



EUROPEAN
RENTAL
ASSOCIATION



European Rental Association

Impact of digitalisation on rental

– Project overview

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Digitalisation will transform the industry in the following ways:

1. To improve process efficiency through digital tools – this can include internal business processes of a rental company, as well as improving the customer journey
2. To deliver value from data, which constitutes additional value proposition for customers. The challenge is to find the ways in which employees and customers can transform data into business value
3. To transform (create new) organisational and business models.

Our project will aim to:

- Raise awareness among rental companies in Europe about the challenges of digital transformation
- Provide elements of best practice on the journey to successful digital transformation.

By:

- Looking at case studies within and outside the European rental industry
- Providing an overview of the different practices and pathways to digitalisation for a rental company, taking into account specificities of small, medium and large companies.

A report which covers:

- Definition of what digital transformation is likely to mean for the rental industry
- Description of examples of best practice in the rental industry
- Collection of successful practices and blueprints for digitalisation applicable in the rental sector
- Exploring the road ahead – summary of options and scenarios for a digital journey in the context of a small, medium and large rental company
- Provision of practical advice and guidance in terms of KPI's processes, and the steps a rental company should take to embrace digitalisation

A report which is:

- Engaging, educational and motivational
- Real world, by providing examples of the benefits and risks
- Tailored to different size organisations from the smallest family owned and run SME (B2C / B2SME) to the largest multi-national
- Practical providing how to guides, checklists, case studies and worked examples

Interviews

In industry (15)



Out of industry (9)



Data collected in the following areas:

■ Digitisation journey taken by rental companies:

- Transformation of legacy rental business
- Stand alone digitised business
- SME rental business joining a shared platform

■ Digitisation KPI's

■ Benefits of digitisation:

- Cost reduction
- Service improvement
- Revenue generation
- Service development

■ Implementation examples:

- Customer service
- Maintenance and repair
- Delivery
- Paperwork automation

■ Change management process / programme management

■ Organisation structure to enable digitisation

■ Impact of Digitisation on:

- Maintenance and servicing
- Asset investment
- Sales management
- Inventory management
- Depot
- Logistics
- Invoicing
- Credit risk
- Theft risk
- Damage
- Charging of rental
- Sustainability reporting
- Safety management
- Equipment usage
- Operator training
- Solution design
- Pricing
- Staffing levels

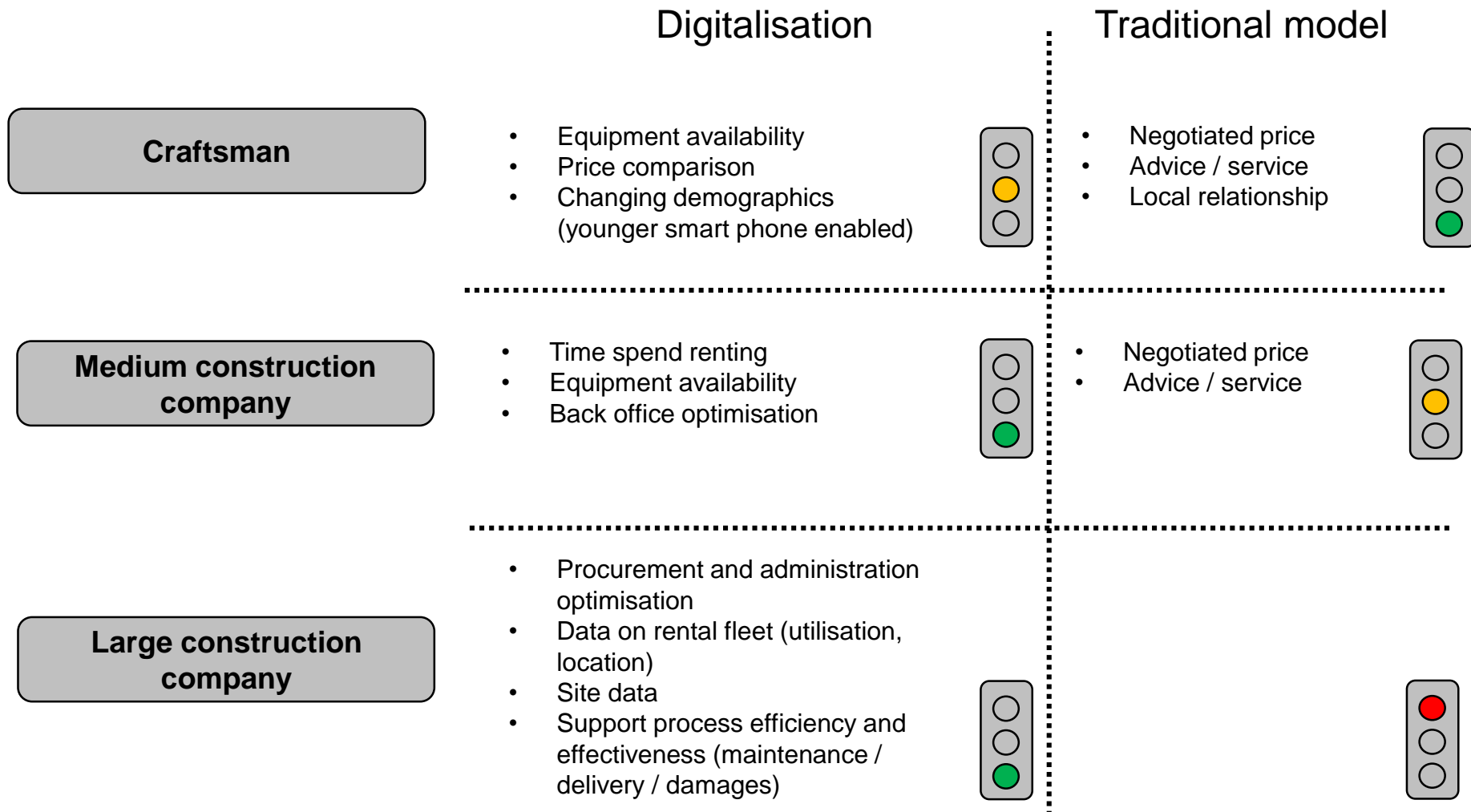
■ Workforce / customer acceptance

■ Omni channel engagement

■ Market segment adoption

■ Views on future developments

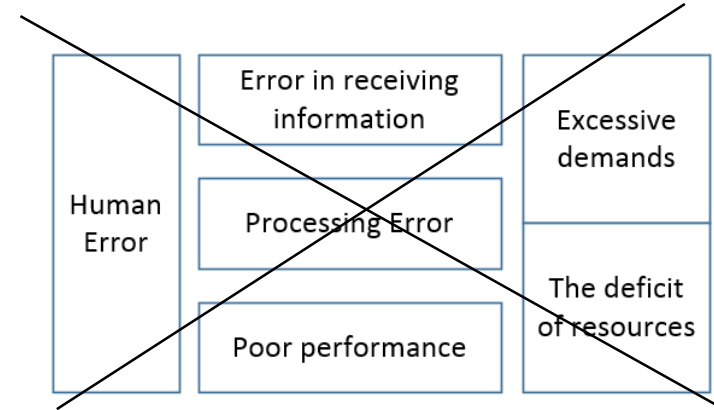
What is driving digitalisation – customer need



What is driving digitalisation – Operational efficiency and effectiveness

■ Process efficiency and effectiveness

- Speed
- Error elimination
- Productivity
- Interface with customer – ordering, billing, payment, on and off rent
- Data provision to customer - Rental fleet / spend / utilisation

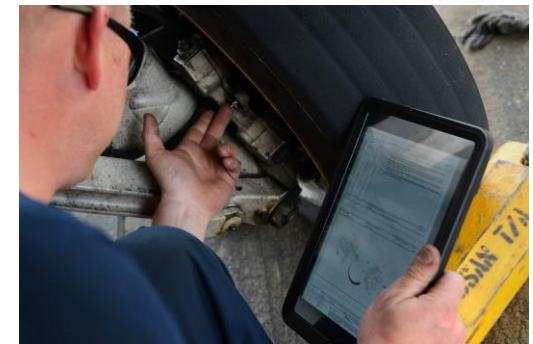


■ Reallocation of staff

- to value added activities from paperwork related activities

■ Maintenance and repair

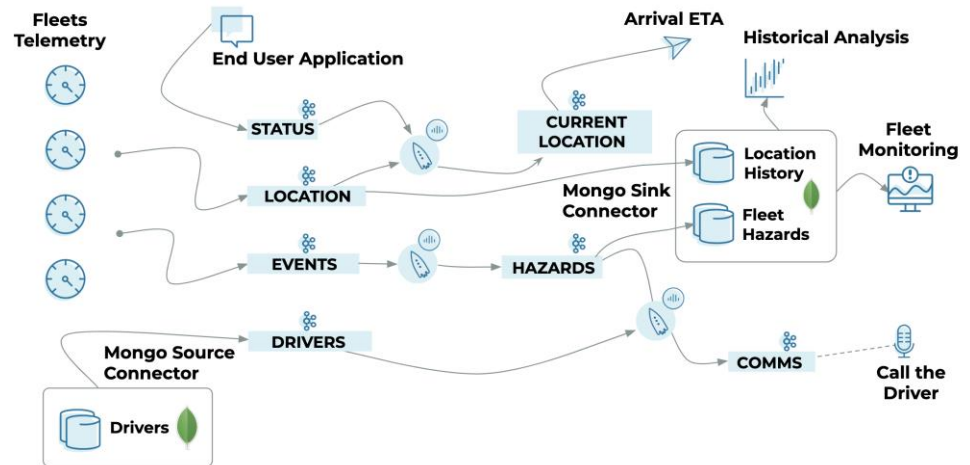
- Move to planned maintenance from reactive
- Engineer hours spent on maintenance rather than paperwork
- Targeted reactive maintenance – remote issue diagnosis and targeted repair
- Automated maintenance request / machine replacement
- Asset replacement based on history with the fleet



What is driving digitalisation – Operational efficiency and effectiveness

■ Logistics

- Asset location
- Asset and supporting solutions picking
- On and off rent automated
- Routing
- Customer notification of delivery / collection
- Interface to billing and invoicing



■ Asset management

- Purchasing optimised based on demand forecasting and location utilisation
- Asset lifetime management - analysis of breakdown data and optimisation of disposal timing



What is driving digitalisation – Commercial efficiency and effectiveness

■ Margin enhancement

- Generally higher prices online as selling other benefits – service, availability, solutions etc

■ Avoid revenue leakage

- Evening / weekend working, fuel usage, road tolls, damage etc

■ Effective sales management

- Digital lead generation
- Promotions
- Sales team management

■ Added value services and solutions

- Solution provision (e.g. Fuel, toilet emptying, safety management etc)
- Solution selection (including design)
- Fleet management
- Customer cost, efficiency and effectiveness management
- Material and asset movements
- Asset utilisation
- Safety management
- Sustainability
- Workplace planning
- Data based consultancy – Site design, logistics



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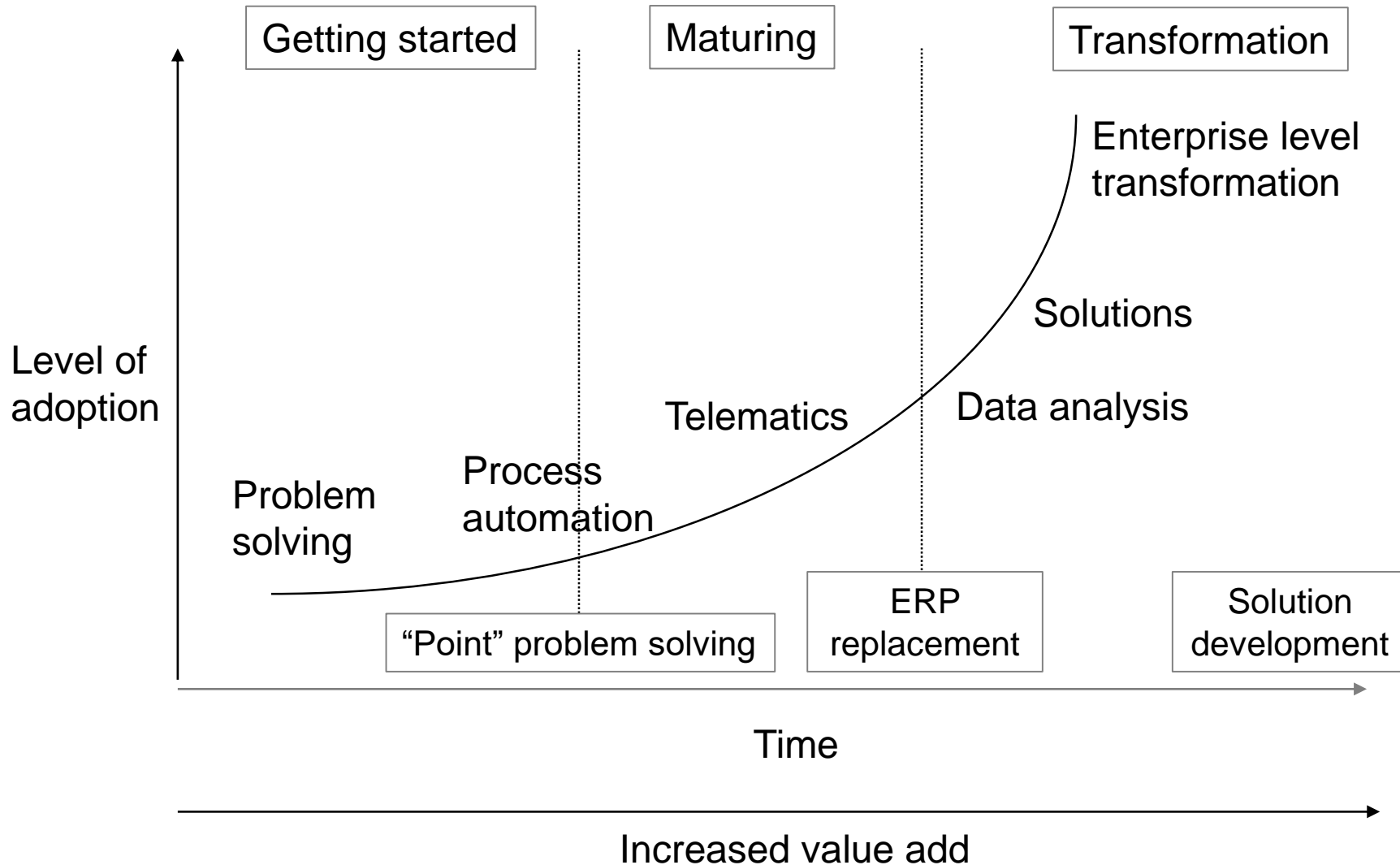


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Digitalisation adoption curve



The benefits of digitisation – Typical results:

- Turnround time – Increased by 50%
- Credit decrease – Credits posted to customer decreased by 40%
- Increase in billable services – Revenue increased by 45%
- Reduction in time to process service / maintenance – Reduction of 32%



- 400 staff on site
- Toilet calls for emptying when required
- Environmental guarantee
- Services costs cut



- Road toll charges billed at time of asset return
- Based on GPS tracking of asset
- Evidence available on return
- \$60k / month revenue recovered
- Zero customer disputes



- Scissor lift battery charge text reminders at end of day
- Increase in scissor lift availability on site
- Elimination of flat battery service requests

The crystal ball – what could the future look like?

■ Customer expectations will drive change

- Customer will become familiar with, and demand digital solutions
- Replacement of ageing workforce with digital savvy workers will accelerate the change

■ Depot reduction:

- Assets kept on site
- Creation of equipment pools
- Large depots become warehouses / second line maintenance and refurbishment

■ Digitalisation and data will become a requirement

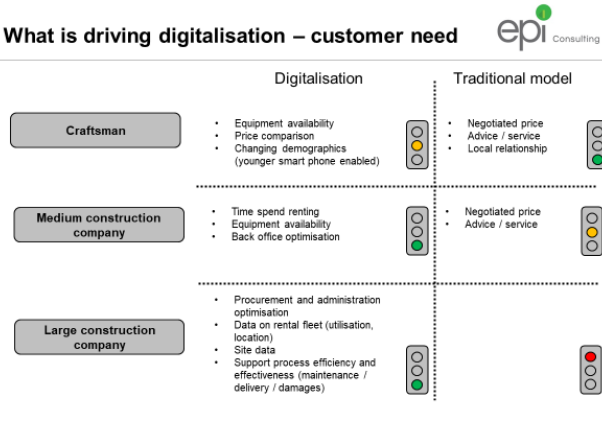
- Impacting finance, insurance, compliance, health and safety, environment

■ Charging by outcome – power by the hour or plant movements or hybrid, standard availability rental with outcome as additional charge

■ The rental market could develop like the electric scooter market, plant at user locations, rent, use, off rent and manage the asset completely digitally



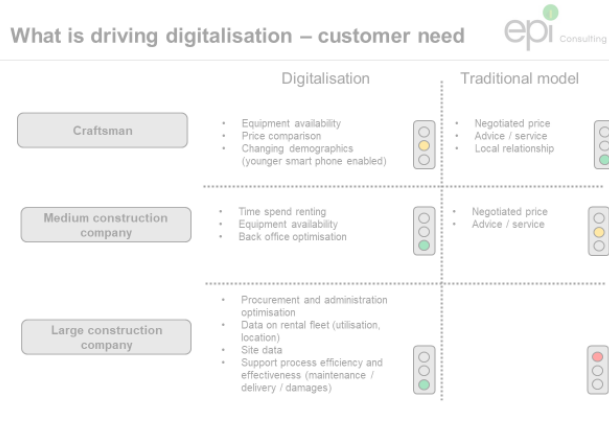
Digitalisation – Opportunity or threat for your business?



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Customer demand

Digitalisation – Opportunity or threat for your business?



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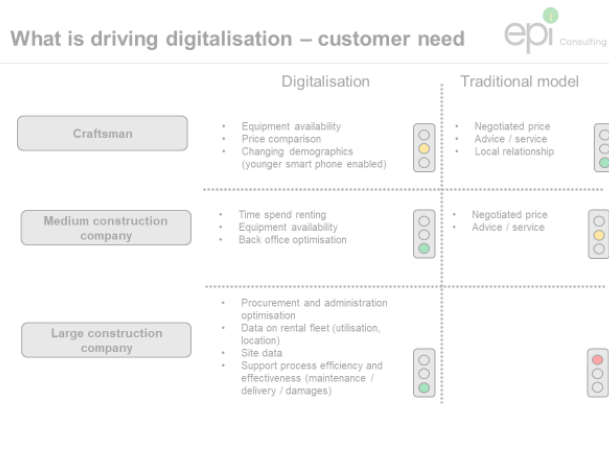
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Profit opportunity

Digitalisation – Opportunity or threat for your business?



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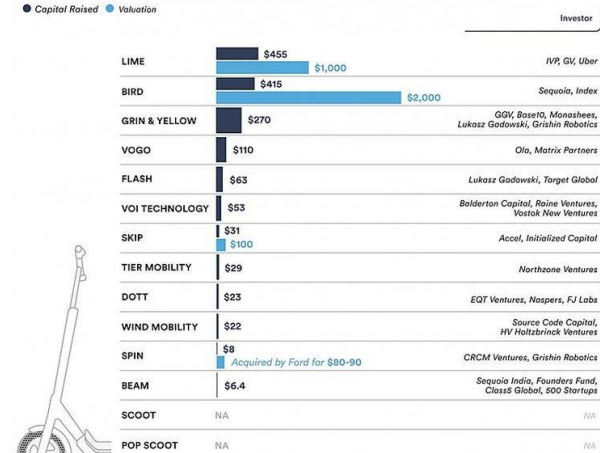
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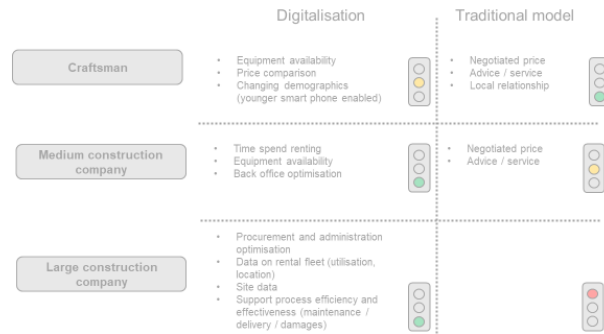
E-SCOOTER VALUATIONS & INVESTORS (\$ in millions of USD)



Chance to create a new business model

Digitalisation – Opportunity or threat for your business?

What is driving digitalisation – customer need



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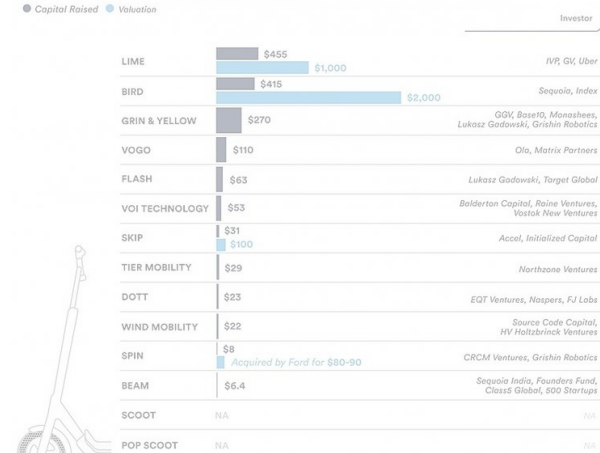


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Profit opportunity

E-SCOOTER VALUATIONS & INVESTORS (\$ in millions of USD)



Chance to create a new business model



You need a digitalisation strategy