

BRIGHTER THINKING FOR TRANSPORT & LOGISTICS

Menzies is a top 20 firm of accountants, finance and business advisors. We operate out of a network of offices across Surrey, Hampshire and London, providing our clients with easy access and local knowledge. Many of our clients are expanding overseas and benefit from the outward perspective we can provide via our active membership of HLB International.

Our key strength is focus. We focus on our clients – understanding your business via our in-depth sector expertise, which enables us to provide you with insights that add real value.

Our Relationship Partners focus on getting to know you. We use a consultancy-led approach and a variety of diagnostic tools we've developed to challenge your objectives and guide your business growth.

Clients also benefit from our diversity, we offer the full range of services you'd expect from your accountants, plus some you might not – like strategic consultancy, outsourced HR and FD support and business valuations.

And it's not just about your business. Our subsidiary company, Menzies Wealth Management, provides independent financial advice to both private and corporate clients, to reduce your tax exposure and meet your financial goals.

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BRIGHTER THINKING

BALANCING UK GROWTH WITH OPERATIONAL CHALLENGES

Transport & logistics accounts for around £55 billion turnover, 5% of GDP and employs over 1.7 million people in the UK. Recent industry research shows that confidence remains high in the sector, in line with encouraging forecasts of 2.5% growth for the UK economy as a whole. That said, operators are aware of the challenges ahead, especially in relation to price sensitivity, oil prices, wage inflation and a possible rise in interest rates.

KEY CHALLENGES FOR THE TRANSPORT & LOGISTICS SECTOR

PROFITABILITY

Research shows this is the current key challenge for operators. Volatile fuel costs continue to wreak havoc with margins, accounting for a significant proportion of direct costs.

Operators are focusing on improving profitability via greater efficiencies through the use of IT (e.g. cloud-based solutions, logistics planning software and enhanced management information). They are also focusing on customer retention and enhancing contract margins through value-added services, diversifying to win new business, and cost-cutting further, where possible.

CAPITAL INVESTMENT

It is likely that investment in technology will continue to drive productivity and improve customer service. There has been a rise in companies successfully claiming R&D tax credits for pursuing innovation.

Investment for funding will be required, as 32% of operators are planning to make an acquisition soon, to diversify their offering or add scale and reach. Whilst funding is becoming more available, business valuations generally remain lower than pre-recession levels.

HUMAN RESOURCES

Over half of operators are planning to increase headcount in the next 12 months but 49% report that driver and skills shortages remain their foremost challenge, with an aging workforce adding to the problem. Further issues surround the increase in national minimum wage and increased costs attributed to pension changes.

PRICE SENSITIVITY

Intense contract price competition continues to cause headaches as operators report business is being won on unsustainably low rates, especially by multi-national providers and customers operating on lower margins (especially retailers andetailers) who are seeking to share the cost reduction.

EUROPEAN DISPARITIES

Those in the UK point to the unfair advantage of some European operators, who benefit from lower fuel prices, pay lower road tolls abroad and are burdened by less red tape when in the UK. Effective management of foreign exchange differences is also essential in helping improve margins. Any threat of the UK leaving the EU is likely to be further detrimental.

HELPING YOU MEET YOUR CHALLENGES

We advise transport and logistics companies, from air and sea freight forwarders and hauliers, to domestic and international couriers. We work closely to find solutions to industry issues, utilising our expertise in everything from business strategy and corporate finance, to audit and tax advice.

KEY CHALLENGES

PROFITABILITY

CAPITAL INVESTMENT

HUMAN RESOURCES

PRICE SENSITIVITY

EUROPEAN DISPARITIES

OUR SERVICES

CORPORATE FINANCE | STRATEGIC PARTNERSHIPS
BUSINESS STRATEGY | AUDIT & ASSURANCE

RAISING FINANCE | R&D TAX INCENTIVES | BUSINESS VALUATIONS
CORPORATE FINANCE | STRATEGIC PARTNERSHIPS
WEALTH MANAGEMENT

HR SOLUTIONS | OUTSOURCING

SUPPLY CHAIN MANAGEMENT | STRATEGIC PARTNERSHIPS
FORENSIC INVESTIGATIONS | BUSINESS TURNAROUND

TAX ADVICE | INTERNATIONAL TRADING

“Menzies provided valuable strategic advice to our management and helped improve performance. The work they undertook on customer profiling and account management was particularly valuable and innovative.”

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