

Operations and performance analytics

Asset rental firm

Streamlined data processes, defined and standardized operational metrics such as Labor productivity, Transportation and logistics costs etc., and developed a robust reporting infrastructure across geographies to ensure greater visibility into top-line performance and costs

Asset rental firm needs to develop reporting infrastructure for its operations

Picture this...

You're looking to define operational metrics, develop a reporting infrastructure and standardize processes across geographies to ensure greater visibility into top-line performance and costs. Currently, the business practices does not involve strict pricing guidelines, data-driven purchase decisions nor a centralized inventory strategy.

You turn to Accordion.

We partner with your team to streamline data processes, define and standardize operational metrics such as labor productivity, transportation and logistics costs etc., and develop a robust reporting infrastructure across geographies to ensure greater visibility into top-line performance and costs, including:

- 1) Developing operations reports on
 - Labor efficiency (units/hour) and fulfilment of scheduled rentals on a weekly basis
 - Transportation costs, both inter-location and customer delivery, in relation to the revenue generated from those rentals to assess value add
- 2) Designing a hub & spoke distribution model for the equipment to optimize the inter-company transfers and reducing time taken to delivery based on historical patterns of peak demand across locations
- 3) Developing product and pricing related metrics and reports
 - Asset performance metrics such as utilization, payback, ROA etc. on a real-time basis
 - Job costing dashboard to evaluate rental order pricing against cost of equipment (adjusted for depreciation), transportation costs, labor costs and overheads
 - Distribution of service locations based on revenue and the corresponding performance metrics such as margin, utilization, ROA etc.
 - Capital allocation report to assess existing performance metrics with the capital appropriation request

Your value is enhanced.

You have fulfilment of scheduled rentals on a weekly basis, optimized the inter-company transfers and reduced time taken for delivery and real-time asset performance metrics.

KEY RESULT

- Impact 1...
- Impact 2...

VALUE LEVERS PULLED

- Labor efficiency
- Hub and spoke distribution model
- Asset performance metrics
- Job costing dashboard
- Capital allocation report

Operations and asset performance analytics for rental industry

Situation

- Existing business practices did not involve strict pricing guidelines, data-driven purchase decisions and a centralized inventory strategy
- This led to flexibility for individual locations to make decisions based on their discretion, leading to excessive costs and lack of visibility into company's performance at an organizational level
- Partnered with the client team to define operational metrics, develop a reporting infrastructure and standardize processes across geographies to ensure greater visibility into top-line performance and costs

Accordion Value Add

- Developed Operations reports on
 - Labor efficiency (units/hour) and fulfilment of scheduled rentals on a weekly basis
 - Transportation costs, both inter-location and customer delivery, in relation to the revenue generated from those rentals to assess value add
- Helped design a hub & spoke distribution model for the equipment to optimize the inter-company transfers and reduce time taken to delivery, based on historical patterns of peak demand across locations
- Developed Product and Pricing related metrics and reports
 - Asset performance metrics such as utilization, payback, ROA etc. on a real-time basis
 - Job costing dashboard to evaluate rental order pricing against cost of equipment (adjusted for depreciation), transportation costs, labor costs and overheads
 - Distribution of service locations based on revenue and the corresponding performance metrics such as margin, utilization, ROA etc.
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Impact

Labor efficiency and fulfilment of scheduled rentals

% units delivered at each location compared to schedule			
Location	Units Scheduled	Units Delivered	% Units Delivered
Europe	16,325	13,147	81%
Northern USA	39,052	29,769	76%
Central USA	5,638	5,039	89%
Southern USA	9,299	8,848	95%
Grand Total	70,314	56,803	81%

Total units delivered by location compared to schedule

Labor efficiency in units delivered per hour, normalized for different work hours of the employees

Employee Name	Units/Hour							Overall
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	
A	80.12	43.97	75.12	49.45	111.71	Out	Out	78.21
B	17.02	24.04	0.00	69.35	6.31	Out	Out	23.67
C	24.22	66.43	6.10	44.03	18.02	Out	Out	11.95
D	18.82	13.55	21.30	29.67	8.24	Out	Out	18.36
E	0.00	0.00	0.00	0.00	0.00	Out	Out	0.00
F	0.00	0.25	20.25	0.00	0.25	Out	Out	0.15
G	Out	Out	Out	Out	Out	Out	Out NA	
H	33.33	7.46	26.83	20.46	20.76	Out	Out	21.52
I	44.51	57.25	81.60	62.58	39.14	Out	Out	58.91
Average (SubTotal)	25.87	20.13	28.91	34.89	25.20			26.84
Max	80.12	66.43	81.60	69.35	111.71			78.21
Min	17.02	0.25	6.10	20.46	0.25			0.15
Mean	25.87	20.13	28.91	34.89	25.20			26.84
Max-name	A	C	I	B	A			A
Min-name	B	F	C	H	F			F

Labor efficiency and fulfilment of scheduled rentals

Transportation costs on rental orders,
corresponding revenues and share of transfers
needed to fulfil the order

Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	\$ 199.71M	\$ 246.50M	\$ 257.78M	\$ 256.66M	\$ 258.87M	\$ 296.03M	\$ 249.39M	\$ 226.99M	\$ 263.59M	\$ 273.51M	\$ 224.75M	\$ 78.21M	\$ 1,515.55M
2018	\$ 189.32M	\$ 179.40M	\$ 204.93M	\$ 209.39M	\$ 221.66M	\$ 206.14M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,210.83M
YoY	-5.2%	-27.2%	-20.5%	-18.4%	-14.4%	-30.4%	-	-	-	-	-	-	-20.1%

Rental Units	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	13.18M	12.77M	15.07M	13.63M	15.19M	14.87M	11.01M	9.99M	13.71M	15.90M	12.46M	8.83M	84.71M
2018	12.82M	11.64M	12.51M	12.73M	13.13M	10.40M	-	-	-	-	-	-	73.25M
YoY	-2.7%	-8.8%	-17.0%	-6.6%	-13.5%	-30.1%	-	-	-	-	-	-	-13.5%

Transfer Units	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	2.58M	2.46M	2.86M	2.63M	2.91M	3.01M	2.25M	2.06M	2.64M	3.04M	2.32M	2.76M	16.45M
2018	2.65M	2.11M	2.36M	2.52M	2.41M	2.09M	-	-	-	-	-	-	14.15M
YoY	2.9%	-14.2%	-17.4%	-4.1%	-17.1%	-30.5%	-	-	-	-	-	-	-14.0%
Transfer Unit per Rental Unit 2017	20%	19%	19%	19%	19%	20%	20%	21%	19%	19%	19%	31%	20%
Transfer Unit per Rental Unit 2018	21%	18%	19%	20%	18%	20%	-	-	-	-	-	-	21%

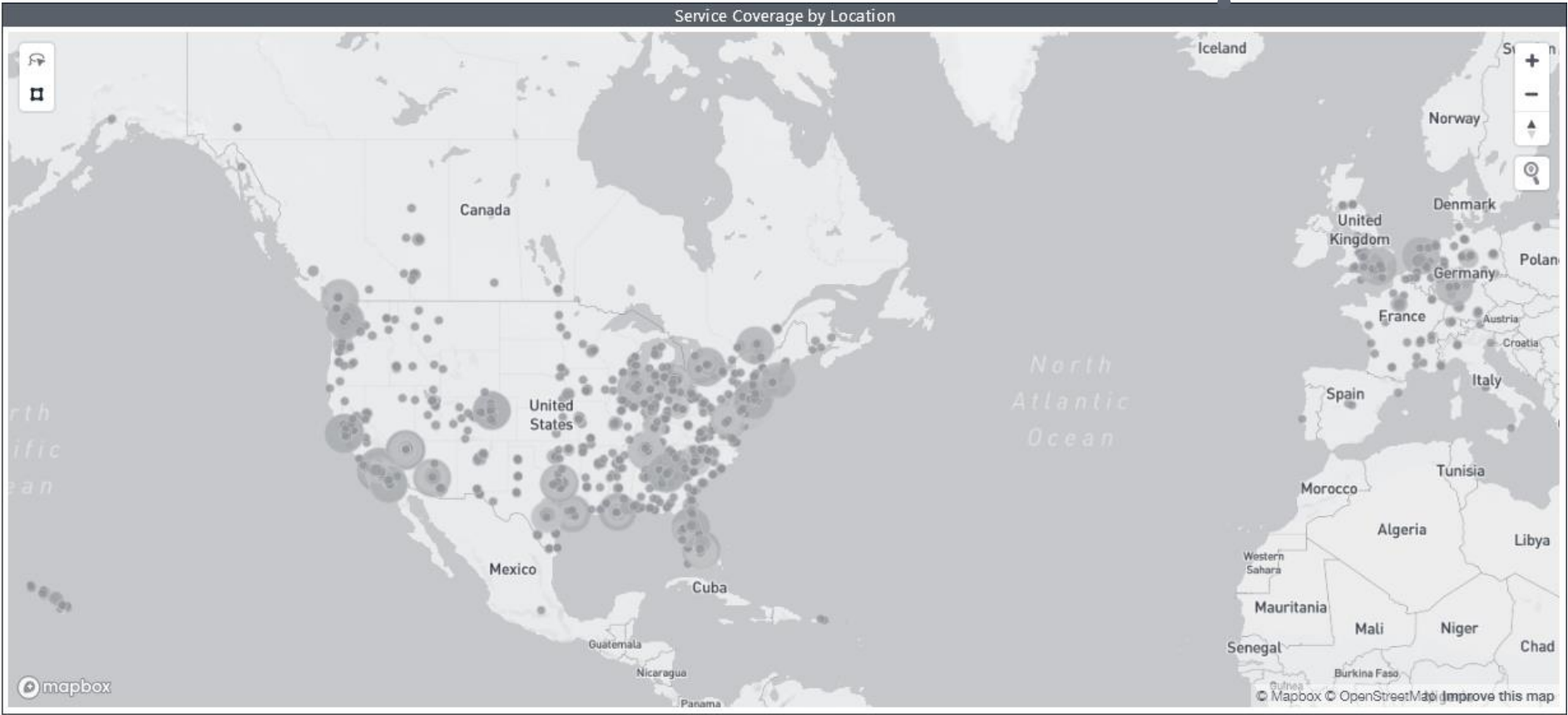
Total Units	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	15.76M	15.24M	17.93M	16.26M	18.10M	17.88M	13.27M	12.05M	16.35M	18.94M	14.79M	11.59M	101.16M
2018	15.47M	13.76M	14.88M	15.25M	15.55M	12.50M	-	-	-	-	-	-	87.40M
YoY	-1.8%	-9.7%	-17.0%	-6.2%	-14.1%	-30.1%	-	-	-	-	-	-	-13.6%

Freight + Labor spend	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	\$ 17.77M	\$ 20.90M	\$ 17.26M	\$ 18.76M	\$ 24.28M	\$ 26.11M	\$ 19.81M	\$ 17.72M	\$ 22.45M	\$ 26.91M	\$ 19.62M	\$ 16.22M	\$ 125.08M
2018	\$ 18.07M	\$ 17.51M	\$ 17.77M	\$ 17.33M	\$ 19.54M	\$ 16.28M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106.50M
YoY	1.7%	-16.2%	3.0%	-7.6%	-19.5%	-37.7%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-14.9%

Total Cost per Unit (Freight + Labor)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	\$ 1.13	\$ 1.37	\$ 0.96	\$ 1.15	\$ 1.34	\$ 1.46	\$ 1.49	\$ 1.47	\$ 1.37	\$ 1.42	\$ 1.33	\$ 1.40	\$ 1.24
2018	\$ 1.17	\$ 1.27	\$ 1.19	\$ 1.14	\$ 1.26	\$ 1.30	-	-	-	-	-	-	\$ 1.22
YoY	3.6%	-7.2%	24.1%	-1.5%	-6.3%	-10.8%	-	-	-	-	-	-	-1.2%

Service network heat map

Heat map of service network based on revenue



Capital appropriation request (car) performance dashboard

Asset performance
committed in the CAR
by the operations team

Actual performance of
current assets for the
corresponding product

CAR PRODUCT FACTSHEET

		Commitment in CAR		Current Actuals		Variance	
Product Code	Product Cost	Rate / Day (\$)	Utilization (%)	Rate / Day (\$)	Utilization (%)	Rate / Day (\$)	Utilization (%)
A	\$6,900	\$19.8	64.0%	\$26.9	48.2%	\$7.10	(15.7%)
B	\$9,062	\$21.3	61.4%	\$27.3	20.8%	\$5.97	(40.6%)
C	\$25,625	\$184.3	25.4%	\$158.9	54.3%	(\$25.43)	28.9%
D	\$11,960	\$91.8	30.0%	\$73.3	40.4%	(\$18.49)	10.4%
E	\$56,553	\$117.1	57.5%	\$288.2	37.7%	\$171.11	(19.8%)

Historical and real-time status of asset base

