and cranes are utterly different he says and gives the following examples: If a depot manager has got three cranes and three platforms standing in his yard, which will he focus on shifting? Answer: The cranes because he is still having to pay for the operators to sit and drink tea in the canteen.

Secondly, "If someone rings your Standish depot now, and books a crane, it will come with a fully qualified, safety conscious operator. If the same person rings up and asks for a platform, you put it on a lowloader and deliver it - what the customer does with it after the training you give him is up to him".

"No it isn't", says Ainscough, "precisely because we train him when we get there".

construction, I'm happy to take it on" he says with a smile. He continues: "I believe that the idea of a one-stop shop is absolutely right. Why should the customer have to ring someone completely different for his cranes or access? After all both bits of kit use very similar duty charts, training and technology - the same principles apply and people do not want to have separate invoices for what they see as the same service."

"So if you're going for a one stop shop, will you be offering compressors and hard hats in the near future?" asks Barrass acidly? "What about cars and phones as well - after all most of your customers probably rent them as well"!

Ainscough is not impressed with the response and "totally disagrees" with the line of thought, saying: "the aim is to focus on Ainscough's area of expertise which is engineering and lifting solutions".

Barrass, however, is up and running: "I'm going in the opposite direction to Hewden's with its one stop shop approach. I think cranes are a unique form of operated plant, and there definitely is no synergy between operated and non-operated plant". He adds that crane specialists, who

“  
Construction  
is the  
lowest margin  
business in  
the world  
”

David Barrass



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Nonetheless, says Barrass, there is no parallel concept to the crane industry's contract lifting in the access business – but then he adds: “with the possible exception of large truck mounts which are so sophisticated that they are often supplied with an operator”.

## Strategic move?

Ultimately the question of whether cranes and access can be mixed comes down to whether such a move will make money for the companies involved. Ainscough is convinced that his company's access division “will be successful” with the fleet growing to 300 or 400 units within the next two years and being available from 8 to 10 depots. He adds, to the evident surprise of Barrass, that he is “also interested in load carrying hydraulic platforms – you don't see them too much but watch this space as this is an area in which access and cranes get even closer”.

Asked which types of access equipment he is focusing on, Ainscough replies that “there is a natural divide at about 40 feet (about 12 metres)”. Platforms with a lower working height are really the preserve of tool hire companies, above that height they fit well with our crane activities”.

Asked whether he will be encouraging single sites with multiple occupancy between Initial PTP, Initial GWS and



“ Platforms above 40 feet fit well with our crane activities ”

Martin Ainscough

scaffolding company Initial Deborah Services, all of which are members of Initial Plant Services, Barrass' answer is revealing: “No, the question of multiple occupancy is purely driven by property considerations and the managing directors of each division find their own locations. We are not actively fostering the co-location of such companies”.

What Barrass does do is encourage area managers of the different divisions to get to know each other, perhaps over a lunch organised by him, and pass on relevant market intelligence.

Included in these meetings are managers from another Initial Plant Services member, Redispace & Johnson which supplies accommodation units, often to green-field construction sites. In this way, says Barrass, the division can get advance knowledge of demand for lifting equipment. Customers of Redispace will also be made aware of GWS, PTP and Deborah Services.

In situations where a big contract does arise for a total lifting service, Barrass will meet customer requests for a single point of contact by appointing one person from within Initial Plant Services to act as that single point of contact. Generally, however, he believes that: “The big difference is that access has to

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be delivered to the customer – who proves that he is trained or else can be trained by us. This is comparable to mini-excavators – there are skills involved in using them, but you just want somebody to show you how to use the equipment. Cranes are different – nobody other than our operators is going to drive our cranes”.

He adds that the discussion with Ainscough is essentially covering three types of plant hire:

- The kind of equipment you load into the back of a transit for your customer to drive away – this is small tool hire and includes the very small personnel lift section of access.

- Access platforms, mini diggers and any other equipment that is delivered to site and needs some basic training

- Cranes – these are hired with operator and are fundamentally different from the other kinds of equipment.

As far as Barrass is concerned the three are very different and need separate sales and administration staffs.

Ainscough is simply not convinced. To him access equipment is a logical extension to his lifting business and he predicts that many other people will do the same or, and this is flatly contradicted by Barrass, will add cranes to their access fleets – “I already have people working for me who came from an access background and are now dealing with both types of lifting equipment”.

Nonetheless Ainscough concedes that there is a difference between what he and Barrass are doing: “We won’t be taking on a PTP role as we are not into very specialist platforms and will be limiting ourselves to models that appeal to our existing customers”.

The difference between the two is clear to see: David Barrass sees a huge market for access equipment beyond existing users of cranes. While he accepts there is some cross over between the two industries he believes that companies specialising in one or the other will ultimately do better.

Martin Ainscough, in contrast, believes that most of his existing customers will want platforms and that this is a technology that his existing staff and systems can easily

adapt too. He also believes that ultimately the access arm of Ainscough Group will bring in new business for the crane division and that the overall group will simply grow and grow.

The last words go to David Barrass

although he and Martin Ainscough are, this once, in agreement: “Martin and I disagree and will follow completely different strategies – suits me!”

*Pictures: Timothy Whiteman and John Simm.*

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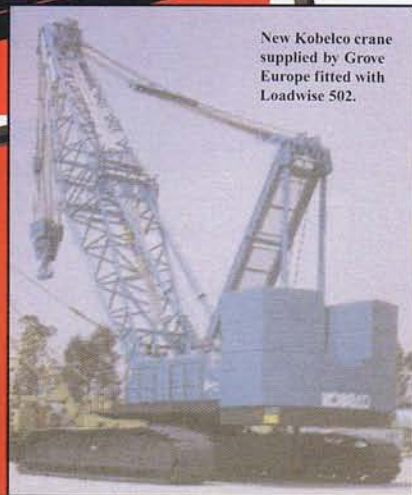
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See us at  
SED  
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