

RENTAL MANAGEMENT

The Official Magazine of the American Rental Association ■ RentalManagementMag.com

April 2018



Building up your **STAFF**

New products seen on the show floor

Improving operations with SmartEquip

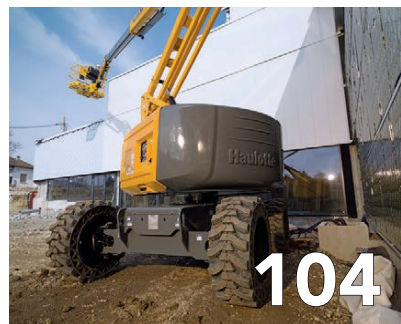
Giving people a second chance in Richmond, Va.

cover story

- 36** How to build up your staff with effective recruiting, hiring and onboarding.
- 40** The Texas Rental Association takes a proactive approach to finding skilled employees.
- 42** Learn about how FutureTech Success® aims to help solve the technician shortage and how you can get involved.
- 46** Don't blame people for bad work if you haven't done your part to prepare them.

special section

- 26** After a long hiatus, see how these rental store attendees reacted to visiting the show for the first time in years.
- 48** See the new exhibitor products our editors found at *The Rental Show*® 2018 in New Orleans.



business management

- 28** Legally Speaking: What to watch for in dealership agreements.
- 32** Government Affairs: Preparing for ARA's National Legislative Caucus in Washington, D.C.

construction

- 104** Supplier profile: Haulotte North America thrives in its new Virginia headquarters.

general tool

- 108** How SmartEquip can help improve rental operations.

RENTAL MANAGEMENT, the official publication of the American Rental Association, welcomes articles, photographs, news items, opinions and views pertaining to all aspects of the rental industry; however, the association cannot be responsible for the contents thereof or the opinions of the contributors. Send all material to the attention of the editor. The association owns all rights, titles and interests in RENTAL MANAGEMENT and reserves the right to accept, reject, edit or modify material submitted. Written permission must be obtained for the reproduction of any material appearing in any issue. RENTAL MANAGEMENT (ISSN 1042-9085) is published monthly for \$85 per year by the American Rental Association, 1900 19th St., Moline, IL 61265-4179. Periodicals postage paid at Moline, Ill., and additional mailing offices. Canada Post Corp. Publications Agreement No. 40036141. POSTMASTER: Send address changes to RENTAL MANAGEMENT, 1900 19th St., Moline, IL 61265-4179. ©2018 American Rental Association.

Improving operations

Nickell Rental
saves time, labor
and money with
SmartEquip

By Stephen Elliott

In January 2018, Josh Nickell, then CEO of Nickell Rental, Newnan, Ga., says he was simply stunned after reviewing a case study on how to improve operations at his equipment rental business.

He found that mechanics at the company's four locations in the greater Atlanta area were often spending more time researching parts and making parts orders than they were making repairs.

"When you're an equipment rental company, you're dealing with maybe 100 different vendors," Nickell says. "It just doesn't make sense to have 100 different logins to pull up different manuals, different credentials and different ordering systems that you have to learn."

Nickell says the challenge was further complicated by the fact that it was getting increasingly harder to find and hire qualified mechanics. Time was the challenge or, rather, the effective use of time. His problem is not unique in the equipment rental industry.

Until acquired by Sunbelt Rentals, Fort Mill, S.C., in February 2018, Nickell Rental was an independent equipment rental company, serving small to mid-sized contractors, homeowners and the light industrial market. Nickell is now a general manager for Sunbelt.

Prior to the purchase, Nickell took an in-depth look at how the equipment rental industry, specifically independent companies, could benefit from a cost-savings approach through SmartEquip, Norwalk, Conn.

SmartEquip was founded in 2000 by a



group of rental industry experts, including John Caskey and Alexander Schuessler, a technology and data expert as well as a Harvard Ph.D. economist. The company offers solutions to equipment rental companies, automating the service process and parts procurement.

In 2017, Nickell reached out to Lew Hudson, CEO, Lew Hudson Sales, Lawrenceville, Ga., to see if other rental companies were facing the same problems associated with downtime and what they were doing about it.

Hudson told Nickell national rental companies were using SmartEquip, but he wasn't sure how practical it would be for independent rental companies that utilize much different systems and processes.

Hudson introduced Nickell to SmartEquip at *The Rental Show*® 2017, leading to a four-month case study. The results, Nickell says, were eye-opening.

"Prior to doing the study, I was honestly skeptical," Nickell says. "The baseline price on it seemed expensive for our small budget."

What he found, though, persuaded Nickell how valuable SmartEquip

could be to his business. The numbers jumped out at him, such as:

- An 85 percent reduction in staff time per service transaction, including work order and purchase order.
- Time savings of almost 1,700 hours.
- More than \$70,000 in labor savings.
- More than \$130,000 annually in increased rental revenues.
- More than 1,000 percent return on investment (ROI) annually.

“It’s mind blowing,” Nickell says. “If I hadn’t seen it with my own eyes, I wouldn’t have believed it. Now, I would say it’s an absolute no-brainer. I almost can’t see a situation where SmartEquip wouldn’t be a valuable solution for any rental store. I was skeptical, but thoroughly surprised at the end. I see it as preparing all rental companies for the future.”

Caskey, SmartEquip co-founder and vice president — strategic accounts, grew up working in the rental industry. In the mid-1990s, together with Schuessler and some other rental veterans, they founded Caterpillar Rental Services Network to help establish Caterpillar’s rental presence in South America.

“All of us were pretty obsessive about ‘best practices’ and, during the dot-com boom, were really enthusiastic about the benefits emerging high technology could bring to driving down equipment lifecycle costs and improving the financial utilization of assets, so we started SmartEquip,” Schuessler says.

Caskey says working closely with fleet customers, the company routinely finds that without the SmartEquip technology, an average parts order can take more than an hour of labor across the company. That includes the service technician locating the correct service and parts manuals, then identifying the required parts for that specific serial number, checking company inventory stock at the geographically appropriate dealer location or directly at the manufacturer.

In addition, administrators need to approve parts requests, validate and issue purchase orders upfront. Accounts payable staff need to match purchase orders and invoices for each shipment before payment.

“IT departments need to make sure the constantly-shifting universe of parts information is kept up to date in their ERP [enterprise resource planning] systems. Otherwise, they cannot issue purchase orders,” Caskey says.

“In fact, we regularly see that service technicians spend less than half their time



Photo courtesy Josh Nickell

with a wrench in their hands, which is an even larger issue given the shortage of trained technicians,” Caskey says. “One of our larger rental customers recently told us that their business plan called for 20 to 25 percent more technicians, but they can’t fill the spots, which is resulting in increased overtime and extended downtime.”

Nickell says his main concern was how usable SmartEquip would be for independent operators since smaller companies face different challenges.

Caskey agrees. “Smaller companies are different. Often, there are not separate departments for IT, procurement or accounts payable, but individual people trying to do five jobs at once,” he says.

“Once they use SmartEquip, the service technician can spend more time repairing equipment rather than chasing information. The accounts payable person can spend more time paying bills, rather than chasing down price discrepancies. Their IT people can spend more time working on systems and less on trying to keep data current, and the branch manager can focus on profitability,” Caskey says.

“Previous case studies have always involved national companies. However, there was always a question if SmartEquip could provide the same type of impact for

smaller companies, which is why we were excited to do this case study with Nickell Rental,” Caskey says.

Schuessler says that before, SmartEquip was not a viable option for smaller companies because of high startup costs that were driven by the need to develop custom coding for each customer.

“However, like other types of advancements in technology, SmartEquip is now configurable, which allows for deployments to much smaller entities with far more moderate startup costs on a subscription basis,” Schuessler says.

The result is that smaller companies have an opportunity to benefit from the virtual bundling of supplier information, the electronic distribution of information, and the automation of administrative functions in accounts payable, data maintenance and more.

Nickell sees the streamlining of services with the assistance of SmartEquip as a way to examine and provide cost savings to the independent and family-owned equipment rental businesses in the industry.

“You have to keep investing in new technology,” Nickell says. “Some of it may not always be a good fit, but at other times, it may end up revolutionizing your business.” **RM**