



AGA RANGEmaster

A CLM Case Study



Background



AGA Rangemaster, the UK manufacturer of eponymous cast iron range cookers, kitchen appliances and sinks, is based in Leamington Spa, Warwickshire. It was bought by American food services company Middleby Corporation of Elgin, Illinois for £129 million in 2015.

In the UK, the company operates a fleet of 30 company cars, mainly job need cars for its sales force and some management cars. The all-diesel fleet, bar two hybrid vehicles, is currently made up of vehicles from four main manufacturers: Skoda, Kia, Volvo and Audi, and is funded by contract hire and leasing arrangements for 36 months/80,000 miles, supplied by five different leasing companies.

AGA Rangemaster had previously been a client of ours for around 11 years, from 2005 to 2016, but at that time it appointed another fleet management provider and left the CLM fold.

Challenge



Two years on the picture has changed and AGA Rangemaster had become dissatisfied with the fleet management services it was being provided with. As a result, and after an initial approach to us, it took the decision to re-appoint CLM in search of fleet efficiencies and lower operating costs. Of particular interest was the area of lowering vehicle acquisition costs, while another was to reduce the amount of money the company was spending on servicing and maintenance through improved management and control.



The Solution



Under the renewed relationship, we have introduced a fully outsourced fleet management solution to handle all day-to-day aspects of running the AGA Rangemaster fleet and to provide access to a much larger pool of fleet knowledge and expertise. To bring down vehicle acquisition costs we are employing competitive tendering through our Smartpanel fleet funding system, using a mix of four different leasing companies and also re-negotiating manufacturer discounts.

At the same time, we are migrating the AGA Rangemaster fleet to Pay-As-You Go vehicle maintenance with the intention of reducing service and maintenance costs by around 15-20%, as well as carrying out the management of all invoices from third party suppliers.

And we are also looking closely at the relationship between vehicle emissions and drivers' Benefit-in-Kind tax bills, working with our chosen vehicle manufacturers to better understand the impact of the new WLTP (Worldwide harmonised Light Vehicles Test Procedure) emissions testing cycle, as well as initiating an indepth review of alternative power trains.

"We had a good working relationship with CLM previously and know that they can take the time-consuming aspects away from the management of our fleet, as well as providing clear reporting to easily digest the areas of interest.

"Their people are professional and friendly, and we are looking forward to them creating cost savings and negotiating the most competitive prices for us, as well as generally taking the hassle out of the running and management of our fleet."

Diane George, Fleet Manager, AGA Rangemaster



Why CLM?

At CLM, we are a well versed in managing our clients' vehicle acquisition costs, and our Smartpanel of preferred fleet funders has been instrumental in helping lower client costs since the 1980s, saving, on average, £870 per vehicle contract.

With Smartpanel, our vehicle funding service gives you the best price on every fleet vehicle. We go to a panel of preferred funders to get the best, unbiased pricing for each client. We then work with the most competitive quote providers to source the best all-round solution for our clients' fleet procurement needs. They are free to include or exclude any contract hire providers if they have any particular preferences.

At the same time, we are very experienced in running Pay-As-You-Go maintenance schemes for our clients – indeed some clients employ us to do nothing else. We employ a network of independent service garages and

manage the service and maintenance costs on our clients' behalf.

The major providers of fixed cost maintenance packages are contract hire suppliers, but we believe this is not always the most cost-effective option for our clients, as the contract hirer usually builds in a significant level of risk contingency and profit into the budget.

This generates major cash flow benefits to the contract hirer as well as delivering additional profit when the actual spend comes in under projected budget. It is also very rare for the client to see any of this contract hirer excess back again.

However, within a Pay-As-You-Go maintenance contract, we manage the maintenance costs on the fleet client's behalf and only invoice for work completed, rather than a set amount every month.



Results

- ✓ Lower vehicle acquisition costs through the implementation of competitive tendering
- ✓ Greater control over SMR spend through Pay-As-You-Go maintenance with all supplier invoices managed centrally
- ✓ Detailed study into alternative drivetrains and lower emitting vehicles

To find out more about how our fleet management solutions can help your business, speak to one of our experts on:

 info@clm.com

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