Rental Growth Strategy Average Dish

What is "Average Dish" and the Importance?

- Average Dish = Average revenue dollars for every Auto-Chlor owned machine currently in the field
- / Active ACS Owned Machines (ie. Includes: Bundle Program Revenue, Lease + Chemical Revenue, Lease + Racks Revenue. Calculation <u>does not</u> include Customer Owned Bundle or Customer Owned Chemical Programs) Calculation Used: Total Leased Dish Machine & Leased Dish Machine Chemical Revenue
- Main contributor to average route stop revenue
- Helps our managers gauge the current state of the business and dictate the future to keep up with & sustain business health with ongoing inflation.
- Works in collaboration with average hand % to dictate total revenue per stop
- Example: \$100,000 in rental & lease plus chemical revenue / 400 machines = Average Dish \$250
- Key Impact Areas: Sell Profitable/Sustainable Business (Volume & Long Term), Consistent Price Increase Strategy, Controlling Lost Business, Filled Sales Positions with Performing Reps, Limit Discounting

Add One \$800 Conveyor Machine to the Branch

Current Situation

Impact Moment

Adding \$800 Conveyor

+1 Machine

(750 Machines x \$250 Revenue Per Machine)

\$187,500 Revenue

750 Active Machines

\$250.00 Average Dish

+\$800 revenue

Result

751 Active Machines

\$188,300 Revenue (Additional of \$800)

(+0.73 - due to one machine) \$250.73 Average Dish

Addition of 80 machine units with average revenue of \$300

Current Situation

Impact Moment

Adding 80 units

+\$24,000 revenue

(80 machines \times \$300 per machine = \$24,000)

+80 Machines

(750 Machines x \$250 Revenue Per Machine)

\$187,500 Revenue

750 Active Machines

\$250.00 Average Dish

Result

830 Active Machines

\$211,500 Revenue (Additional of \$24,000)

\$254.82 Average Dish (+4.82 – due to 80 machines)

Loss of 20 Units Billing at Less than Minimum Rate (Avg \$210)

Current Situation

Impact Moment

Result

750 Active Machines

(750 Machines x \$250 Revenue Per Machine) \$187,500 Revenue

\$250.00 Average Dish

Removing 20 Units

-\$4,200

(20 machines \times \$210 per machine = \$4,200)

-20 Machines

730 Active Machines

\$183,300 Revenue (Reduction of \$4,200)

\$251.10 Average Dish

(+1.10 - due to 20 machine reduction)

Price Increase 35% of Machines with \$15 average

Current Situation

Impact Moment

Result

262 Price Increases @ \$15 AVG

(262 price increases × 515 average increase = \$3.930)

+0 Machines

\$191.430 Revenue

750 Active Machines

(Addition of \$3,930)

(+5.24 with 0 additional machines) \$255.24 Average Dish

(750 Machines x \$250 Revenue Per Machine)

\$187,500 Revenue

750 Active Machines

\$250.00 Average Dish

2 Sales Reps, Average Loss, and Price Increase Strategy

Current Situation

Rep Impact

120 Units @ \$285 Average

Loss Impact

50 Lost Accounts @ \$245 Average

Price Increase Impact

Result

200 Price Increases @ \$10 Average

750 Active Machines

\$187,500 Revenue
750 Machines x \$250 Revenue Per Machine)

\$250.00 Average Dish

+\$34,200 revenue -\$12,250 revenue

-50 Machines

+120 Machine

+\$2,000 revenue

+0 Machines

820 Active Machines (750 + 120 – 50 = 820)

\$211,450 Revenue (187,500 + 34,200 – 12,250 + 2,000 = 211,450)

\$257.87 Average Dish (+\$7.86)

10 min

Developing Rental Revenue Growth Strategy

- Determine branch price increase strategy (Total Targeted & Average Increase \$)
- Determine trends of lost business and estimate any future losses
- Analyze current new business growth and determine next 13 period estimates for new leases
- Review previous years sales revenue and determine if there are any seasonal increases/decrease for the branch

Rental Revenue Strategy without Seasonal Business

Example Includes: 1. Starting Rental from P13 of \$150,000 2.83 New Leases averaging \$335 3.43 Lost Units averaging \$275 4. Branch Net Gain of 47 units 5. 162 Price Increases at \$18 average increase

Total Revenue Current \$151,126 \$153,121 \$154,576 \$156,258 \$157,940 \$159,622 \$161,304 \$162,986 \$164,668 \$166,015 \$166,752 \$167,489 \$168,226 \$2,090,083	7-0	# of Price increase x Average S Per Increase 12			# of Lost Unites x-Average \$ Per Unit 41	Lost Business \$ \$	100	# of New Units x Average S Per Unit 61	New Leases \$ \$		Previous Period Rental \$1	
51,126	ń	12 P.J x \$18	\$216	+	4 Lost x \$275	\$1,100	,	6 Units x \$335	\$2,010	+	\$150,000	P1
\$153,121	н	45 P.J × \$18	\$810	+	3 Lost x \$275	\$825		6 Units x \$335	\$2,010	+	\$151,126	P2
\$154,576	11	15 P.I × \$18	\$270	+	3 Lost x \$275	\$825	,	6 Units x \$335	\$2,010	+	\$153,121	Р3
\$156,258	11	9 P.J x \$18	\$162	+	3 Lost x \$275	\$825	3	7 Units x \$335	\$2,345	+	\$151,126 \$153,121 \$154,576 \$156,258 \$157,940 \$159,622 \$161,304 \$162,986 \$164,668 \$166,015 \$166,752 \$167,489	P4
\$157,940	11	9 P.I x 518	\$162	+	3 Lost x \$275	\$825	3	7 Units x \$335	\$2,345	+	\$156,258	P5
\$159,622	11	9 P.I x \$18	\$162	+	3 Lost x \$275	\$825	,	7 Units x \$335	\$2,345	+	\$157,940	P6
\$161,304	11	9 P.I x \$18	\$162	+	3 Lost x \$275	\$825	î	7 Units x \$335	\$2,345	+	\$159,622	P7
\$162,986	ij.	9 P.I x \$18	\$162	+	3 Lost x \$275	\$825		7 Units x \$335	\$2,345	+	\$161,304	P8
\$164,668	н	9 P I x 518	\$162	+	3 Lost x \$275	\$825	t	7 Units x \$335	\$2,345	+	\$162,986	P9
\$166,015	ш	9 P.J x \$18	\$162	+	3 Lost x \$275	\$825	ŧ	6 Units x \$335	\$2,010	+	\$164,668	P10
\$166,752	ur:	9 P.I x \$18	\$162	+	4 Lost x \$275	\$1,100	1	5 Units x \$335	\$1,675	+	\$166,015	P11
\$167,489	,,	9 P.I. \$18	\$162	+	4 Loss×\$275	\$1,100	,	5 Unit x \$335	\$1,675	+	\$166,752	P12
\$168,226	11	9 P.1 x \$18	\$162	+	4 Lost x \$275	\$1,100	r	5 Units x \$335	\$1,675	+	\$167,489	P13
\$2,090,083			\$2,916			\$11,825			\$27,135		CIDIOI	1

Average Dish - Current Period	Previous Period Active + Net Gain	Active Machines - Current Period		Total Rental Revenue Current \$151,126 \$153,121 \$154,576 \$156,258 \$160,440 \$162,222 \$163,904 \$165,486 \$164,668 \$166,015 \$165,252 \$165,989 \$168,226
\$277.30	11	545	.1.	\$151,126
\$277.30 \$279.42 \$280.54 \$281.55 \$287.01 \$288.14 \$289.07 \$289.82 \$286.38 \$287.22 \$284.92 \$285.70 \$289.05	11	548	.1.	\$153,121
\$280.54	n	551	-1-	\$154,576
\$281.55	11	555	.1.	\$156,258
\$287.01	11	559	-1-	\$160,440
\$288.14	ĴI .	563	-1-	\$162,222
\$289.07	ш	567	-1-	\$163,904
\$289.82	11	571		\$165,486
\$286.38	п	575	4.	\$164,668
\$287.22	11	578	.1.	\$166,015
\$284.92	11.	580	٠١٠	\$165,252
\$285.70	ne.	581	-1-	\$165,989
\$289.05	II	582	.1.	\$168,226

Rental Revenue Strategy with Seasonal Business

Example Includes: 1. Starting Rental from P13 of \$150,000 2. 83 New Leases averaging \$335 3. 43 Lost Units averaging \$275 4. Branch Net Gain of 47 units 5. 162 Price Increases at \$18 average increase 6. Seasonal Increases of \$2,600 in periods 5 thru 8 and seasonal decreases in p11 & 12 of \$1,500

seasonal variance \$ \$0 \$0	50	2	+/- +/-	Total Rental Revenue before \$151,126 \$153,121 \$154,576 \$156,258	ii II	# of Price increase: x Average \$ Per Increase 12 P.I. x \$18 45 P.I. x \$18		* + 1 .+	# of Lost Unites x Average S Per Unit 4 Lost x \$275 3 Lost x \$275			# of New Units x Average S Per Unit 6 Units x \$335 6 Units x \$335	New Leases \$ \$2,010 \$2,010	+	Previous Period Rental \$150,000 \$151,126	P1 P2
	11	\$0	+/-	\$154,576	Ü	15 PJ x \$18	\$270	+	3 Lost x \$275	\$825	*	6 Units x \$335	\$2,010	+		P3
Total Rental Revenue Current \$151,126 \$153,121 \$154,576 \$156,258	11	\$0	+,-	\$156,258	н	9 P.I x \$18	\$162	+	3 Lost x \$275	\$825		7 Units x \$335	\$2,345	+	\$154,576	P4
\$160,540 \$162,222	11	\$2,600	4	\$157,940	н	9 P.J x 518	\$162	+	3 Lost x \$275	\$825	*	7 Units x \$335	\$2,345	+	\$156,258	PS
	11	\$2,600	4	\$157,940 \$159,622 \$161,304	11	9 P.) x \$18	\$162	+	3 Lost x \$275	\$825	ï	7 Units x \$335	\$2,345	+	\$153,121 \$154,576 \$156,258 \$157,940 \$159,622 \$161,304 \$162,986 \$164,668	P6
\$163,904	п	\$2,600	+	\$161,304	п	9 P.I x \$18	\$162	+	3 Lost x \$275	\$825		7 Units x \$335	\$2,345	+	\$159,622	P7
\$165,586	11	\$2,500	uļu	\$162,986	11	9 P.J x \$18	\$162	+	3 Lost x \$275	\$825		7 Units x \$335	\$2,345	+	\$161,304	P8
\$164,668	и	\$0	+/-	\$164,668	II.	9P.1 x \$18	\$162	+	3 Lost x \$275	\$825	ţ	7 Units x \$335	\$2,345	+	\$162,986	Р9
\$166,015	'n	\$0	+/-	\$166,015	11	9PJ x \$18	\$162	+	3 Lost x \$275	\$825		6 Units x \$335	\$2,010	+	\$164,668	P10
\$165,252	н	(\$1,500)	,	\$166,752	11	815 × 14 5	\$162	+	4 Lost x \$275	\$1,100	•	5 Units x \$335	\$1,675	+	\$166,015	P11
\$165,989	B	(\$1,500)	1	\$167,489	11	9 P.I x 518	\$162	+	4 Lost x \$275	\$1,100	3	5 Units x (335	\$1,675	+	\$166,752	P12
\$168,226	n,	\$0	+/-	\$168,226	II.	9P. x \$18	\$162	+	4 Lost x \$275	\$1,100	,	5 Units x \$335	\$1,675	+	\$166,015 \$166,752 \$167,489	P13
\$166,015 \$165,252 \$165,989 \$168,226 \$2,097,483		\$7,400		\$167,489 \$168,226 \$2,090,083			\$2,916			\$11,825			\$27,135		CIDIOI	Total c

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\$277.30	II	545	-1-	\$151,126
\$277.30 \$279.42 \$280.54 \$281.55 \$287.19 \$288.14 \$289.07 \$289.99 \$286.38	- 0 -	548	-1-	\$153,121
\$280.54	п	551	-1-	\$154,576
\$281.55	u	555	٠١٠	\$156,258
\$287.19	ш	559	.1.	\$160,540
\$288.14	Ш	563	-1-	\$162,222
\$289.07	II	567	- -	\$163,904
\$289.99	н	571	٠١٠	\$165,586
\$286.38	11	575	-1-	\$164,668
\$287.22	n	578	-1-	
\$284.92	11	580	.1.	\$165,252
\$287.22 \$284.92 \$285.70 \$289.05	n	581	-1-	\$166,015 \$165,252 \$165,989 \$168,226
\$289.05		582	-1-	\$168,226