

# IN or

Fleet managers considering a wholesale shift to R&M contracts for their trucks need to think about more than simply shedding workshop costs. Steve Banner reports

Operators fearing that the complexity of Euro 6 trucks may make it difficult for them to continue maintaining them in their own workshops are contemplating transferring the burden to dealers, under R&M (repair and maintenance) agreements. And, unsurprisingly, both franchised dealers and the manufacturers they represent are offering incentives.

"We're supplying all new XFs with a two-year R&M contract that covers pretty much everything, apart from accident damage," says DAF marketing manager Phil Moon, echoing his counterparts from across the industry. "New CFs come with a two-year compliance package as standard," he continues. "It's not as comprehensive, but still includes scheduled maintenance and oil changes, statutory inspections, preparation for the MOT and the test itself."

In both cases, the hope is that the operator will be so impressed with the back-up that its trucks will continue to be maintained by the dealer under contract once the initial period has expired. And note that, while having vehicles looked after by your own

## Age concern

One company that has contracted out all maintenance is Humber Ports Logistics. "It means our service and repair costs are fixed and predictable, and that makes life a lot easier," explains director Jamie Benton. "It also means that we don't have to worry about managing a workshop, buying equipment for it or recruiting technicians."

The decision is all the more understandable given that the most elderly truck in the Immingham-based firm's 25-strong fleet of Volvos and Mercedes is three years old. "We subcontract all our trailer service and repair work, too," Benton adds.



workshop costs no more than opting for an R&M deal, Moon reckons the latter brings extra benefits.

First, for a fixed monthly payment, an R&M deal enables an operator to predict maintenance costs several years ahead, he argues, noting that DAF's contracts are typically for four or five years. That makes running business a lot more manageable.

Meanwhile, Paul Ridout, truck sales director at West Country Mercedes-Benz dealership City West Commercials, points to the fact that his workshop at Avonmouth is open 24 hours a day on weekdays, unlike many in-house shops. "As a result, we may be able to get trucks back on the road more quickly than they can – so reducing downtime." And City West has no qualms about entering into seven-year R&M contracts, too, including ancillary equipment such as tail-lifts.

## The extra mile

What's more, unlike some, this dealer is not only interested in operators in mainstream haulage and distribution. It is happy to talk about R&M with firms in the tougher end of transport, too. Hopkins Concrete, for example – which provides muckaway and concrete pumping services throughout the South West – has more than 50 Arocs rigids and tractors under Mercedes R&M with City West.

Other potential advantages: subcontracting R&M work may allow you to close your workshop, cutting



# OUT?

the home depot, they will suffer increased downtime.

Most important, letting dealers handle your service and repair requirements might mean you putting your precious O licence in their hands. If you are hauled before the traffic commissioner over maintenance issues it will be no use blaming the dealership. The commissioner will say it's your name on the licence.

Inevitably, it's a balancing act. Manufacturers and franchised dealerships alike will point to very high first-time MOT pass rates. "We're achieving almost 94.5%," says Scania aftersales director Mark Grant, for example. "That takes into account non-Scania's and trailers as well – and we count passes after rectification as failures."

That said, subcontracting work to dealers is not the only option. Many independent workshops also offer R&M deals, although the lack of an OEM's sign over their premises may prompt some to question their capabilities. That's where the presence of technicians assessed under the irtec licensing scheme provides reassurance. Add to that the IRTE's Workshop Accreditation scheme, under which FTA (Freight Transport Association) engineers audit compliance of entire workshops, and it isn't difficult to verify the service you're likely to get. **TE**

what many see as major overheads. Furthermore, it may be possible to turn the space over to warehousing and hence profit – although some operators treat their vehicle maintenance units as profit centres and take on third party work.

But R&M is not for everyone. Some agreements impose mileage limits, and many dealers don't offer contracts on trucks already three years old or more – particularly when they are no longer covered by warranty and have been maintained by the customer or a non-franchised workshop. "They much prefer the contract to be in place when the truck is new, because it is unlikely to require much spending in its early life," explains Moon. Once a truck reaches its third year, it may require some expenditure and, if the dealership has not been handling maintenance, it won't have built a fighting fund.

## Pros and cons

So much for the pros. What about the cons? If you go the R&M route and close your workshop, you may fear becoming vulnerable to increased rates. Dealers say that's unlikely, making the point that it would be an unwise dealer who took advantage.

But having no technicians on-site could cause headaches if a truck is due to depart at 6.00am, only for the driver to report an array of warning lights. Furthermore, if trucks have to drive to a dealership several miles away, rather than being looked after in

## Home or away?

All manufacturers have an emergency breakdown service that typically means a technician will attend a stranded truck in less than 60 minutes – although hauliers should check that costs are included in their R&M deal.

But while somebody on the spot from an in-house workshop might respond faster, in some cases a manufacturer's technician may be able to deal with faults faster, despite having to drive further. That's because he or she will have the training, equipment and experience.

As for shuttling trucks to and fro between operators' depots and workshops, it is worth noting that dealers often offer collection and delivery – although such services usually attract charges.

"Furthermore, it may be possible for dealer technicians to do some of the jobs required at the haulier's depot if there is somewhere safe for them to work," suggests Renault Trucks director Ian Wrench.