

Retreading our Success

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C

Introduction to Bandvulc

C

1971

Produced 25 tyres per week



NO ACCESS TO END USER THEREFORE NO MARKET CONTROL



NO INFLUENCE

C

The distributor was in control of our business

ISSUE 1

Most of our production was sold to one customer



Addressing ISSUE 1

- Find out who our end users are and change our business model from only supplying to tyre distributors



*INTEGRATING WITH END USER AND GETTING
END USER TO SPECIFY BANDVULC.
ANALYSING AND REPORTING ON ALL RETURNED CASINGS*



LITTLE INFLUENCE

**BANDVULC STILL PAID
BY TYRE DISTRIBUTOR**

**MANAGING CASING REPORTING
& FLEET CHECKING**

**LOWER CASING
REQUIREMENT**

C Have now started to spread our risk

ISSUE 2

We have now upset our relationship with the tyre distributors

End users are regarded as their own customers

Tyre distributor still has control of our sell out price

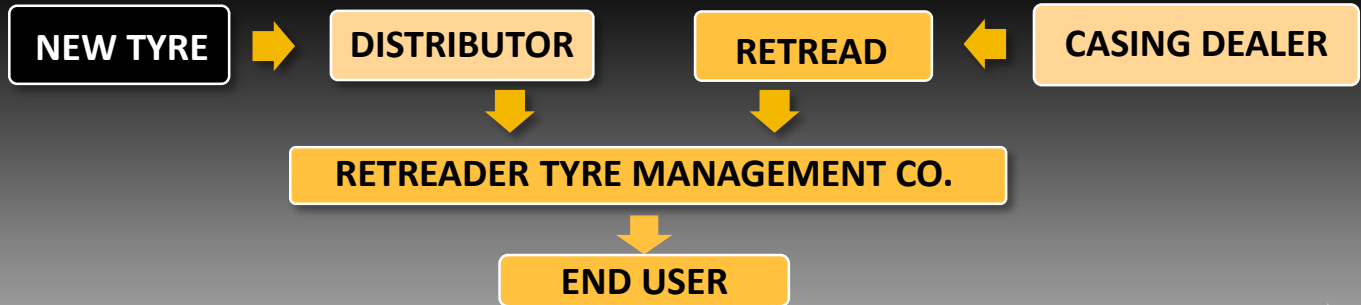
C How can we integrate further with the end user?

We must become involved with the complete supply of service to the end user.

Price rise catalyst!!!



FURTHER INTEGRATION BY USER OUTSOURCING TYRE PAPERWORK ADMINISTRATION



MORE INFLUENCE

TYRE DISTRIBUTOR NOW
INVOICES BANDVULC

INVOICING DIRECTLY TO THE END USER FOR
RETREADS, TYRE DISTRIBUTOR GOODS AND
SERVICES

LOWER CASING
REQUIREMENT



ISSUE 3

Huge increase in cash flow but operating
profit decreased

No influence on new tyre purchase price or
distributor charges

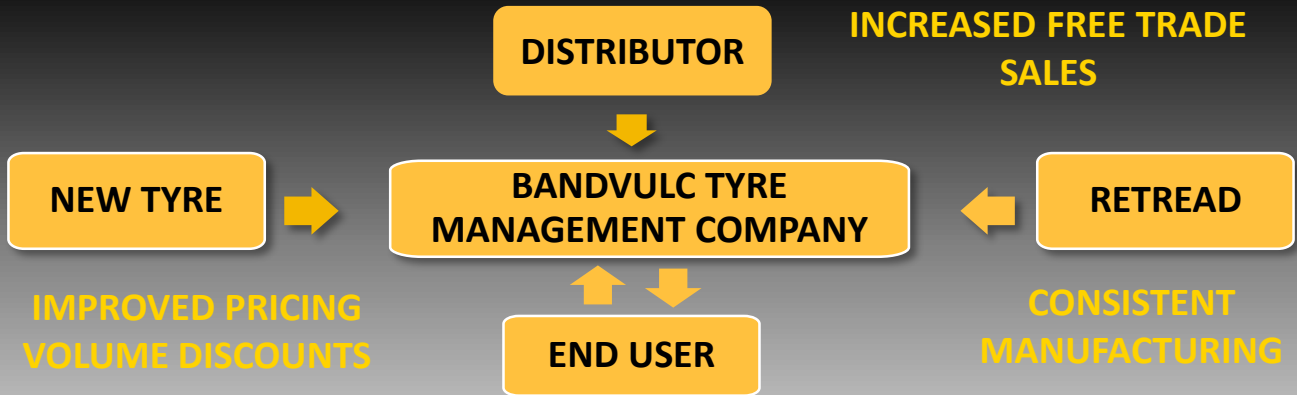
C Further integration required

Fixed price contracts

Need to start a new department



FURTHER DEVELOPMENT TO OUTSOURCE TOTAL TYRE CONTRACT FOR FIXED COST



INFLUENCE

**ESTABLISHED LONG TERM CONTRACTS FULL FLEET MANAGEMENT
AND BREAKDOWN CALL CENTRE**

C THE OUTCOME

- Participating tyre distributors must stock our tyres
Benefit: Free trade sales
- Bandvulc is now a large user of new tyres in its own right
Benefit: Increased buying power
- Customer has outsourced control of tyres
Benefit: Bandvulc has no outside interference
- Bandvulc has a vested interest in maintaining the fleet's tyres to produce our raw material
Benefit: Less casings purchased and a safer fleet for the end user



Fewer tyres fitted through better tyre management, improved performance and safety for the customer

Scrap tyres granulated to produce speed ramps, mud flaps and new tyres

Higher acceptance of used tyres for production

Reduction in quantity of end-of-life tyres resulting in less waste

Less oil and rubber compound used



Four of the UK's top five food retailers use Bandvulc tyres

2/3^{RDS}

of all UK groceries are delivered on Bandvulc tyres



BANDVULC
— MORE THAN A TYRE

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 **THANKYOU**

