

Keep on Trucking

Stockport Truck Centre (STC) is a successful truck and trailer maintenance and repairs business. Based in Stockport with 52 employees, it has been in business for eight years.

STC manages maintenance contracts for some of the most high profile truck and trailer rental and leasing companies in the region. Fortunately, it also manages the risks associated with this type of business, and has been insured with the UK's largest credit insurer, Euler Hermes, for the past few years.



Managing Director, Gareth Hardy, explains why: "It is important that we are aware of what is happening in our industry and any changes that might affect our customers and, in turn, our business. When we decided to look for credit insurance, Euler Hermes UK was not only the largest and most professional company out there, we were also very impressed by the sector knowledge and close monitoring that it could demonstrate in our field. The wide ranging information that Euler Hermes has available means that it can check out our potential customers very thoroughly, which has proved very useful on more than one occasion."

Stockport Truck Centre had received warnings from Euler Hermes UK in several instances, alerting the company in advance that a customer may be having trouble paying their bills. It did so again in the case of Transrent Trailer Rental, only this time it all happened very fast.

Transrent Trailer Rental was a very successful and high profile business, and with whom Gareth had worked for seven years. Headquartered in Stafford, it had 12,000 trailers throughout the UK, of which STC looked after about 1500 on an ongoing basis. Known for having the best equipment in the business, Transrent grew very fast and, as it was one of Gareth's main customers, much of his company's growth was as a result of their success.

Historically always a good payer, Gareth began receiving regular feedback from Euler Hermes UK that all was not well. These early signals were followed by a specific warning towards the end of 2006 and again at the beginning of January that Transrent's position was now critical, and within a fortnight the company had gone into administration.

"We had been aware that the trailer rental sector was experiencing some difficulty and, over the course of 2006, many rental companies had to reduce their rates due to over capacity and intensified competition. However, despite the warnings we did not see this coming, and without credit insurance, it would have had a very serious impact on our business indeed."

Euler Hermes UK received a claim from Stockport Truck Centre on 11th January, and the first interim payment was made within 14 days, in order to ensure that the company could survive. The second payment was made on 6th February.

Gareth continues: "Transrent represented 35-40% of our business, so clearly we are very glad to have been credit insured. Euler Hermes was incredibly prompt with the payments, which really helped us out, and now that we have the capital available, we can continue trading and to pay our suppliers, while we work to grow our sales and make up the business that we have lost as a result of this failure."

Stockport Truck Centre also independently uses Euler Hermes UK's Credit Management Services which include First Source®, which offers exclusive credit opinions on businesses, and the comprehensive debt collections service, where appropriate.