

BUSINESS UNIT REVIEW: HSS HIRE

HSS Hire provides tools and equipment in the UK and Ireland and accounted for approximately 91% of Group revenue in 2013, with growth of 13%. HSS Hire provides 1600 product lines within 23 product categories, including access, low level powered access, lifting and handling, heating, cooling and drying, lighting and power, breaking and drilling and siteworks.

During 2013, the business had more than 30,000 live trading accounts at any one time and is predominantly a trade supplier with less than 10% of revenue derived from consumers. In addition to equipment hire, revenue is also generated through the sale of consumables and accessories such as safety equipment.

HSS connects with its customers through its branch network, a field sales force, a Customer Contact Centre and online through hss.com and account management system, Livehire.

"I love the fact that I can build proper relationships with local customers and be their one point of contact - for everything from equipment sales to training and OneCall."

Alan Bulcock, Branch Manager, Reading, HSS Hire

Network and operation

We continued to invest in our distribution network, organised since 2011, into 10 Regional Distribution Centres, 25 Local Distribution Centres and over 200 local format branches. This hub and spoke network operates 24 hours a day through a National Distribution Centre, managed by Unipart Logistics. Through the network, branches are restocked daily with equipment for customer pick-up. All orders for delivery to customers are routed automatically from point of entry to the most convenient distribution centre.

Maintenance of equipment is carried out in the network of distribution centres and, where required, equipment needing maintenance is returned from the local format branches to the nearest workshop.

During the year we continued to drive efficiency, improving key operational metrics including on-time transport performance, equipment availability and equipment utilisation.

In Q2 2013, we commenced a programme in partnership with Unipart to provide all spare parts from one central source on a next day basis. This is enabling increased productivity within workshops and a reduction in offline cycle times.

We increased the capacity of our refurbishment centre which extends

the life of larger equipment – such as generators and powered access – through refurbishment to manufacturers' standards, contributing to the growth of return on assets and our customer availability promise. The programme – in addition to financial benefits – delivers on our commitment to the environment. The centre refurbished over 600 machines during 2013 and in Q4 2014 we will move to a purpose-built site with significantly increased capacity.

Local format branches

During the year, we continued the rollout of our local format branches following prototype development during 2012 and H1 2013. These format branches are typically located on trade parks in major urban centres, allowing local trade customers access to a consistent range of kit designed to be picked up and dropped off. Customers can also order at these branches for delivery direct to their site from the distribution network. The design of the branch enables fast, low cost, format rollout which will be accelerated in 2014.

"We chose HSS after a rigorous procurement process and have no regrets. The effort, service and commitment of our HSS team cannot be faulted and makes our relationship a great success."

Steve Prentice, Consultant, Amey



Stuart, Stock Integrity Manager
and Greg, Regional Operations Manager

BUSINESS UNIT REVIEW: HSS HIRE

Scotland

Despite challenging economic conditions, our Scottish business grew strongly through the year. This was a result of ensuring our continuing focus on customers with strong order books seeking high service levels and kit availability. We expect this growth to continue as we add the capability of our specialist businesses to Scotland and benefit from investment in our sales teams.

Ireland

Ireland - where we also provide plant through our Laois brand in response to market demand - has performed particularly well in an uncertain economic environment. In 2013, we added specialist visual signboard business, MTS Ireland, to the Irish operation and commenced a programme of investment. Through this broad customer offering and a commitment to high levels of service we have significantly outperformed general market conditions.

"All my team can see the company going somewhere and we hear all about it. I think it's definitely a good thing for people to know they work for a company that's growing."

Rachel Dewsnap, Hire Direct Manager, HSS Hire

Customer service

HSS Hire customers transact via branches, online through our customer-facing systems, through our Customer Contact Centre in Manchester, or, in the case of many larger customers, through dedicated service desks either in their own premises or in our centres. We also provide temporary onsite facilities to major projects under the HSS Onsite brand.

Our Customer Contact Centre in Manchester supports both consumers and accounts through our Hire Direct service, via the phone and the internet and provides dedicated desks for many of our larger accounts, responding to their specific needs and processes.

We continued to develop our Customer Delight programme which measures our customer service at many levels through the Net Promoter Score (NPS) methodology and provides information for improvements. Our NPS score at the end of December 2013 was 33 compared to the TNS recommendation benchmark for product and service industries of 17.

"Service levels are excellent, which as a business we value over cost. We often don't get a lot of notice so being able to use HSS and get stuff to site next day is exactly the service we need."

Matthew Boast, Supply Chain Co-ordinator, Blackbox Network Services

HSS OneCall

HSS OneCall consolidates customers' sourcing of plant and specialist equipment which is not in the core range of the group. OneCall selects safe and reliable suppliers across the UK, Ireland and internationally, allowing customers to benefit from a single point of service. OneCall expanded by 30% during 2013, driven by the continuing customer trend to outsource.

Key to the success of the business was our investment in Learning and Development for colleagues and especially the opening of HSS Academy in Reading.

"We needed a supply partner to satisfy our equipment needs in a way that would also promote operational excellence. HSS has offered us an innovative solution that ensures our own supply chain is as effective and efficient as possible."

Dennis Darwent, Senior Category Specialist, BAA



Luke, Key Account Hire Controller

BUSINESS UNIT REVIEW: UK PLATFORMS

UK Platforms became part of the HSS Hire Group in June 2013 when we acquired the specialist powered access provider from the leading European manufacturer, Haulotte.

We continue to have a close association with Haulotte, investing in the consistency of the UK Platforms fleet which ranges from scissor lifts and vertical masts to telescopic and articulated booms, providing working at height solutions up to 43 metres. When combined with the HSS Hire Group fleet we believe we are now the second largest provider of powered access by fleet size in the UK and, at the end of 2013, the Group had over 7,000 pieces of powered access equipment.

The UK Platforms brand was updated to include being part of the HSS Hire Group but as part of our commitment to retaining specialism on behalf

of our customers, it remains a specialist business unit with its own management, sales force and depot network. Following the acquisition, we invested in the fleet and UKP's network of 10 depots which are strategically located across England. In Q1 2014, we opened a depot in Scotland and plan to extend depots into Ireland and Wales later in the year.

UKP customers now benefit from our online systems including Livehire, which allows them full visibility and control of their equipment from their desktops; from access to the working at height training courses provided by HSS Training; and tools and equipment from the HSS Hire range.

We also started the implementation of Haulotte's anti-entrapment system on the UKP fleet. The new Activ' Shield Bar technology helps to protect operators from risk of crush injuries from overhead

hazards and aids escape from entrapment. Initially this has been implemented on diesel booms and will be rolled out to other parts of the fleet during 2014 as part of our commitment to provide "safety as standard".

All back office functions for UKP were integrated into the HSS Hire Group in line with our integration plan. Trading in the first six months of our ownership was ahead of that planned at the time of acquisition.

"For me, it's all about quality, service and price – a combination that UK Platforms does really well. They sort out what I need when I need it and I like working with them."

Max Willcox, Supply Chain Manager,
Alumet Systems Ltd



**Smart
Equipment**

UKP
POWERED
ACCESS
PART OF **HSS Hire**
0845 450 1661
ukplatforms.com



John, Fitter



John, Service Engineer

BUSINESS UNIT REVIEW: ABIRD POWER SOLUTIONS

Specialist power solutions provider ABird became part of the HSS Hire Group in October 2012 and following the completion of the integration process, we commenced a programme of investment in fleet, sales force, operational colleagues and the network which drove strong growth throughout the year of 19%.

ABird offers a large fleet of diesel generators from 20kVA to 1250kVA for short or long term hire from a network of centres across the UK and Ireland. We supply, fit, service and manage power for sectors including construction, manufacturing, banking, renewables, utilities and datacentres. During 2013, we also grew the number of major events – from festivals to sports tournaments – we support. We also provide fuel management and ancillary products.

As well as investing in new fleet during 2013, we commenced the programme to fit our ABird generators with Smart RFM-enabled technology. The system uses advanced telematics and app-based technology to provide real-time status and control of all generators on

hire – including fuel management – from customers' desktops, mobile phones or tablets. RFM Smart Equipment is also fully integrated with Livehire, our online account management system.

ABird also provides site monitoring and expertise for complex site set-up and standby equipment. Frequently, the emphasis is on saving fuel and reducing noise, managing costs for customers and reducing emissions.

Having opened 6 new depots and with the addition of RFM Smart Equipment, ABird is well positioned for further growth both within its existing customer base and in new geographies.

"The kit is new and reliable and the people are always willing to help. I know and trust them – and that's important."

Karl Sullivan, Operations Director, Optimum Power Services





Harold, Trainer

BUSINESS UNIT REVIEW: HSS TRAINING

During 2013, HSS Training – the Health and Safety training business within the Group – expanded its range of courses and invested in its online capabilities. During the year revenues grew by 27%.

The business unit provides over 200 courses from working at height certification such as IPAF and PASMA, to workplace safety and NEBOSH and IOSH Health and Safety training. It operates from over 25 centres in the UK and Ireland with both classroom and practical facilities, frequently adjacent to an HSS Hire distribution centre.

HSS Training also provides tailor-made courses for organisations and delivers

these either at customer sites or in our training centres. It complements these with e-learning modules on a range of Health and Safety related issues.

We invested in the development of HSS Training online systems during the year, adding realtime course availability, booking and training records management, responding to customer demand and driving up trainer efficiency. In addition we included new courses available from third party providers within the course offering. As a consequence, HSS Training is well positioned to deliver further growth.

“I need to have complete confidence that what I need will be delivered and I know I can trust HSS Training to make things happen. You always do what you say you’re going to and it feels like we really matter to you. You make things really easy for us and it all just works.”

Guy Fairweather,
Head of Academy, ISG



Neil, Driver Tech

BUSINESS UNIT REVIEW: REINTEC & TECSERV

Reintec developed its cleaning equipment services during the year, acquired the Premiere FCM business which trades as TecServ, and invested in specialist customer service capability and a branded delivery fleet.

Reintec is a wholly-owned business start-up, which provides long term rental of a range of cleaning equipment from vacuum cleaners to large scrubber dryers under a flexible equipment plan. We also manage and maintain that equipment on behalf of cleaning contractors and end-users, ending equipment downtime and guaranteeing compliance. Reintec also has a realtime online management system which helps customers – cleaning contractors, FM companies and retailers – to manage their equipment. One of the key drivers

for take-up of the service is a move from a fixed cost base to variable costs; this assists contract churn and allows for quick mobilisation in a sector where assets have been traditionally owned.

TecServ was a strategic acquisition complementing the Reintec proposition by providing customers with engineering services to maintain owned assets as they moved to the Reintec model. It also has development potential of its own and an established base of cleaning manufacturers, FM customers and retailers who benefit from the services of a national fleet of mobile engineers who pride themselves on their “first fix” rate. In addition, TecServ brings expertise in the management of mobile engineering alongside systems which will benefit our wider business.

The investment in dedicated Reintec units and logistics during the year, alongside focused sales effort, resulted in the expansion of its assets on hire as well as the number of customers signed to the service. We expect this growth to continue.

“We operate in a demanding environment and have come to rely on Reintec’s flexibility and support to help us deliver for our own customers. The kit performs really well and the cost model offers great value for money.”

Jason Buckley, Environmental
Services Manager, Bilfinger
Facility Management



Charlotte, Customer Care Advisor

SERVICES

In addition to our network of HSS Hire branches and specialist business branches, the Group provides additional ways for customers to transact and extensions to the range of equipment available to hire outside of the standard catalogues. These value-added services underpin the “support” element of our customer promise.

Ways to transact

Online

Livehire is a secure extranet enabling customers to manage their equipment needs within our systems. During 2013, the number of registered customer accounts on Livehire grew to more than 16,000. We also extended the system to our recently acquired specialist businesses and invested in a series of developments to the system, designed to enhance user experience. The system provides a real-time view of all equipment on hire, including the ability to offhire at a click and advanced management information to compare the volume of kit required for a particular job – thus giving customers control over the “true cost of hire”. In addition, Livehire allows customers to view and download copies of all documentation relating to a contract, including delivery notes and invoices, as well as viewing their “hire diary” and an advanced range of management information. Livehire is one of the tools by which we commit to our customer promise of “value”.

“No two days are the same for me and that’s what I love. I’ve worked on some major sites like the Olympics and Wembley - I could never see myself turning up to sit in an office 9-to-5. I enjoy being on the front line and fixing kit for customers who rely on me.”

Jason Hiley, Mobile Fitter, HSS Hire

We also have a broad range of branded websites which we continue to develop in response to specific customer needs, for example, hssskips.com.

Our anchor public site hss.com achieved 60% market share in the online equipment rental sector. We launched a popular app for tablets and mobiles at the beginning of 2013 and upgraded it during the year, responding to increased customer demand for ordering or viewing equipment on the move. We also invested in hsstraining.com - enhancing online booking with live course availability and training records management - and launched new mobile-enabled websites for ABird, Reintec and UK Platforms.

Onsite

Our onsite service offers a dedicated HSS Hire branch on a major project site enabling easy access to our full range as well as specific training and toolbox talks to enhance safety on site. During the year we provided onsite facilities at many major projects in London. An onsite has permanent colleagues present, who take orders from the site and work with the site management - to comply with logistics restrictions and other specialist needs such as consolidating deliveries and ensuring compliance with security requirements.

Customer Contact Centre

Located in Manchester, the centre operates 24/7 and provides a range of services to support the Group.

Hire Direct receives telephone orders to a direct 0845 number and also provides back-up for overspill calls to branches. It provides telephone support to customers using our online systems and during the year, we successfully launched LiveChat to help customers more effectively select the right equipment for their requirements.

Key Accounts Support provides dedicated desks to customers who prefer a central order point.

Extensions to range

OneCall

OneCall is a sourcing solution with partnerships with over 300 suppliers who are pre-selected for safety, service and equipment availability. During 2013, we added a number of new services for customers including vehicle hire, crane hire and CCTV. OneCall operates internationally for customers working overseas and has partnerships in the USA, Europe and Australasia.

“The HSS Onsite facility has been brilliant – our contractors get what they need to deliver the project demands and I couldn’t be happier with the professional service and support from the team. I’d recommend an HSS Onsite on all of our major projects.”

Damien Gannon, Canary Wharf Contractors Limited