

How RSC Equipment Rental Was Able To Drive Profit by Optimizing their Repair and Maintenance Operations

RSC Equipment Rental operated an independent rental fleet serving the US and Canadian industrial, maintenance and non-residential construction markets until it was recently acquired by United Rentals. By using the SmartEquip Enterprise online parts network to speed up their repair and maintenance process, RSC was able to generate more profits from their existing equipment assets.

The RSC Equipment management team realized their parts, repair and maintenance operations were holding back profits by robbing them of “technician wrench time” and equipment uptime.

In order to identify and improve the key operational processes that drive equipment uptime, profitability, and rental turnover the RSC management team conducted an in-depth economic impact analysis of their service operations in three representative branches.

The process improvement analysis identified inefficiencies in three major areas, **technician wrench time**, **parts procurement**, and **duplication of administrative work**. Based on this analysis, management concluded that the manual processes that were currently being used in the shop were robbing their organization of valuable equipment availability and profit.

The automation that management chose was the SmartEquip Enterprise system. RSC conducted a pilot program of the SmartEquip Enterprise system in three of its branches and the result was a significant operational improvement which translated to both top and bottom line impact on the business. By streamlining their repair and maintenance operations and reducing the days from downtime to uptime, RSC branches were able to double technician wrench time and reduce errors and administrative time by 80%. These operational benefits translate to a 5% increase in equipment utilization, a 3% increase in revenue turnover, and \$377,150 of profit to the bottom line. The project broke even in a matter of weeks and will return over sixteen times the investment on an annualized basis.

RSC Equipment Rental Business Impact Study Results	
✓	Rental revenue + \$278,000 a year
✓	Payroll savings
✓	Technician time - \$32,000 a year
✓	Admin time - \$7K a year
✓	Cost of goods
✓	Parts costs (pricing) - \$51K
✓	Parts costs (returns) - \$9K

The Impact of SmartEquip Network on Productivity and Profits

Before SmartEquip Enterprise	Operational Drivers	After SmartEquip Enterprise	Profit Outcomes
Rental Equipment Company (\$15mm Equipment Assets/ 3 Locations)			
Assets Rental Fleet - First Cost \$15,000,000 Fleet Utilization (time) 70%	Equipment Uptime 5% Improvement	Assets Rental Fleet - First Cost \$15,000,000 Fleet Utilization (time) 74%	Asset Utilization 5% Improvement
Revenue Rental revenue \$7,950,000 Ancillary revenue \$1,130,000 Total \$9,080,000		Revenue Rental revenue \$8,228,250 Ancillary revenue \$1,130,000 Total \$9,358,250	Revenue Growth 3% Improvement
Repair & Maintenance Parts \$3,010,000 Repair parts PM parts Labor \$1,935,000 Technician labor Shop admin labor		Wrench Time 2X Improvement	Repair & Maintenance Parts \$2,949,800 Repair parts PM parts Labor \$1,896,300 Technician labor Shop admin labor
Profit EBITDA \$4,135,000	Order Accuracy 5X Improvement	Profit EBITDA \$4,512,150	Profit 9% Improvement
	Administrative Time 5X Improvement		
1. Rental Turnover is based on a Dollar Utilization of 53%		1. 5% uptime improvement = an additional \$525,000 of fleet at first cost to rent. 2. Client assumption was that 100% of the additionally available fleet would be absorbed by the market at the same dollar utilization.	

Optimizing the “downtime to uptime” process improved technician wrench time and equipment uptime

Activating the SmartEquip Enterprise network streamlined RSC Equipment Rental’s repair and maintenance operations, improving technician efficiency in both the shop and in the field. Using the SmartEquip Enterprise network allowed technicians to significantly speed up the parts selection, requisitions while improving the accuracy of parts ordered. The reduction in technician hours coupled with reductions in overtime, special orders, returns and the elimination of paper manuals – lead to hard cost savings of over \$30,000 in one branch. The most significant impact of SmartEquip was the direct correlation between the increase in technician “wrench time” and the improvement in equipment uptime. By spending more time working on equipment, and less time on parts identification – RSC branches were able to improve fleet uptime and drive an additional \$90,000 of rental revenue to the branch.

The SmartEquip Online Parts support network improved technician access to technical data needed to diagnose repairs and quickly identify the required parts so they could spend more time repairing equipment

Standard product support processes improved business profitability and financial control

Fleet owner recognized the economic benefits to the top and bottom line. The network helped them establish standard product support processes and financial controls that helped control the costs of labor, paperwork, paper and parts. For example, by eliminating ordering errors and staying in compliance with purchasing terms RSC was able to save thousands of dollars in parts obsolescence, returns, and price discounts in just one branch. Because the SmartEquip Network automates so many aspects of the parts ordering and accounts payable process, it makes it easier to put in place operational controls to manage purchase order compliance, payments, master parts updates, and preferred vendor supplier programs.

The network helped parts administrators be more productive because it eliminated manual processes like looking up parts, key entering work orders and entering bills into the accounts payable system.

The easy to use network simplified and improved parts administrative experience

The SmartEquip Enterprise network helped parts administrators be more productive because it eliminated manual processes like looking up parts, key entering work orders and entering bills into the accounts payable system. Smart Equip eliminated the time and drudgery of ordering of parts with e-commerce functionality that automated the purchase order and sales order, verifying receipt of purchase orders, and automatically applying your Fleet’s settings for shipping and order options. Administrators appreciated having one simple place to go to quickly find schematics, serial number parts look up, and place orders. The system was so easy to use it reduced training time and allowed administrators could spend their time on more profitable activities.

About the SmartEquip Network

SmartEquip is an online fleet support network that connects fleet owners to manufacturers and their dealers with real time access to critical parts and service information. It helps fleet owners generate more profit from their equipment assets by automating and accelerating the service workflow operations, thereby increasing asset availability and revenue. To learn more about how easy it is to activate the SmartEquip Network and begin to improve your asset utilization, wrench time, and profit growth contact us:

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