

Where does the tail lift market go from here?

Mr Ian Forman, Managing Director of DEL Equipment (UK) Limited gave a telephone interview to TRANSPORT ENGINEER, which was published in their July 2009 magazine.

Extract:

As well as doing what they can to insulate their business from the cold wind of recession, Mr Forman and his colleagues lately have been adapting to changed company ownership. DEL was bought in April 2008 by Cargotec, the giant Finnish group specialising in load handling equipment of just about every kind imaginable. Cargotec divisions include Hiab, Moffett and Kalmar. DEL is now part of the Hiab division and Mr Forman's boss is based in Helsinki.

"Things have worked out very well," says Mr Forman. "There is very little interference in the negative sense. Whether or not the change of ownership has had any direct effect on our business levels is difficult to judge because it's been such a strange year for the tail lift market."

One clear effect has been an end to the arrangement under which DEL sold Dautel cantilever lifts from Germany in the UK to supplement lighter column lifts. Now DEL offers Zepro [cantilever lifts](#) instead, from its sister company in the Cargotec group. Oddly, that would seem to put DEL in competition with Zepro UK (not owned by Cargotec) which also sells Zepro lifts in the UK. But the arrangement works smoothly enough, according to Mr Forman. "They have retained their customers and we supply ours, so we preserve the best customer relationships," he says. DEL's delivery lead times for cantilever lifts have been cut, points out Mr. Forman, because they are kept in stock. Dautel lifts used to be bought to order.

What about the economies of scale that might be expected to result from being part of a huge conglomerate? "To be honest, that has not been a major factor," says Mr Forman candidly. "We've looked at purchasing and supply arrangements elsewhere in the group and not been able to identify worthwhile savings that justify the risk involved in changing suppliers." Has being part of the Cargotec opened up fresh export opportunities for UK-centric DEL, as promised? "Yes, that's happening, but not as quickly as we would have liked, mainly because of the market conditions," says Mr Forman. DEL lifts have been sold into Australia, Hong Kong, France, Spain, Denmark and Germany in the past year. Some keep their DEL badges, others are branded Zepro. "The numbers are not huge, partly because we specialise in [column lifts](#) which are not widely used in most of those countries," explains Mr Forman. "But the numbers will grow and it is a toe in the door. In the current climate everything helps."

Compared with last year, DEL's turnover is down 25 per cent so far in 2009, according to Mr Forman. The number of lifts sold has plunged even more sharply from the 2008 total of 5,700. "Turnover has suffered less because we are selling a higher proportion of bigger lifts and parts sales have not changed," he explains. "The local authority market is a bright spot, remaining reasonably strong. Our [wheelie-bin lifts](#) and [dump-over lifts](#) for a small tippers are going well."

Mr Forman is confident that demand for tail lifts will pick up in the UK next year. "Some fleets will not buy anything this year, so I think improvement is almost inevitable," he says. "But it's not going to be as strong as 2008. At DEL we are doing better than break-even, we have retained key staff, maintained our supplier base and are keeping our service levels well up."