

Example: Construction Company BuildIT



Construction Site of WU Vienna's New Campus opened in 2013.
Source: Wikimedia Commons

Equipment Rental Process at BuildIT

- BuildIT is a construction company specialized in public works, such as roads, bridges, pipelines, tunnels and railroads. Within BuildIT, it often happens that engineers working at a construction site (called site engineers) need a piece of equipment, such as a truck, an excavator, a bulldozer, a water pump, etc. BuildIT owns very little equipment and instead it rents most of its equipment from specialized suppliers.
- The existing business process for renting equipment goes as follows. When site engineers need to rent a piece of equipment, they fill in a form called “Equipment Rental Request” and send this request by email to one of the clerks at the company’s depot. The clerk at the depot receives the request and, after consulting the catalogs of the equipment suppliers, selects the most cost-effective equipment that complies with the request. Next, the clerk checks the availability of the selected equipment with the supplier via phone or email. Sometimes the selected option is not available. In these cases, the clerk has to select an alternative piece of equipment and check its availability with the corresponding supplier.
- After finding a suitable and available piece of equipment, the clerk adds the details of the selected equipment to the rental request. Each rental request has to be approved by a works engineer, who also works at the depot. In some cases, the works engineer rejects the equipment rental request. Some rejections lead to the cancelation of the request, i.e., no equipment is rented at all. Other rejections are resolved by replacing the selected equipment with another equipment – such as a cheaper piece of equipment or a more appropriate piece of equipment for the job. In this latter case, the clerk needs to lodge another availability request.

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- When a works engineer approves a rental request, the clerk sends a confirmation to the supplier. This confirmation includes a Purchase Order (PO) for renting the equipment. The PO is produced by BuildIT's financial information system using information entered by the clerk. The clerk also records the equipment rental in a spreadsheet that is used to monitor rentals.
- In the meantime, the site engineer may decide that the equipment is no longer needed. In this case, the engineer asks the clerk to cancel the request for renting the equipment.
- In due time, the supplier delivers the rented equipment to the construction site. The site engineer then inspects the equipment. If everything is in order, the site engineer accepts the engagement and the equipment is put into use. In some cases, the equipment is sent back because it does not comply with the requirements of the site engineer. In this case, the site engineer has to start the rental process all over again.
- When the rental period expires, the supplier comes to pick up the equipment. Sometimes, the site engineer asks for an extension of the rental period by contacting the supplier via email or phone one to two days before pick-up. The supplier may accept or reject this request.
- A few days after the equipment is picked up, the supplier sends an invoice to the clerk by email. At this point, the clerk asks the site engineer to confirm that the equipment was indeed rented for the period indicated in the invoice. The clerk also checks if the rental prices indicated in the invoice are in accordance with those in the PO. After these checks, the clerk forwards the invoice to the financial department. The financial department eventually pays the invoice.