

Rubber-stamp for remanufacture



Company: Bandvulc

Business model type: Remanufacture

Sector: Incentivised return

Company size: Large

Product or service: Development of a remanufactured tyre, and management services for van fleets

Key Facts

- Bandvulc is a family firm established in the 1970s. Its re-tread tyres are fitted to up to 70% of supermarket fleets in the UK.
- Each year, the company helps to divert 8,800 tonnes of rubber waste from landfill and saves 36,400 tonnes of CO₂.
- Bandvulc launched a REBM pilot, led by WRAP, to assess the financial viability of developing a re-tread tyre specifically for vans to find the right compound for maximum performance and reliability.
- Performance has been excellent and the new tyre – Vanvulc – has introduced an entirely new revenue stream, generating new revenue in excess of £4 million in the first 3 years.
- When Bandvulc rolled the new tyres out to a large supermarket chain in 2015, 300 tonnes of CO₂ and 70 tonnes of rubber were saved.

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Introduction

Bandvulc is an independent re-treading and tyre management company. Founded by two brothers 45 years ago, 70% of supermarket fleets now run on Bandvulc tyres. In fact, a retreaded Bandvulc tyre is fitted every 2.5 minutes across Europe.

Bandvulc's Wastemaster tyre was designed specifically for bin lorries, which commonly experience tyre wear and tear from driving along kerbs.

With 300 plus employees the Devon company maybe relatively small for its category, but its impacts are big. Over 200,000 tyres are remanufactured each year, saving 8,800 tonnes of rubber waste from landfill and avoiding 36,400 tonnes of CO₂.

REBM for remanufactured tyres

Bandvulc likes to innovate, and was keen to build a case for developing a sustainable business model.

It chose to be the first in the market to develop a model for creating a new, retread tyre for vans – Vanvulc – manufactured from old tyres.

Working with WRAP, Bandvulc developed a sale of service lease model for delivery fleet van tyres. This created a new business model and new market, bringing new revenue, while saving valuable resources.



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Despite a strong commitment within the company to expand its remanufactured tyre line to include van fleets, Bandvulc needed to reassure itself that the move would also make good business sense. WRAP was able to support Bandvulc to make this aspiration a reality.

WRAP support

WRAP helped to unite the technical, operational and management teams, using existing knowledge of market research and financial model development, and helped to set clear, achievable goals and objectives.

As part of the publication around the work, WRAP published estimates of the three-year forecast performance of the business model, [available here](#).

“It was great to have a fresh pair of eyes to help with the business model, market research and financials. I would recommend companies talking to WRAP as experts and also talk to your customers”.

Patrick O'Connell, Managing Director, Bandvulc

The pilot

Initially, in 2014, Bandvulc used its own fleet of 70 vehicles to trial the product; the managing director was the first to test drive a Vanvulc tyre.

The company quickly discovered that the rubber compound chosen was prone to wearing too quickly. In all, it was modified three times before Bandvulc was satisfied enough to offer it for customer trials.

Challenges

The tyre market favours cheap Chinese imports which, in turn, makes more environmentally friendly, remanufactured tyres less affordable. As a result, cheap tyres are being sent to landfill rather than being recycled.

For companies looking to modernise, grant funding is geared towards job creation, at the expense of greater productivity. In the case of Vanvulc, new product manufacture was integrated into existing production lines, with existing staff. This streamlined processes, making them more effective.

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The pilot proved to be a resounding success. This pilot took place before the successful REBus project, and both Bandvulc and WRAP have been pleased to observe the pilot gain strength, until integration into business as usual.

Bandvulc successfully tested and revised its formula until it had developed compound with optimum performance.

The Vanvulc model has generated an entirely new revenue stream for the company. Growth forecasts estimate a 30% boost to revenue in 2017, from service management.

The first approved version matched industry standards and performance for van tyres. The latest, V2 innovation is exceeding expectations and offers a genuinely bespoke product. It is set for launch at the Commercial Vehicle Show in April 2017.

When Bandvulc rolled the new tyres out to a large supermarket chain fleet in 2015, they saved 300 tonnes of CO₂ and 70 tonnes of rubber.

"I would advise companies talk to their customers and also talk to the experts at WRAP."

Patrick O'Connell, Managing Director, Bandvulc

Next steps

Bandvulc is aiming to win additional contracts for van delivery fleets, and plans to develop bespoke tyre service remanufacturing solutions for two other, very different, new markets.

It has also spent £200,000 on machinery for a new pilot plant and, in the future, hopes to gain approval from the Society of Motor Manufacturers and Traders.



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Project supported by LIFE funding

REBus is a project delivered in partnership with:



Rijkswaterstaat
Ministerie van Verkeer en Waterstaat



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Case studies were generated as a result of pilots carried out for REBus by WRAP or RWS and the named organisations from 2013 to 2016.

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