



Dear Sir,

I hear that K-Lift went pop at the end of last week and then seamlessly re-started under a similar name opening on the Monday with a slightly different company name but the same trading name.

Is it a sign of the times as to how people run their business, with a default get of jail free card or is it just coincidence?

Seems very similar to the way Bryn Thomas went and came back the next day debt free. We do not run like that – i.e. 'get the job whatever the cost' attitude. We have a good credit control team, which as you know is imperative and we aim for a reasonable margin on the CPA and contract lift side of the business. I'm pretty sure if the service provided was the same quality for these people then they could do the same - do you agree?

Are certain competitors crooks? or is it just a sign of the times??

I'm positive you have your own opinion on this !!!

*Correspondent requested his name be withheld, for obvious reasons.*

*Since he asks for an opinion..... This is a tricky area, there will be times when even a good company can find itself in a position where there seems to be no escape. A classic case is where the bank or other funder changes its policy and wants its money back immediately. They usually do this during a downturn to companies that have decent balance sheets but are experiencing cash flow problems. Why? Because they know they can conduct a fire sale and get their money back – at the same time they are often reluctant to pull the plug on badly run 'basket cases' as they know they will have to take a major loss. This is totally perverse but happens all the time. You might argue that the business owner should fund the business with loans that are secured – easier said than done of course even locked in loans have covenants and ratios that if breached allow the bank to call in the loan. In such a situation and unable to raise the funds and face with a belligerent bank few of us would not reluctantly resort to filing for protection – the only problem is that in Europe many of the insolvency rules are not geared towards an orderly reorganisation where all the creditors might eventually be paid – thus the only practical choice is usually a sale which leaves the creditors high and dry. Sadly the main culprits – the banks -usually get paid out with the administrators bagging the rest – in a cozy closed shop relationship. However if we focus on the UK in the past couple of years most well run companies have at great cost - both in cash and stress terms – just managed to renegotiate and keep going without defaulting. At the same time rate cutters and companies that according to market rules should have failed – have simply dumped the old debts, purchased the assets in a closed shop arrangement and started up again under a new corporate name. As to the question are people that do this crooks? Not necessarily – in fact it can be argued that all they are doing is exploiting the law – no different than those who strive to keep their taxes as low as legally possible. However we all know that there are those – the serial bankrupts - who do use the law in a way that ought to be a crime. The fact here is that if those that were caught had used a credit check system like Top Service they would have seen that K-Lift had defaulted on payment terms several times throughout 2011 and that it had negative net worth and negative working capital. Some years ago when we met with PKF to discuss the sharp practices that are endemic with the UK insolvency process it said that its main job was simply to secure the best return for the secured creditors – usually the banks – and that any unsecured creditor deserved what they got as they had taken the decision to extend credit to the failed company and thus taken the risk, and there is something in this. However the worst aspect is that owners that have taken a company into insolvency are then given preference when it comes to buying the business free of all debt – in its worst form this is called a 'Pre-Pack' where the entire thing is stitched up prior to launching the insolvency process – by its very nature this practice ought to be illegal. This subject is one that we will come back to in a future article.*

Dear Mark,

Just a warning to others regarding booking the ConstructionSkills Operative Health and Safety touchscreen test with Prometrics. I have recently booked a touchscreen test for one of my drivers who has dyslexia. I booked the test online for 3rd March at 5.30pm and tried to filled in as much as was allowed to suggest that help would be required. I was not happy that Prometrics would understand what help would be required as there was a lack of a descriptive box for me to explain, so I telephoned. I was told to send an email through to their Cares department and that I may have to cancel the booking and rebook for another date so they could supply a reader for the test.

To cut a long story short, I have had to cancel the test – incurring a £5 cancellation and rebook the test for one hour later. I am aggrieved that for the sake of one hour Prometrics are not flexible enough to just move the appointment time, rather than make me pay a £5 cancellation fee. As a point of principal, I will no longer book these tests online.

I would like to withhold names as I do not want to embarrass my driver.

Kind regards

Crane Hire Controller

**Good Morning Leigh,**

Well said, very well said re Tate Incident, for that is precisely where the problem lies. Site Foremen and Managers pressurise Crane Drivers to do 'Just a little bit more' and in-turn cause the Crane to go beyond its safe working parameters.

Fortunately no-one was killed on this occasion - unlike Friday 15th Jan 1988, when my Father in Law David Stanford was killed on site by a Crane Driver.

This kind of unsafe behaviour on-site is widespread, with most of it covered up by Jnr or Snr Managers as all concerned know it could result in their dismissal, due to the Climate of Blame now so widespread in the UK. The only time these incidents are revealed is when it results in an Incident (not accidents, as this kind of behaviour is not accidental) with 171 fatalities in 2011 all confirming that unsafe acts on site are all too prevalent.

Keep up the good work of exposing these unsafe practices.

Kind Regards

**Mike Ponsonby BA**

We asked Mr Wilson if we might publish his letter and he responded:-

Hi Leigh,

Do the health and safety ever get involved in the death wishes you publish? I've just seen the Hiab one with the tree surgeon and it has angered me. The unsafe never get prosecuted and the safe and insured pay the price through increased premiums.

I understand it's not your fault and the rant is not directed at you but something should be done about this!

Regards

Tom Wilson,  
Wilson Access Hire

Dear Leigh,

I'd be more than happy for you to publish it. I'm so disappointed that in this day and age people take the chances they do. I have also come across the lack of empathy from HSE inspectors when I have sent them information. It is both the supplier and the customer that need educating. I just wish some action was taken at some point. If you get caught speeding these days you can take a driver awareness course rather than getting points, this system would work a lot better for the one man band Hiab maniacs I think!

I must also point out that I think your death wish series are good as I have used them in tool box talks with our drivers and explained the consequences if any of our companies are involved in any of these!

Tom

*We are aware that HSE inspectors do subscribe to Cranes & Access and do read Vertikal.Net. We believe or perhaps hope that they do note the cases of involved and when visiting those offenders they can identify do have a serious talk with them. Wilson is right that instead of a total focus on prosecutions, a strong warning and offer to help – or in the case of an unresponsive reception a legal option to facing prosecution as suggested.*

## On line Poll result

We asked the question:

*Do you think that companies should pool payment/credit information?*

A total of 281 people voted on the subject **Yes - 75.4% No - 24.6%**



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