



Josh Collins



Cornish contractor puts confidence in CLAAS services

In less than three years turnover at JJ & HE Collins' contracting business has increased ten fold, with this fast expansion involving some serious investment and financial decisions

After starting out small, Josh and Helen Collins' contracting operation, based near Truro in Cornwall, grew massively and quickly after they took over the goodwill and some machinery following another local contractor's retirement.

"We had been going about 12 months and it seemed too good an opportunity to miss," explains Josh. "But, up to then we were harvesting about 320 hectares of silage with an old CLAAS JAGUAR 870. This year we are now looking at a total of about 3,200 hectares – of grass, maize and whole crop with a brand new CLAAS JAGUAR 950," he says.

His forage fleet includes two CLAAS DISCO 8500 butterfly mowers, working on AXION 830 tractors along with a 3100 LINER rake and VOLTO 1320T Tedder. Other work includes baling with two CLAAS QUADRANT 3200s plus a CLAAS ROLLANT 540, new last year with MAXI CARE extended warranty.

On top of this is other work including cultivations, potato planting, baling and general contracting.

While the purchase included some used machinery, Josh says he not only needed to re-equip to meet the workload, he also required some sound, reliable advice about what to buy and how to pay for it all. "I realised, this investment was going to need more money than I ever thought I would be spending," he adds.

"I had never bought a new forager before! I wasn't clueless, but it's not a purchase you take lightly and make without a thorough understanding of all the finance options. Similarly, while I had a good idea about the numbers of tractors and other machines we required, I needed to know how to finance it and, most importantly, ensure it could pay for itself," he adds.

FINANCE FLEXIBILITY

After talking to banks he quickly realised they don't really understand agriculture, especially contractors and were also not particularly flexible. "They all said sure we will lend you the money, but we need to see at least a full 12 month's trading accounts – which being a new business we didn't have," he explains.

As an existing customer of his local CLAAS dealer, HAMBLYS, he already had good relations with staff at the Redruth and Launceston branches. "I've known Stewart Patten for close to ten years and consider him a friend as much as a business associate and somebody I trust.

"We set out to limit the risk. So all the new equipment is owned, paid for through CLAAS Finance, which again is a company I trust. Some finance companies will keep on lending, whether they think you can afford it or not. But CLAAS takes a serious approach and HAMBLYS know our business," he adds. "We are able to schedule the repayments, for example, to match our cash-flow, rather than have to pay the same set amount each month – like banks or some other lenders require."

PRECISE BUDGETING

To prevent any unexpected repair bills, he fixes the costs using MAXI

CARE extended warranty and servicing packages for the tractors.

"It's not the cheapest option, but I know exactly what each tractor is costing me. There will never be any nasty surprises, because everything is included, apart from the tyres, which helps with budgeting," he adds.

For advice on the forager he turned to David Bray, Regional Sales Manager for CLAAS UK. "Going from 320 to 3,200 hectares was going to be a bit of a challenge. Although I already owned a JAGUAR 870, until the takeover foraging before was a bit of a side-line – it wasn't really a proper job for us!

"David has a wealth of experience about owning and running foragers. We discussed the size of machine and workrates required for the area, depreciation/hr, fuel cost/hr, overall running costs as well as helping to calculate the charges we need to make a profit.

"With such high capital cost machines it's also important to structure

the repayments to ensure they also pay off the right amount of capital/annum so you are not left with negative equity in the machine when it comes up for replacement," he explains.

He does acknowledge that some farmers and contractors would wonder why you would go to your dealer and a machinery manufacturer for such detailed, personal business and financial advice.

"Firstly you need to remember however much they want to sell a forager or a tractor, they still need to sell the next one... It's a lot of business to lose for being greedy just once. But it's about much more than that. I've dealt with HAMBLYS for years, they know me and I know them. I've also always admired how the family business ethos comes down right from the top at CLAAS and through to the dealers.

"Also I feel CLAAS is looking after me in the same way as I like to look after my own customers," he explains.