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Broadening reach

Software developers are targeting new sectors in the rental industry and are seeking to extend their reach beyond the big players. IRN reports.

Hossam Zaki, vice president of pricing science at software developer Zilliant

Large rental companies - particularly the market leaders in the US - have been good early adopters of rental management and price optimisation software, but now the reach of this technology is spreading further into the industry.

"Now companies elsewhere in the world and smaller businesses are looking at the benefits," said Hossam Zaki, vice president of pricing science at software developer Zilliant.

The company is launching a new piece of software specifically targeting smaller rental companies - MarginMax Ramp, incorporating the company's Rational Pricing approach. It has been designed to improve utilisation and revenues, and better aligning rates with market and customer relationship dynamics.

"There is a niche for small- to medium-sized rental companies, and we think the MarginMax Ramp software is a good stepping stone to the full MarginMax package, which is more elaborate and sophisticated" Mr Zaki said.

"While we were working on previous rental engagements we found that a lot of



those smaller companies had discounting pricing mechanisms embedded in their invoicing that were not obvious for the sales reps or for the customers.

"The concept that we had was to create reasonable, rational, persuasive, transparent and rationale pricing - bringing out all the possible discounts, and presenting these upfront, not hidden in invoicing systems. The idea was also to influence behaviour - customers would know exactly how much of a discount they would get for renting for longer."

The company had seen good results including increasing rental durations and revenues over a three-month testing phase, involving comparing a control set of rental companies with a set running the new software.

Users can tweak parameters offline and only go to the field with a pricing scenario that they are happy with. They can also feedback in to the software and make adjustments as and when parameters change.

"The end result is that customers can trust the price that they're getting - all the reasons are available to everybody. I think we are moving the needle on total guess-work pricing to more data-driven rationalised science. Many small-to-medium sized companies don't have the time or money to invest in pricing teams on the same scale as the larger companies, so this software can help them automate these systems."

Multiple factors

Meanwhile, Ramco Systems vice president for enterprise asset management Rajeev Singh said that rental organisations thrived on multiple factors such as efficient customer service, maximum fleet utilisation, strategic rental terms, and cost-effective asset lifecycle management.

"It is a large canvas to work on, and unless organisations have an integrated and efficient business process plus real-time visibility and complete control over the business performance parameters, it is difficult to survive, let alone succeed," he explained.

Ramco's focus markets are the Asia Pacific, US and the Middle East and Africa. "For 2015, we believe the equipment rental industry will continue to grow in all key markets," Mr Singh said.

"Rental companies are looking at leveraging innovation, coupled with features like mobility, cloud, analytics and location-aware, to improve visibility across business operations and



The Wernick Group has launched a redesigned website: www.wernick.co.uk, reflecting the fact that Wernick Event Hire has been streamlined to Wernick Events, and Group Company PK Accommodation has now become part of the Wernick brand with its new name, Wernick Refurbished Buildings

Systems - a software company for the event rental industry. The company has just updated its entertainment equipment rental and production management business management software HireTrack to a new version, HireTrack NX.

The company currently has 550 companies in about 22 countries using the HireTrack software with an average of 5,500 people using it on a daily basis, and a further 130 companies signed up to the updated HireTrack NX package - a figure that Mr Rose said was increasing daily as more of its existing customers upgraded.

"The industry has changed a lot in 20 years," Mr Rose said. "Now it's far more about knowing how much money your kit is earning - data out rather than data in. Our software provides all the information you need for a certain job; from the equipment required and on what date, to availability checks in real time and price optimisation, all across multiple depots. It allows users to put together highly accurate pitches."

In terms of user profiles, Mr Rose said it was an open book - "Anyone from single users to hundreds of users. It really is across the board. We find that the way that a professional small company operates and a larger company operate are actually very similar, from pitching to invoicing and pricing."

Mr Rose added, "I think the events industry tends to be quite a good reflection of what the economy is doing. We have had new customers knocking on our door for HireTrack NX, not just existing customer - in fact we've had more new customers this year than the last three years put together."

Oil fields

Meanwhile, Helen Sowerby, COO at software developer Result Group, said the company had branched out into the oilfield rental market, where Ms Sowerby said there was a clear need for better cost management. She said the oilfield equipment rental software programmes covered everything



Helen Sowerby, COO at software developer Result Group

from the logistics of managing tools and equipment in the field, including delivery and pickup from well and job sites to the complex charging and utilisation recording that is essential for accurate cost management and billing to oilfield customers.

"We are seeing a change in the economics of the oilfield world, with lots of pressures bringing prices down - fracking, for instance - making the cost of extraction very important. Until recently, a large customer that we targeted didn't bother to track the costs of what they were supplying to the site. Now these types of costs are becoming far more relevant.

Result Group has been around for nearly 20 years, having started in UK market back in 1994 and then expanded into Europe and beyond. Ms Sowerby said now around 65% of the company's business came from the US, with some customers also in the Middle East and Australia.

"We think of ourselves as having three markets - specialist rental, re-rental and contractors looking for rental software to manage equipment," Ms Sowerby said.

The company's Rental Result software covers the purchase of assets and the asset lifecycle as well as the rental process. This means everything from quotes and CRM to logistics and equipment

also provide real-time information pertaining to fleet utilisation, performance improvisation and customer service. Organisations are also looking at leveraging technology to improve return on assets."

Singapore-based rental company Tat Hong recently adopted equipment rental and asset management software from Ramco to manage its fleet of over 1500 crawler, mobile and tower cranes. It said it had previously run different software, but would now use Ramco's single integrated platform.

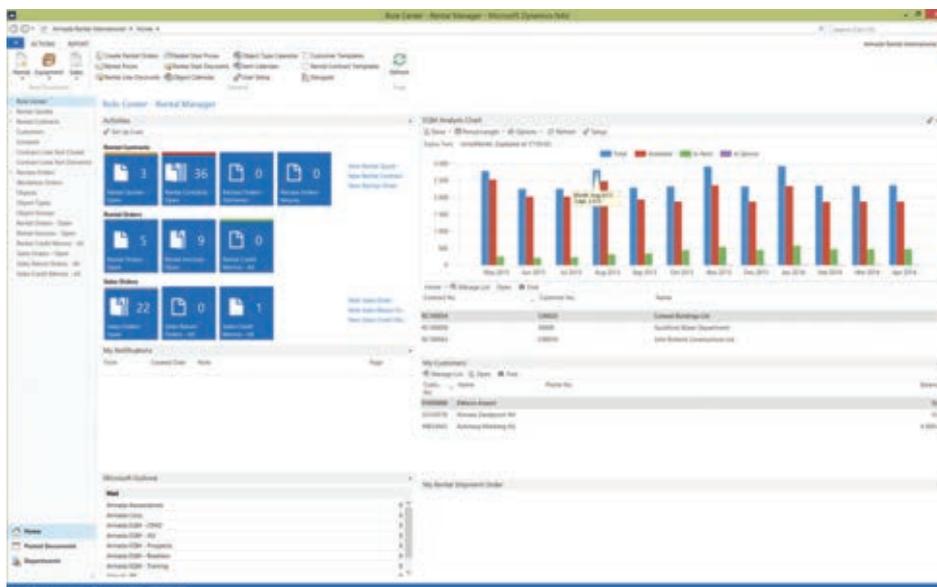
Ramco Equipment Rental and Asset Performance Management software features built-in analytics, mobility and integrates data visualisation using Google Maps.

"Our partnership with Tat Hong illustrates how Ramco is able to transform heavy asset operators by migrating their functions from multiple disparate systems to an integrated solution," Mr Singh said. "Currently, we have more than 5000 users for the solution, and it can be effectively utilised by mid-size equipment rental companies, just as well."

Events

Software companies are also targetting sectors aside from core construction equipment rental. David Rose, for instance, is a director at Navigator

Armada Dynamics has launched an upgrade to its Armada EQM rental management software. The upgrade to Microsoft Dynamics NAV version 2015 is said to bring new mobility and business intelligence functionality - allowing the use of mobile devices, for instance



New features for Enfinity rental management software Release 3 have been introduced by Solutions by Computer (SBC), including e-Sign electronic signature capture, StreetEagle GPS mobile workforce management, and consolidated invoicing capabilities

mobilisation and the pickup and off-rental process, according to Sowerby.

"We tend to go with the larger companies or companies with quite unique products and business set-ups. In terms of the uptake of new rental management software in the industry, I think mobile apps have forced a sea-change in senior executive thinking - people now interact with a business in far more ways than just over the phone.

"Some rental companies have been very forward thinking, but I would say the majority are still waiting to see what the others do. The most obvious advantages of adopting software to manage your rental fleet are gains in efficiency and productivity, as well as removing unnecessary administration and providing true mobile connectivity.

"Rental software can have a huge impact on a company's understanding of the availability and reliability of equipment, as well as true utilisation figures - giving a real-time take on what is actually going on.

"We've seen an increase in enquiries over the last 12 months, with lots more construction companies getting more interested. For 2015, I think we generally expect to see an increase."

Mobile future

Looking to the future, managing director at InspHire, Graham Dobbs, said the world was moving increasingly towards mobile solutions, and being able to transact around the clock would become the norm.

"Customer Service has always been important but even more so now with heightened awareness of choice," he said. "Hirers will also look towards recommendations from independent sources such as Facebook, Google+, LinkedIn, twitter and other review methods will play a big part.

"Web Portals for customers will be more prevalent, hire companies providing the ability to do more online will encourage people to use them more. Mobile Apps for hirers will be more in demand and drive how hire customers do business and will dictate where they shop."

Mr Dobbs said the challenge for developers was making sure that new software features were useful and designed with the users in mind. "Keeping it simple is key," he said, "Hire software will become more agile being able to be used on many different devices, integration to customers own web site and other 3rd party software will become mainstream.

"InspHire already offer Cloud Hybrid solutions as well as mobile applications and customer web portals and have done so for some time, we are seeing companies taking more of an interest and

Director at Navigator Systems David Rose: "The way that a professional small company operates and a larger company operate are actually very similar, from pitching to invoicing and pricing."



adding to the already expanding list of features and functionality.

"We also have a totally pure, cloud based solution, already in use in some rental businesses, these businesses can use the application free of any windows licences and the costs of windows server software and hardware."

With technology such as smart phones and tablet computers now commonplace, software designed for rental companies has potentially never been more accessible. It will be interesting to see how smaller rental companies react to these changes. **IRN**



The democratising Internet

Eugen Russ, CEO of erento, said it was up to rental companies to define whether the internet became an opportunity or a threat for their business.

"However, more business-heavy rental sectors like tools, machinery or medical equipment are now seeing more and more of their business coming through the Internet. This change constitutes a unique opportunity for rental businesses."

Mr Russ highlighted increased visibility and customer reach as key opportunities - and not just for the larger players on the market.

"The internet is an additional sales and marketing channel that allows even small companies with a small budget to advertise their products and services effectively. Rental platforms like erento provide a level playing field for all companies. Even the smallest, family-run companies can now compete directly with the big players," he said.

"This is because the Internet has a true democratising effect and is greatly transparent: good customer service and product quality are key."

Erento is one of many online resources targeting the rental industry - an arena which has seen new start-ups launched in recent months, all jostling for space together with the well-known and well-established equipment auction sites like IronPlanet and Ritchie Bros. Here are some examples of the latest launches:

Equippo.com

Equippo is an online used equipment market designed to link sellers of used heavy equipment and buyers in international export markets, like Peru, Poland or Russia. CEO Michael Rohmeder said, "The resale of equipment at the end of its useful rental life is a key income stream for rental companies. We are trying to break down trade barriers. Pricing is all-in and transparent, including customs, transport, logistics costs and independent equipment inspections."



Kwipped.com

Kwipped is an online platform designed to connect rental suppliers with customers. Users can navigate rental availability, execute rental contracts and co-ordinating delivery. It takes into account issues like insurance, security deposits, accessories, return shipping, replacement costs and the reliability of both the renter and the supplier. Founder and CEO Robert Preville said the site would "enable businesses to expand their capabilities and bid on projects they may have previously passed on due to lack of access to the necessary equipment."



Indoogoo.com

Indoogoo is a heavy equipment trading website that has introduced a service using geolocation technology known as MyRentals. The idea is to create comprehensive search results from both local rental companies and other Indoogoo users, helping them locate and rent heavy equipment from different sources. CEO and founder Mark Turner said, "With this service, everyone can be a renter. It gives all users the opportunity to hire out their equipment when it is not in use. Renting equipment should be straightforward."



Allequip.com

IronPlanet launched AllEquip.com, a global online, "buy now" marketplace of used construction equipment. IronPlanet CEO Greg Owens said, "We are committed to making the buying and selling of equipment faster and easier." AllEquip is said to manage the complete transaction between buyer and seller, from listing on the site to final payment. Every item for sale has a guaranteed inspection report.

