

Case Study: Maintenance and Construction Supplier

Northgate partnered with one of the world's largest railway maintenance and construction suppliers to provide loan vehicles on flexible terms and to combat high contractual penalty costs.

The Challenge

The business's specialist equipment is maintained by several operators at one time. Delays from operators can cost thousands of pounds in contractual penalties. As a result, it was critical that vehicle downtime was kept to a minimum.

Rail equipment requires on-site maintenance and repair, so it was essential the business could get access to loan vehicles within close proximity. In addition, in-van comfort was also essential for operators travelling long distances to remote sites across the UK.

Scaling up to manage new contracts was also a challenge for this Maintenance and Construction Supplier. With new business often won on short-term contracts, committing to long-term, fixed rental agreements was proving not to be cost-effective.

The Solution

For this customer, we designed a bespoke solution with their need for flexibility at its core. By making use of Northgate's buying power with the suppliers we could offer vans available on varying rental periods. Therefore, the business was able to scale its fleet size up or down based on its needs. Not only did this flexible approach mean being able to hand back the keys for costly unused vans, it also enabled them to add vans to their fleet quickly – helping them to grow in a way that was cost-effective and reliable.

Our service and maintenance agreement ensures no one van is out of action for more than two hours without repair or replacement. With our UK-wide network of locations and 24/7 support, the business can benefit from convenient access to workshops for servicing and maintenance, which further ensures any vehicle downtime is kept to a minimum.

On top of this, our team were able to livery each van with the business's brand, so that they were able to be noticed wherever they travelled throughout the country and take advantage of this high-visibility marketing opportunity.

The Results

As the sole supplier of light commercial vehicles, Northgate has delivered significant cost savings through improved uptime.

The partnership has improved machine-side maintenance and repair efficiencies, ultimately increasing flexibility to meet contractual obligations. In addition, the high vehicle stock offered has enabled our client to choose vehicles that maximise driver comfort for long journeys.

“We’re looking for a supplier who can maintain a first-class service and we really get that from Northgate. Their flexible offer fits in nicely with our business model: knowing we can return vehicles if a contract volume changes or we need to order more as we win business is a big plus. It’s gone from strength to strength.”

Procurement Manager