

Average Dish Rental Growth Strategy

What is “Average Dish” and the Importance?

- Average Dish = Average revenue dollars for every Auto-Chlor owned machine currently in the field
- Calculation Used: Total Leased Dish Machine & Leased Dish Machine Chemical Revenue / Active ACS Owned Machines (ie. Includes: Bundle Program Revenue, Lease + Chemical Revenue, Lease + Racks Revenue. Calculation does not include Customer Owned Bundle or Customer Owned Chemical Programs)
- 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

Impact Examples to Average Dish

Add One \$800 Conveyor Machine to the Branch

Current Situation	Impact Moment	Result
750 Active Machines	+\$800 revenue	751 Active Machines
\$187,500 Revenue <small>(750 Machines x \$250 Revenue Per Machine)</small>	+1 Machine	\$188,300 Revenue <small>(Additional of \$800)</small>
\$250.00 Average Dish		\$250.73 Average Dish <small>(+0.73 – due to one machine)</small>

Impact Examples to Average Dish

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

Current Situation	Impact Moment	Result
750 Active Machines		830 Active Machines
\$187,500 Revenue <small>(750 Machines x \$250 Revenue Per Machine)</small>	+\$24,000 revenue <small>(80 machines x \$300 per machine = \$24,000)</small>	\$211,500 Revenue <small>(Additional of \$24,000)</small>
\$250.00 Average Dish	+80 Machines	\$254.82 Average Dish <small>(+4.82 – due to 80 machines)</small>

Impact Examples to Average Dish

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

Current Situation	Impact Moment	Result
750 Active Machines		730 Active Machines
\$187,500 Revenue	- \$4,200	\$183,300 Revenue
(750 Machines x \$250 Revenue Per Machine)	(20 machines x \$210 per machine = \$4,200)	(Reduction of \$4,200)
\$250.00 Average Dish	-20 Machines.	\$251.10 Average Dish
		(+1.10 – due to 20 machine reduction)

Impact Examples to Average Dish

Price Increase 35% of Machines with \$15 average

Current Situation	Impact Moment	Result
750 Active Machines		750 Active Machines
\$187,500 Revenue (750 Machines x \$250 Revenue Per Machine)	+0 Machines (262 price increases x \$15 average increase = \$3,930)	\$191.430 Revenue (Addition of \$3,930)
\$250.00 Average Dish		\$255.24 Average Dish (+5.24 with 0 additional machines)

Impact Examples to Average Dish

2 Sales Reps, Average Loss, and Price Increase Strategy

Current Situation	Rep Impact	Loss Impact	Price Increase Impact	Result
	120 Units @ \$285 Average	50 Lost Accounts @ \$245 Average	200 Price Increases @ \$10 Average	
750 Active Machines	+ \$34,200 revenue	- \$12,250 revenue	+ \$2,000 revenue	820 Active Machines (750 + 120 - 50 = 820)
\$187,500 Revenue <small>(750 Machines x \$250 Revenue Per Machine)</small>	+ 120 Machine	- 50 Machines	+ 0 Machines	\$211,450 Revenue (187,500 + 34,200 - 12,250 + 2,000 = 211,450)
\$250.00 Average Dish				\$257.87 Average Dish (+\$7.86)

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

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total \$
Previous Period Rental	\$150,000	\$151,126	\$153,121	\$154,576	\$156,258	\$157,940	\$159,622	\$161,304	\$162,986	\$164,668	\$166,015	\$166,752	\$167,489	

New Leases \$	\$2,010	\$2,010	\$2,010	\$2,345	\$2,345	\$2,345	\$2,345	\$2,345	\$2,345	\$2,010	\$1,675	\$1,675	\$1,675	\$27,135
# of New Units x Average \$ Per Unit	6 Units x \$335	6 Units x \$335	6 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	6 Units x \$335	5 Units x \$335	5 Units x \$335	5 Units x \$335	

Lost Business \$	\$1,100	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$1,100	\$1,100	\$1,100	\$11,825
# of Lost Units x Average \$ Per Unit	4 Lost x \$275	3 Lost x \$275	3 Lost x \$275	3 Lost x \$275	3 Lost x \$275	3 Lost x \$275	3 Lost x \$275	3 Lost x \$275	3 Lost x \$275	3 Lost x \$275	4 Lost x \$275	4 Lost x \$275	4 Lost x \$275	

Price Increase \$	\$216	\$810	\$270	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$2,916
# of Price Increase x Average \$ Per Increase	12 P1 x \$18	45 P1 x \$18	15 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	

Total Rental Revenue Current Period	\$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
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Total Rental Revenue Current Period	\$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	
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Active Machines - Current Period	545	548	551	555	559	563	567	571	575	578	580	581	582	
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Average Dish - Current Period	\$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	
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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

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total \$
Previous Period Rental	\$150,000	\$151,126	\$153,121	\$154,576	\$156,258	\$157,940	\$159,622	\$161,304	\$162,986	\$164,668	\$166,015	\$166,752	\$167,489	
	+	+	+	+	+	+	+	+	+	+	+	+	+	
New Leases \$	\$2,010	\$2,010	\$2,010	\$2,345	\$2,345	\$2,345	\$2,345	\$2,345	\$2,345	\$2,010	\$1,675	\$1,675	\$1,675	\$27,135
# of New Units x Average \$ Per Unit	6 Units x \$335	6 Units x \$335	6 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	7 Units x \$335	6 Units x \$335	5 Units x \$335	5 Units x \$335	5 Units x \$335	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lost Business \$	\$1,100	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$1,100	\$1,100	\$1,100	\$11,825
# of Lost Units x Average \$ Per Unit	4 Unit x \$275	3 Unit x \$275	3 Unit x \$275	3 Unit x \$275	3 Unit x \$275	3 Unit x \$275	3 Unit x \$275	3 Unit x \$275	3 Unit x \$275	3 Unit x \$275	4 Unit x \$275	4 Unit x \$275	4 Unit x \$275	
	+	+	+	+	+	+	+	+	+	+	+	+	+	
Price Increase \$	\$216	\$810	\$270	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$2,916
# of Price Increase x Average \$ Per Increase	12 P1 x \$18	46 P1 x \$18	15 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	9 P1 x \$18	
	=	=	=	=	=	=	=	=	=	=	=	=	=	
Total Rental Revenue before Seasonal Variance	\$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
	+/-	+/-	+/-	+/-	+	+	+	+	+/-	+/-	-	-	+/-	
Seasonal Variance \$	\$0	\$0	\$0	\$0	\$2,600	\$2,600	\$2,600	\$2,600	\$0	\$0	(\$1,500)	(\$1,500)	\$0	\$7,400
	=	=	=	=	=	=	=	=	=	=	=	=	=	
Total Rental Revenue Current Period	\$151,126	\$153,121	\$154,576	\$156,258	\$160,540	\$162,222	\$163,904	\$165,586	\$164,668	\$166,015	\$165,252	\$165,989	\$168,226	\$2,097,483
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Active Machines - Current Period	545	548	551	555	559	563	567	571	575	578	580	581	582	
Previous Period Active = Net Gain	=	=	=	=	=	=	=	=	=	=	=	=	=	
Average Dish - Current Period	\$277.30	\$279.42	\$280.54	\$281.55	\$287.19	\$288.14	\$289.07	\$289.99	\$286.38	\$287.22	\$284.92	\$285.70	\$289.05	