

Open to question

We are pleased to introduce **Ken Hammond**, Managing Director of **Boundary Garage** in Bury, one of Circle's first customers. Established in 1972, they now employ 50 people at their 28,000 square foot site and serve a geographical area that includes Bury, Bolton, Rochdale, Oldham, Manchester, parts of Stockport and parts of Blackburn. The company operates 65 courtesy cars, all provided by Circle.



How's business at the moment?

Business is very good due to the bad weather in the first part of the year. Now we must try to sustain these levels of business. Claim volumes were down prior to the bad weather, with total losses increasing.

How are you looking for new sources of work?

With the accreditation of PAS125 we know we can offer a professional repair service to a wider market including local councils and police forces. We already undertake work for Greater Manchester Ambulance Service. We also go out to fleets in the local market, offering an accident management service that removes hassle for transport managers in local businesses.

What are your significant business concerns?

Clearly the immediate pressure on the industry comes from the economic situation. Costs are rising, labour rates are not. Then you start wondering how stable are insurance companies? We all thought banks were stable. But will the insurers be merging, and will we end up with half a dozen big insurers in this country? When the tide goes out you find out who was swimming naked! We invested in PAS125 last year, which was a drain on our profitability. I'm looking to insurers to get across the meaning of PAS125 to the general public, so that they make informed choices for their repairs. The labour rates we have at the moment do not reflect the added investment and training we have put in to achieve accreditation, so I feel the insurers must offer support and financial help.

How do you keep good staff?

By giving them support, training and good rewards. The environment in which these people work is important. We have invested in making the workshop and offices extremely comfortable. Our average length of service is 14 years, which I'm very proud of. I'm also proud to see many former apprentices doing well with us in their careers. Around 90% of my workforce on the shopfloor are ATA accredited and this brings value to their jobs.

What will be the most significant changes the industry will see in the next five years?

Inevitably there will be fewer bodyshops. Claims are going to go down further because people are taking larger excesses and will simply live with dents on wings.

Is the present courtesy car set-up fair?

No. What annoys me is when you see insurance companies on TV claiming they're providing the courtesy car, but they're not are they? It's another bottom line expense which the bodyshop has to endure in order to get the contracts off the insurer. We get no support. Courtesy car lease costs have gone up by 15 to 20% and if nothing's done, a lot more shops are going to go out of business.

Would you describe your processes as watertight where courtesy cars are concerned?

Yes. I have grown up with Circle Leasing. We were one of their first customers. We have been very happy with their administration processes. As for end of lease charges, we don't worry about them because we very rarely incur them. It's not difficult to interpret and follow the guidelines in Circle's 'Fair Play' manual. And of course not having a congestion



charge here reduces the administrative nightmare our London colleagues endure. The odd speeding or parking fine is taken care of.

How could the courtesy car process be made easier for you?

Before courtesy cars there was one insurer offering a service whereby a policyholder could put a little extra on his premium and he would be allowed up to 14 days' hire from a rental company whilst their car was being repaired. Something like this could happen again: the insurer could pay the leasing company to provide the cars for two weeks at a time and we would be spared the expense of maintaining a fleet.

Have you looked elsewhere for courtesy cars?

I have seen what else is out there however I know Circle do a good job. Bodyshops may be attracted elsewhere by lower prices but they will get their fingers burnt, largely because of the probable 'sting in the tail' that will hit them at contract end. I have kept with Circle as it's their first class service that goes with the cars they provide. It makes my job easier.

Beware the sting in the tail

At this moment in time it is understandable to look elsewhere for apparent cheaper rentals, we all want what's best for our business. All we can give you is a word of caution when doing this.

There are cheaper up-front monthly rentals out there but more often than not the hidden extras that come with them, such as document fees, maintenance costs, and administration fees, soon turn it into a less attractive offer.

Currently with the demand for courtesy cars far outweighing the supply, can you be sure these cars actually exist? More importantly can you get them when your business needs them? And are they still available next month?

We have cars in stock all year round with immediate delivery. With these cars comes a dedicated Fleet Services Department who are on hand to give you free cost-saving advice throughout the contract to ensure the smooth

running of your fleet and to avoid any end-of-contract stresses.

When it comes to courtesy cars do what's best for your business needs. But as Ken says, beware the sting in the tail.



Fleet Services Manager
Danny Harris