

New vision

Hoogwerkt is a new access rental company, with a unique model and a commitment to providing Lithium-only equipment. Its owners spoke to Euan Youdale.

Many access rental companies would choose to live in a perfect world, where they offer customers high-spec machines, easily available in a nearby location, with no delivery charges and high-speed service provision. Unfortunately, for most people, the perfect world is a dream rather than a reality.



Hoogwerkt, however, based in the Netherlands, believes it has hit on the perfect combination and has the means to do it. Its unique rental model combines the advantages of major generalists and their vast network of locations with the expertise of a small specialist operation.

These are early days for the Netherlands-based company, which launched in February last year, but its pair of co-owners Arnold Grootveld and Jan Vriesinga are confident that customers will roll in now that word is getting around about their venture.

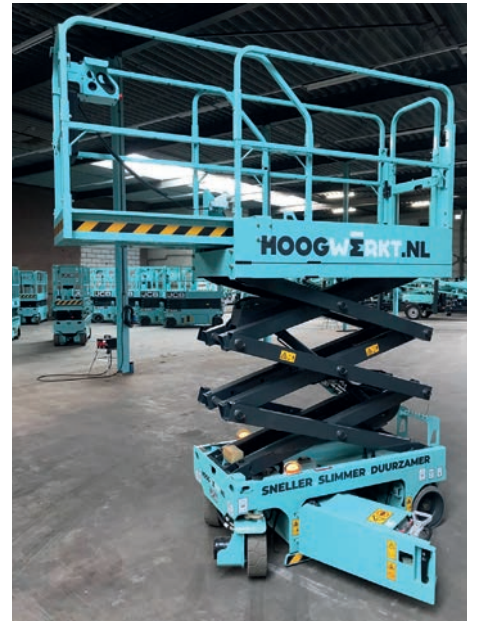
Innovative financing

Before Hoogwerkt, Grootveld and Vriesinga already owned a relatively young boat rental company HappyWhale, which benefits from Grootveld's longstanding experience in equipment rental leadership roles and Vriesinga's equally distinguished career in capital goods and investment structures.

The pair decided to copy the financing model of the boat venture in a new start up, this time a MEWP rental enterprise, specifically focused on Lithium-powered machines that reflects the sustainable vision of both companies.

Both Hoogwerkt and HappyWhale are financed through another company, also jointly-owned Grootveld and Vriesinga, created to attract private investors who wish to help finance sustainable companies.

Hoogwerkt has a third financial pillar; an equipment leasing agreement with a bank that the previously-mentioned financial backing allowed them to set up.



One of Hoogwerkt's JCB Lithium-powered scissiors.

"It's a mutual commitment, where all three elements work towards a sustainable, high-spec and local approach to rental. Without any of those parties this project would never have taken off."

Grootveld and Vriesinga add, "It was fascinating that you can basically start a company without having the funds, firstly invest in 200 electric boats, and then move into access equipment and have a fleet as large as we have today."

It means the finance is already available to increase the fleet up to 1,400 units, from its current 300 machines, once revenue agreed with the leasing arrangement have been met.

New model

Hoogwerkt's main focus is on the 'pick-up model', whereby customers literally pick up the platforms from local depots, which are rented on trailers. Although, the company does offer delivery for equipment that is too big for a standard vehicle to pick up.

By the end of 2020, there will be 650 JCB Lithium scissiors, from 6.6m to 16m working height in the fleet, about 200 Hinowa spiders, from 15m building up to 33m, covering the whole Lightlift Performance IIIS range. Then there are 300 Niftylift booms up to 28m working height, including the HR12L - a lightweight version of the HR12 - that can be transported on a trailer, and 34 mini cranes from Hoefflon.

The company will also have 150 Niftylift trailer mounts, ranging from 12m to 17m working heights and 100 Socage truck mounts. Trailers and trucks are an unlikely pairing for an access rental company, but Hoogwerkt says they are proving to be the most popular products in these early days. The bulk of the units are set to be delivered during 2019.

The company is planning to have 80 locations across the Netherlands, with its



machines split equally across all of them. Today it has 11 depots, with another seven opening before the end of April. The idea is that the customer base is a very local 15km to 20km around each location.

“With 11 machines per depot, you have the coverage but we don’t have the revenue to pay for our own buildings or our own staff. So, we look for third parties that can help us with this rental process,” say Grootveld and Vriesinga.

Mainly they consist of building material merchants that stock Hoogwerkt’s equipment on their site and are trained by the company to IPAF standards.

“With this method we don’t have costs for the locations themselves to any costs for the staff. We pay them based on rental revenue. This helps us roll out a network very fast.”

The normal rate for delivering and picking-up access equipment is around €90, say Grootveld and Vriesinga. “If you rent a machine from us, you pick it up yourself.”

An innovative, easy-to-use online booking system and the fact a customer can rent by the hour, if required, tops off the service.

The arrangement provides a large generalist company’s coverage with the advantages of dealing with a specialist. “Coming from generalist rental companies myself,” says Grootveld, “You can see they have a proposition that works. On the other hand, they are very limited and it is that limitation that brought us to focus on being a specialist.”

And Grootveld and Vriesinga believe that if you are focused on a limited portfolio, it’s much easier to train your team to a high level of customer service. “In the future rental will become more specialist focused. Customer knowledge about equipment is deteriorating, so you need to be able to advise your customer



A Hoogwerkt pick up location, in Haarlem, the Netherlands.

how to work with machines in a proper way.”

“If you look at general rental companies, the turnaround of people is much higher than at specialists. The knowledge of staff in generalist companies is far off from the specialists.”

Added advantages

But the generalists do have some advantages, especially the major ones. “For example, the big rental companies have 40, 50 or 100 depots in the Netherlands alone. If you just look at the proximity of those locations compared to a major access specialist, they may have around five location in the country.”

Grootveld and Vriesinga add, “We felt there was a space in the market to create specialist with a pick-up network with the same coverage as the big generalists.”

The pair looked at several types of equipment but settled on access for their venture. “Firstly, there is a very high rental to sales ratio, almost all access equipment is rented - customers generally don’t buy access equipment, and there are many types of customers.”

The company also has a central delivery hub for larger equipment from which it delivers to customers like big contractors, who would not pick up themselves, and to smaller customers that cannot pick up the larger equipment.

All the equipment is Lithium battery-powered, except the Niftylift HR 15, 17, 21

and 28 booms, which are hybrids. “Lithium is more expensive, but there are so many advantages compared to lead acid batteries. The moment you switch on a lead acid machine it becomes slower and slower; a Lithium powered machine keeps full performance unit 90% of the battery has been spent.”

The fact that Lithium batteries can be recharged at any time is another advantage. “In the past customers might need a second scissor to be used while the other is being recharged. A Lithium machine can be topped up during a lunch break no matter what its charge level.”

In general, rental companies change their batteries every 2.5 years, as they are usually damaged by the charging process. “We expect to use our battery packs for 15 years,” says Grootveld and Vriesinga. “They can last up to six times longer. In our minds, residual values are related to the quality of the battery.”

Thanks to the higher residual value of Hoogwerkt equipment, its rental rates are set at the same level as other companies, despite the higher initial equipment outlay.

“When we told manufacturers about what we wanted to do, they presumed we would take a low spec approach. But we believe in full option machines. We bought the machines customers would want to buy for themselves.

“We are getting customers every day who are happy with the machines and the model.” **AI**



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