

REAL

February 2021

Torque

The Global Supply of Parts and Logistics

The purpose of this Real Torque is to talk about the global supply of parts and the logistics involved in getting those parts in New Zealand. This is just a snapshot of the current situation today, things may get better but they also might get worse before things improve.

Contact maintenance for any questions on 0800 80 80 69



TR Group wants to reassure our customers and suppliers that while this is a tough time, we will continue to offer our world-class service and ensure that vehicles are back on the road as quickly as possible.

TR Group has always worked with our suppliers around stock inventory. Before the pandemic hit, we made sure that communication was kept to a high-level with stock updates and possible delays around parts – this constant communication is still on-going. However, as time has progressed, we have started to see some suppliers running short of stock due to several factors.



- ▶ COVID-19 lockdowns have stopped the actual production of parts – some lockdowns lasted for several weeks, while others lasted for several months.
- ▶ There's reduced production capacity due to social distancing requirements in factories.
- ▶ The backlog of orders to fill once the lockdown restrictions are lifted causes congestion and slows the actual production process itself.
- ▶ Some manufacturers today share the same supplier for parts. Take wiring looms for example – these are made in just one factory for several different brands.

- ▶ Air freight capacity before COVID-19 was over 600 international flights per week, coming into New Zealand, with both freight and passengers. This is no longer the case – did you know that at one-point last year, flights coming in hit a low of just 50 flights a week! Currently, the government is supporting the air freight industry with \$600 million in relief via the IAFC scheme. Since it was established in April, the International Airfreight Capacity scheme has enabled over 3,700 flights in and out of New Zealand carrying 70,000 tonnes of cargo.
- ▶ A huge demand for goods especially out of Asia, combined with congestion at ports, is causing the shortage of empty shipping containers, preventing the circuit to be completed.
- ▶ The container network is 'gridlocked'. All New Zealand ports are under maximum pressure – they have even opened Northport (traditionally a dairy and logging port) to help reduce the pressure.





What is TR Group doing about the current situation?

For several years, we have been building our own inventory of parts to reduce downtime to provide a world-class experience for our customers. During this tough time, we have been drawing from our Parts Department more than ever.

We have seen an increase in the usage of our swing components to help reduce downtime and when needed, our Parts Team have personally delivered these parts around the country to ensure we are minimising disruption for our customers.

The TR Group Downtime Policy

TR Group is proud of our downtime policy and this will not change when a vehicle has extended time off the road for unscheduled repairs and maintenance.



Zero Downtime, 100% Uptime Guarantee.
(Applies to Fully-Maintained Lease Only)

- ▶ We recognise that having your vehicle available when you need it is the most important thing we can provide you with. If your vehicle is a new one (less than 12 months old with less than 200,000kms travelled), we will either provide you with a replacement truck at no cost or if we can't provide you with one, credit you for any time it is off the road, as a result of a breakdown or any unscheduled maintenance.



Downtime.
(Applies to Fully-Maintained Lease Only.)

- ▶ If your vehicle is over 1-year-old or has travelled more than 200,000kms, we will provide a free replacement or a credit to you for any time over 96 hours that your lease truck or trailer is off the road for repair. If you have a rental vehicle from us in the first 96 hours it will be charged at your normal lease rates.



What about a replacement truck?

- ▶ As long as there is one available, we will provide a rental vehicle as a replacement, applying your lease credit to that vehicle.
- ▶ This means that, a replacement truck or trailer will be provided to you at no additional cost. Miscellaneous items which are not part of your lease, such as RUC, tyres, fuel, insurance, damage, and neglect will be charged as normal.

*This Downtime Policy excludes vehicles that are off the road as a result of damage.



What about an accident?
(Applies to both Fully-Maintained and Non-Maintained Leases.)

- ▶ We have extended our downtime offer to make sure that you will not have to pay for a vehicle that you do not have the use of as a result of an accident.*
- ▶ To qualify for deferred lease payments, TR Group will need to confirm that your vehicle will be off the road for a month or more before suspending your lease payments dating back to the time of your accident. The time that is suspended will then be added to the end of your lease.
- ▶ If you need a rental vehicle as a replacement during this time, it will be charged at the same lease rate as the vehicle that is off the road.

*This downtime policy excludes vehicles that are written off.

Tips and Tricks



- ▶ **Keep on top of servicing!** Regular, on time servicing allows for minor repairs to be sorted quickly before they become bigger and require more time off the road.
- ▶ **Try and book services at least 1 week ahead** – this allows workshops to plan and ensure that the stock needed has plenty of time to get to the workshop.
- ▶ **If needed, please remember that we will still help where possible and provide a rental fill-in so don't hesitate to give us a call.**

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TR TRUCKS & TRAILERS
RENTAL & LEASE
TR GROUP LTD

Making heavy vehicle fleet
management easy for you