

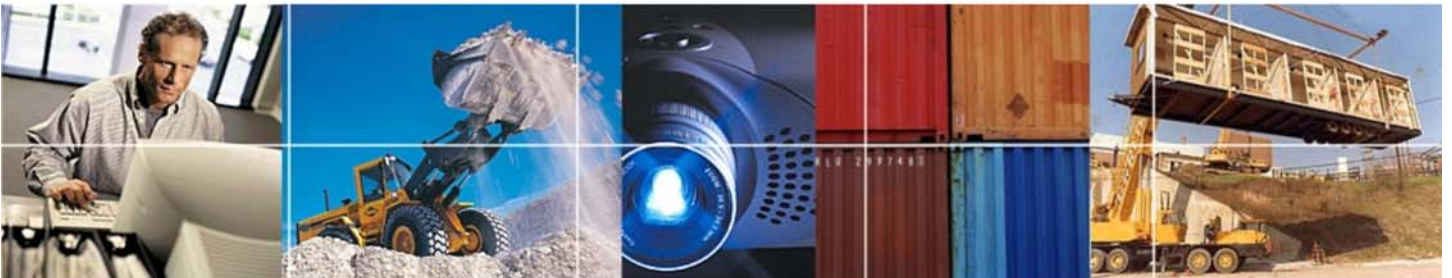


WHITE PAPER

The **ADVANTAGE** of a fully integrated business system:

A Solution for:

Increasing operational efficiencies within businesses that sell, service and/or rent equipment.





R M I Corporation

Business Report

This report is for owners/managers that work for businesses that sell, service and/or rent equipment to other businesses. As an owner/manager you are faced with the challenge of growing your business with limited resources. The question you face is :

How can I best achieve my growth objectives with the lowest possible investment?

There are at least three areas competing for the investment dollars needed to achieve your growth objectives. They are:

- 1. Inventory – The more you have the more you can sell or rent, right? Is having more inventory on hand the best way to achieve your growth objectives? Can you deliver increased levels of Customer Service and increase your revenues without necessarily increasing your investment in inventory?*
- 2. People / staffing – It takes people to run your business. Does business growth require commensurate increase in staffing levels?*
- 3. Business Processes / Efficiency – Can you improve your business processes so that you can increase your levels of Customer Satisfaction and, thus your overall revenue and profits, without having to increase your investment in Inventory and/or People?*

The first two areas listed are easy to address. All you need is money and patience and you can add to your inventory levels and add people to your employment roles. But, is this the best way to achieve your objectives? As your business grows, you will find that what worked when your business was small stops working as your business grows. As you add more inventory and more people you may actually find that things break even faster than they did before! Thus the need for solid business processes.

In Michael Gerber's book "The E-Myth", he talks about the need for businesses to establish appropriate business processes so that the business can grow and prosper without total reliance on a small number of key employees. Gerber's basic premise is "you may not be able to manage people but, you can manage systems." Thus, if you focus on implementing and managing solid business processes and manage those processes through systems, you can in fact achieve your growth potential.



To realize the benefits of new and improved business processes you must be willing to change the way you do things. Fortunately, many of today's newest software systems deliver automated business processes that are the result of collaborative efforts between software companies and businesses like yours that have achieved success through improved business processes. These systems deliver automated business processes that have been proven to work within their target industry.

* * * * *

This "White Paper" is intended to stimulate thought on the topic of growing your business through better business practices. It delves into many of the business processes that you deal with on a daily basis and identifies benefits that can be achieved by improving your processes in each area.

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RMI, Inc.
40 Darling Drive
Avon, CT 06001
United States of America

Telephone: 800.252.5011
Facsimile: 860.677.2454
Web Address: www.rmiusa.com





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The Challenge:

Implement a Management System that will improve our business processes in the following areas.

■ Front Office

- Relationship Management
- Sales Order Processing (*includes Whole Goods and Parts*)
- Service Order Processing
- Rentals

By improving our business processes in these areas, we can expect to increase our customer service levels while increasing our revenue and related profitability by upwards of 20% without a commensurate need for additional staff and inventory.

■ Operations

- Warehouse Management
- Inventory Management
- Asset Management
- Service Item Management
- Purchasing and Payables

Studies show that effective inventory management and operations processes can reduce operating costs by as much as 20% - 30%. We would like to achieve these same results.

■ Back Office

- Human Resources and Payroll
- General Accounting
- Job Costing
- Credit and Collections

We are a complete business. Shouldn't our management system provide for all of our business processes? Our current approach of using multiple, disconnected systems is costing us time and money and makes us have to wait too long to get the information we need to run our business!

The system must be built upon latest available technology with a clear vision towards constant improvement as our industry changes and as technology advances.

The Issues:

The solution that we select to implement must:

- Be designed to meet the unique requirements of businesses that sell, service and/or rent equipment to other businesses.

Solution Providers have been addressing Specific Industry Needs for quite some time now. Doesn't it make sense to adopt a system that was designed for my specific industry?



- Be fully integrated so that transactions that are processed through one section of the system automatically and immediately update all other relevant sections of the system.

Double entry and/or balancing and reconciling multiple systems is costly and un-necessary.

- Be flexible enough to support changes that are required to meet our unique business requirements without destroying our ability to stay current with latest releases/updates from the software supplier.

We cannot identify 100% of my needs for today and tomorrow. We must adopt a system that is flexible enough to change with my business.

- Offer flexible reporting options in addition to having extensive “out-of-the-box” reporting functionality.

We do not want to be limited in the area of reporting. We need a system that offers excellent reporting out-of-the-box but also allows us to create our own reports as the need arises.

- Be supported by an organization that has extensive experience with the system itself and, with our industry in particular.

We cannot afford to teach our solution provider about our business. In fact, it would be to our benefit to work with a solution provider that has worked with other businesses like ours so that we can learn industry best practices from them.

- Be built upon Microsoft Technology. Other technologies will be considered but there must be compelling reason(s) for selecting a solution that is based upon technology that is not as widely used, known and/or supported, as is Microsoft Technology.

Our workforce is more familiar with Microsoft Applications than any other software application. Doesn't it make sense to adopt technology that our workforce is already familiar with rather than having to teach them a unique system?

The following section will provide more detail as to functionality issues that must be addressed by the solution.



Front Office:

The following functional areas make up what is commonly referred to as Front Office activities.

- Relationship Management
- Sales Order Processing (*includes Whole Goods and Parts*)
- Service Order Processing
- Rentals

Let us take some time to highlight the major activities performed in each area. While we are at it, we will point out how a well thought out system can help improve your business processes and make you more efficient at what you do.

Relationship Management:

Relationship Management Systems are designed to deliver business processes that make you more efficient at managing and using your Contact information.

Many businesses think that they have good control over this valuable information when in fact they do not. Having your sales reps maintain individual databases of their contacts on their own laptops does not constitute good control of this valuable resource. If your business does not maintain a central database containing all contact information you are in for a rude awakening whenever a sales rep leaves your employ!

As a business that derives its revenues primarily from other businesses, you need a Contact Management system that differentiates between Contact Businesses and the Contact People that work for those businesses. The Contact Database is a centralized (though it can be accessed remotely) repository of information related to all of your contacts. The primary benefit derived from your contact database is a single point of storage and retrieval (rather than having individual databases that move with your sales reps) of the following information:

- Communication information including:
 - Mailing address(es)
 - Phone numbers
 - E-Mail addresses
- Demographic information including:
 - Contact Business related information
 - Business Relationship with the Contact (i.e. are they a customer, prospect, vendor etc.)
 - Industry Segment that the contact operates within (different industry segments may receive different marketing messages from your business).
 - Business Profile information related to size of the contact business, its relative fit for your products and services and other business profiling information that you may wish to track as it relates to your contact business.



- Contact People related information including:
 - Mailing Groups that this person belongs to
 - Job Responsibility(ies) of the Contact Person
 - Organization Level maintained by this person
 - Other individual profiling information that you can use to help you direct the appropriate message to the appropriate person.
- Contact History including:
 - Revenue history with the contact business
 - Marketing activities conducted towards the Contact Business and Related people.
- To-do tracking and planning – who is scheduled to do what and when as it relates to each contact within your database. To-do's can be linked to Microsoft Outlook.
- Opportunity tracking and management – What revenue opportunities are currently open with each contact including information as to where we stand within the sales cycle with each contact.

A well designed and managed Contact Database will make it possible to create and deliver well-targeted Marketing Campaigns that will lead to increased revenue for your business. By using the demographic information stored within your database, you will be able to target your message to the recipient so that your efforts have laser like accuracy as opposed to using the old shotgun approach to marketing.

Example scenario: After reviewing your rental fleet availability report you determine that you would like to become a little more pro-active with the rental process. You decide it would be a good idea to contact all customers that have rented the same or similar equipment during the past year to make them a special offer to re-rent the same equipment again.

From your Relationship Management System, you should be able to create a Mailing, Blast Fax, E-mail and/or Call Campaign that identifies all contacts within your database that have rented the equipment in question during the time-period in question. From this Campaign Segment you should be able to create the mailing, fax etc. Finally, as contacts respond to this Marketing Campaign your system can track the success rate in terms of responses and actual revenue generated from the Campaign.

Conclusion – A well-constructed Relationship Management Solution will give you the tools to maximize your revenues without having to increase your investment in other aspects of your business. A centralized Contact Database means that you retain control over your valuable Contact information.



Sales Order Processing:
(Includes whole goods and parts)

The Sales Order Process picks up where your marketing efforts leave off. The Sales Order Process flows from Quote to Cash with various reporting mechanisms along the way. Whether you are selling whole goods, replacement/repair parts and/or services your system must help you manage and control the entire process.

Sale of Whole Goods:

The term “Whole Goods” is synonymous with “Finished Product.” It is used to represent an item that is made up of sub-assemblies and parts that may also be sold individually as repair assemblies and parts. The Whole Good represents the item that you are selling and that serves as the basis point for all future repairs.

For example, let’s say that your business sells, services and rents computers and related equipment. Generally speaking, your “Whole Goods” would be made up of Computers, Displays and Printers. Each unit has unique attributes, unique serial numbers and unique warranty terms.

When selling Whole Goods you may have the need to:

- Begin the process by issuing a quote that can be easily converted to an order upon customer acceptance of the quote.
- Track unit serial numbers and/or manufacturing lot numbers.
- Have the ability to sell from inventory as well as the ability to “drop ship” and/or special order the item from the manufacturer.
- Track and manage “Floor Plan” or other inventory financing associated with the item.
- Track, (and, perhaps bill back to the Manufacturer) equipment setup and prep activity.
- Identify appropriate pricing for the unit and customer involved in the transaction.
- Have the ability to receive a trade-in item against the sale. Depending upon sales tax rules for the jurisdiction in which the sale is taking place, sales tax may be applied against the gross sales amount or in some jurisdictions sales tax may be applied against the net sale amount (after credit for trade-in).
- Have the ability to process the customer’s payment by credit card, cash or other means as appropriate including electronic transfer of funds from the customer’s bank account to yours.
- Calculate and report upon any resulting Commission(s) that will be earned as a result of the sale (applies to rental and service transactions as well).
- Automatically assess and report upon appropriate Sales and Use Tax associated with the sale.



- Associate the unit being sold to a Job and/or Project for which the item being sold is only one of many transactions that will take place for the Job/Project.
- To assign the delivery function and have the ability to track the delivery of the item through a 3rd party common carrier.
- Instantly include the results of the completed sale within all financial reporting mechanisms including Profit and Loss Statements, Revenue Analysis Reports etc. as well as including the information on all user screens so that everybody in the organization (with the right to know) does in fact know what's going on.

The Sale of Whole Goods may be what drives the Parts, Service and/or Rental portions of your business. It is important that your system successfully supports you in this area. By doing so, you will be more able to “act intelligently” with your customer during the initial sales process and more importantly, throughout your relationship with your customer.

Parts Sales:

Parts Sales are very much like Whole Good Sales. Parts Sales can however be significantly impacted based upon the Whole Good that the part is being purchased for.

Parts sales may result from the direct customer order of a part or, they may be the result of consuming parts within a service operation. The issues associated with parts sales include most, if not all, the issues associated with the sale of whole goods in addition to the following:

- The parts sales process must accommodate the sale of “Non-stock” items.
- The consumption of parts inventory must feed into a replenishment process that maintains appropriate inventory quantities on-hand. At the same time, the replenishment process must comply with parts ordering processes imposed by the manufacturer that are designed to yield lowest cost of acquisition.
- When selecting parts for sale, you should have the option of selecting OEM parts as well as after-market parts that may be valid substitutes.
- Many times the sale of a part involves a “Core Charge” for the return of the used part that is being replaced. Your system must accommodate this charge and make it possible to refund the charge upon return of the used part. (Core Charges also come into play with your supplier. As a result, the Purchasing and Payables and Inventory Control aspects of your system must also provide support for manufacturer's Core Charges).

Parts Sales (and to some extent Whole Good Sales) have a very tight relationship with Service Management, Inventory Control, Warehouse Management, Purchasing and Payables sub-systems. Be sure to review those sections of this document for more information.



A fully integrated parts system will automatically update all related sub-systems every time a part is consumed/sold. This tight integration means that you will always have appropriate inventory on-hand where needed without the need to over invest in excess inventory.

Service Order Processing:

Service Order Processing addresses the business processes associated with keeping a piece of equipment up and running. Services may be performed against,

- New equipment being prepped for sale
- Customer owned equipment
 - Purchased from you
 - Purchased from someone other than you
- Rental Fleet Assets
- Company owned Service Equipment

Your system needs to be able to address all of the above.

Service work is performed on the following basis:

- Warranty services billed back to the manufacturer
- Time and Material billed to the Customer
- Service Contract where work is covered under a pre-paid service agreement.
- No-charge (or, internal charge-back) basis for internal equipment and rental fleet repairs.

Your service system cannot ignore any of these areas.

In addition to tracking equipment and billing models the Service Order Processing system must have the ability to:

- Match Service Technicians Skill set to Equipment requirements, Customer Location and/or Customer Preference.
- Dispatch Service Technicians to Service Orders
- Capture Technician Time and Billing Rates against the Service Order.
- Capture and report upon the Service History related to a Service Item.
- Provide 2-way communication to a Service Technician working in the field via mobile PDA.
- Schedule Service based upon the passage of time and or metered usage.



Managing people is the most difficult aspect of running a successful business. Your service system should provide significant assistance in this area.

Finally, your Service Order Processing System should provide reporting related to:

- Equipment Fault Areas and Reasons
- Equipment Fault Symptoms
- Fault Resolutions

A fully integrated Service Order Processing Solution will automatically update all related data tables upon opening, working on, and closing a Service Work Order. Complete Service History should be available on a Service Item by Service Item basis.

This “history” will make it possible to track costs associated with maintaining each service item along with related profitability measures to make sure you are generating adequate returns from your service operations.

Rentals:

Whether Equipment Rentals represents 100% of your total company revenue or less than 20%, managing rentals and rental fleet inventory can pose the biggest challenge to business management systems.

Your Rental System must deliver both Rental Fleet Inventory and Rental Order Processing functionality.

Rental Fleet Inventory:

Your system must have the ability to establish a list of Rental Products that you offer to your customers. For each Rental Product you must have the ability and option to track actual units of inventory on a Serialized or non-serialized (qty tracked only) basis. Inventory must be appropriately costed. Rental Fleet Management functionality includes the ability to:

- Calculate and report upon depreciation history of a rental asset.
- Calculate and record depreciation entries as well as the entries necessitated upon the sale of a used rental unit.
- Track and report upon Return on Investment (ROI) generated by each unit of inventory as well as on classes and/or sub-classes of equipment.
- Track the current status of all rental units
 - How many units are owned (by location)?
 - How many units are available for rent?
 - How many units are ready for rent?
 - How many units are awaiting check-in or check-out?



- How many units are in repair
 - Etc.
- Providing tracking and selection capabilities based upon equipment configuration and/or attributes.
- Allow for wide range and type of meters that may be attached to a rental unit. For example:
 - Engine hour meter
 - Fuel tank
 - Etc.

Meters must have the ability to increment upwards or downwards to represent usage. Metered usage must have the ability to form the basis of service scheduling and form the basis for additional charges that may result from excess usage of the equipment (e.g. running a piece of equipment for more than 8 hours per day may result in additional charges for the excess hours).

- Carry regional pricing in addition to other pricing variables that may occur when providing equipment rentals of a wide array of products to a wide range of customers over a wide range of geography.
- Provide information needed to report Property Tax information to all taxing jurisdictions.
- Process and Track “Sub-Rentals” from other suppliers as needed to meet customer demand.
- Interface to the Purchasing System so as to track equipment purchases.

You make money renting what you have! Your rental inventory management system must make it easy for you to match your equipment availability to the needs of your customers. A good rental inventory system will help you increase utilization of your fleet which translates to increased revenues/profits.

Rental Order Processing:

A rental transaction consists of the equipment to be rented coupled with at least three different time-periods. The time-periods consist of:

1. **Rental Term** – The period of time that the customer intends to (or, actually) maintains possession of the equipment being rented. The rental term is typically expressed in terms of days, weeks, months or even hours. Some times the rental term is known at the inception of the rental transaction and sometimes the rental term cannot be determined until the customer completes the task for which the equipment was rented (also known as an “indefinite” rental term).
2. **Price Period** – The period of time for which the stated price allows the user to retain possession of the equipment being rented. For example, with a rental rate of \$100 per month, the



customer will be invoiced for \$100.00 for each month in which he retains possession of the equipment.

- 3. Billing Period** – The frequency with which invoicing will occur. Using the example stated above, invoicing will likely take place on a monthly basis. However, there is not necessarily a requirement for monthly billing in that example. Your system should support billing periods that are stated in different terms than the price period. For example, you may rent a piece of equipment for \$15/week but invoice monthly (where a month is expressed as being 4 weeks in length) in advance (or, in arrears if you prefer).

In some instances, the final details of the rental transaction are not known until the customer actually returns the equipment. This situation is best demonstrated with the following pricing example where the published rental rates are as follows:

Daily Rate	-	\$100.00 per day
Weekly Rate	-	\$300.00 per week
Monthly Rate	-	\$900.00 per month

Some refer to the pricing example given above as 3 X 3 pricing where the weekly rate is 3 times the daily and the monthly rate is 3 times the weekly rate. Others might say that after you have rented the equipment for 3 days you get to keep it for up to 4 more days (total of 1 week) “for free.”

You can quickly see a pricing dilemma for a rental that lasts 4 days! On day 4 the customer would be better off to retain the equipment for a week rather than incur 4 times the daily rate of \$100/day. Your system should have the ability to reconcile this dilemma and issue billing at the best available price to the customer (\$300.00 in this example).

Complex billing logic is just part of the challenge to managing a rental order. Additional challenges include the following:

- **Flexible definitions of time** – A day is a day, a week is a week and a month is a month. Or, are they?

The definition of a day seems pretty inflexible but ask yourself when does day 1 of a rental agreement end? Does it end as of mid-night of the day it began or, does it end 24 hours after the rental period actual started?

Is a month truly a month in duration? Or, is your month 28 days (4 weeks) in duration or, are all of your months 30 days in duration? To complicate matters even further, you may define a month as a true month in duration but you want to pro-rate credits/charges for early/late returns on a 30 day basis.

Your rental solution should be able to deal with all of your definitions of time and should provide the ability to mix and match your definitions based upon the requirements of the order.

- **Initial Rental Periods and Final Rental Periods** – You may want to add equipment to an existing order or, set an order to



begin billing on a certain date that is not equal to the rental start date. This is sometimes called an “Initial Rental Period” or “Front-end Stub Period.”

In addition, you may need to accommodate the return of rented equipment on a date that is not equal to a billing anniversary date. In these situations you may want the flexibility to cancel billing as of a date that is different than the actual return date.

Your rental system needs to be capable of handling returns of equipment at unexpected times and the system needs to be capable of producing final billing/credit as needed.

- **Unlimited sets of billing rules** – Your system should support an unlimited number of billing rules to be applied against a piece of equipment and/or against an entire rental order.

To be successful in the rental business you must have the flexibility to structure a deal in a way that meets your needs while meeting the needs of your customer. Restrictions on billing logic that can be used by the system will restrict your growth.

- **Changing quantities of a rental product** – Your rental system must be capable of handling partial returns and/or additional quantities of a product that is being rented. In addition, the system should be able to invoice the customer for rental products that are not returned or, that are damaged beyond use.
- **Damage Waiver and other ancillary charges** – In addition to rental charges your system should support additional charges that are based upon the equipment being rented. Damage Waiver charges is a common example but your system should not be limited to Damage Waiver Charges only.
- **Metered Usage Charges** – If the rental rate is a charge for retaining possession of a rental unit over time then, Usage Charges are charges that are based upon actual usage of the equipment.

Your rental rates may include a “Usage Allowance” such as 8 hours of engine usage is allowed and included within the daily rental rate. Usage in excess of 8 hours per day will result in excess usage charges.

- **Servicing a Rental Order** – If the rental is for equipment that requires routine service while it is out on rent your system should help manage the service process. Order Service may be included within the rental rate and/or it may be billed for separately.

Example: Your business rents portable restrooms. The rental rate includes once-a-week service. Additional service is available for an additional fee. Your system should help you to:

- Identify service requirements based upon additions and deletions of units on rent.
- Help you dispatch the service routes to individual service vehicles/people.



- Provide Service Route Sheets and Maps with Directions to help your Service Staff deliver scheduled services.
- Provide the ability to complete a service call while identifying additional charge items if any so that they will be invoiced to the customer as appropriate.

We began this section with the comment that Rentals can be a challenge. With a well-designed system, Rentals should provide an excellent opportunity for revenue growth with profitable results.

OPERATIONS:

Once an order is received, the process of fulfilling the order moves from the "Front Office" to "Operations."

Operations is generally responsible for:

- Inventory Control
- Asset Management
- Resource (People) Scheduling
- Equipment Repair & Maintenance
- Delivery of Customer Orders
- Servicing Customer Orders
- Pickup and Return of Customer Orders

A fully integrated ERP solution is designed to deliver the tools necessary for operations departments to fulfill their responsibilities.

Inventory Control

The first requirement of inventory control is location management. Inventory control systems must provide for inventory location tracking. Within each warehouse location, it is advisable to identify bin locations so inventory can be located when needed. Inventory locations may be permanent, rolling (vehicles) or, phantom (used to track different "states or statuses" of equipment).

Inventory control systems must accommodate multiple inventory costing and valuation methods including:

- Average Cost
- FIFO (First in, First Out)
- LIFO (Last in, First Out)
- Standard Cost
- Specific Identification (or Serialized Inventory)

Inventory is generally described in two levels:

- 1. Inventory held for sale (Whole Goods)** - High value inventory items are generally valued using specific cost or serialized inventory valuation. Lower valued inventory items are



generally valued using Average, FIFO or LIFO costing methods.

Used equipment is valued at net book value (e.g. original cost less accumulated depreciation). Gains or losses are recognized at time of final sale.

- 2. Repair parts** - Items in this category can be sold outright to customers and can also be sold as materials consumed on repair orders.

Repair parts are often stored in service vehicles, in addition to being stored in warehouses. Inventory control systems must include procedures for tracking parts in and out of those vehicles and warehouses. In addition, replenishment processes may be different for vehicles and satellite locations (replenish via transfer) than they are for primary stocking locations (replenish through purchase or manufacture/assembly).

A good Inventory Control system will help you reduce your investment in inventory thus freeing up cash while maintaining excellent "Customer Service Levels."

Bar Coding of Inventory

In high volume businesses, there are significant benefits to be achieved through bar coding inventory items. Bar code scanning of inventory items delivers speed and accuracy when performing inventory checkout and receiving functions. In addition, bar code scanning can be used to accurately perform physical inventory counts. Finally, scanning is an excellent method for verifying that service people have actually been in contact with the item that was to be serviced.

Note: Bar code scanning in an equipment rental, sales and service business often requires portable, high quality scanners. Businesses must perform a cost-benefit analysis to determine whether to implement bar code technology.

Asset Management

Operations is primarily concerned with "Rental Fleet Assets," as opposed to property, plant & equipment (PP&E) used in the day-to-day operations of the business (see later discussion of PP&E in the "Back Office" section of this paper).

Similar to the inventory control system, the asset management system must be able to keep track of asset locations. This functionality includes location tracking among the various storage or business locations, as well as customer locations while the equipment is out on rent. In addition, your system must keep track of various statuses that rental assets may be identified in. For example,

- Ready-to-rent
- In Check-in
- In Repair
- Etc.



Rental Assets typical have “Configuration Attributes” that are important to the rental (and sale) decision. Your system should have the ability to track and locate assets by configuration attribute.

The asset management system must be able to calculate and report upon depreciation expense for a variety of audiences. It is likely that the business will want to report different depreciation expense figures for book (GAAP Accounting), income tax and property tax accounting.

Rental products can be stand-alone items or they may consist of assemblies (permanent, semi-permanent or temporary). Rental products may carry one or more “meters” that measure usage of the item. There may also be additional rental charges associated with excessive usage of an item while it is rented.

Rental products are typically thought of as individual “profit centers” within a rental business. The asset management system must be able to identify rental revenue, depreciation expense, maintenance costs, insurance costs and associated profit generated for each rental product. Rental product profitability must be shown over periods of time.

Resource Scheduling

Businesses must be able to schedule the resources (people and machinery) necessary to perform the deliveries, services and pickups. Resource capacity planning and scheduling are integral parts of the rental and service delivery process.

Service Scheduling/ Mapping

Delivery, service and pickup schedules must be produced by the business system. The order processing function generally contains adequate information for producing complete schedules of deliveries, services and pickups.

Automation controls that connect schedules to a mapping program deliver helpful, timesaving assistance to the operations staff.

Billing

Customer billing is sometimes the function of the “Back Office” accounting staff. However, the operations staff must update the order information necessary for the business system to determine what is due for billing. By confirming shipments, services delivered, parts or materials used and product pickups, the system can automatically determine what needs to be billed to the customer and at what rate.

BACK OFFICE

Cash Management

The most precious asset of all! The business system must be able to manage multiple bank or investment accounts. Up to the minute cash



balances must be available at all times. Sources and uses of cash must be immediately identifiable through on-line analytical processing (OLAP).

Bank reconciliation must be easy to perform in a timely manner. Cash flow statements must be produced periodically by the system.

Reporting upon up-to-the-minute cash position(s) is critical to all businesses. This information cannot be overlooked when making system decisions.

Credit & Collections

The sale is not complete until the money has been collected! The business system must provide assistance with the collection process. This includes:

- On-line Credit Management functionality.
- Statements and reminders generated to keep customers informed of unpaid balances.
- Finance charges applied selectively to accounts seriously past due.
- Extensive collection activity logging.
- Reprint invoice capability (including the ability to e-mail and/or fax original invoices electronically).

The system must deliver complete information about a customer's unpaid balance. Average days to pay information helps users decide what action is necessary for collections, as well as deciding on terms for future orders.

Asset Management

Along with rental products, the business must keep track of asset values for items used internally by the business (property, plant and equipment or PP&E). First cost, accumulated depreciation and maintenance expense must be tracked on an asset-by-asset basis.

Multiple methods of depreciation must be supported to satisfy the needs of various audiences.

Purchasing & Payables

The business system must be able to track identification of purchase requirements, purchase orders, purchase receipts and vendor payments.

Purchase orders can be e-mailed and/or faxed to vendors. Purchase receipts automatically update the appropriate inventory or expense accounts.

Un-invoiced receipts are accrued at period end (with automatic accrual reversal) to allow timely reporting of period results.



Financial Reporting

Financial reporting must be available for a wide variety of purposes, including:

- Executive level reporting
- Management level reporting
- Operations level reporting

In addition, the business system must produce comparative reports to prior periods, as well as to budgets. Financial statements must also be available by department, business location, project and job.

Tax Compliance Reporting

The business system must produce compliance reporting for:

- Federal & state income tax
- Payroll taxes
- Property taxes
- Sales & use taxes

In addition to compliance reporting, the business system must produce adequate audit detail in support of the compliance reports.

SYSTEM DESIGN TOOLS

Report Writer

The report writer tools used to create system reports should be available to qualified users of the system. Users must be able to modify reports and/or create new reports from within the system.

Screen/Form Designer

Each system user has his own requirements for data entry. The business system must be flexible enough to handle the various requirements for data entry by different users of the system. This allows the system to deliver efficiencies within the overall business.

Database/Table Designer

No one can be expected to identify every data element needed to run a business today or in the future. Users should not be penalized every time a new data element must be captured.

Qualified users must be able to add data fields to the system database.



Summary:

More and more business solution providers are focusing on delivering what are known as “Industry Solutions” or “Vertical Solutions” that are targeted at the specific needs of a target industry. In your search for business automation for management systems you should seriously consider partnering with a solution provider that has experience with businesses like yours and is dedicated to serving your type of business.



About RMI:

RMI Corporation is dedicated to delivering automated management solutions for the equipment rental, sales and service industry.

RMI’s ADVANTAGE Software delivers “mission critical” functionality and procedures to help equipment rental, sales and service companies deliver a high level of customer service, while maintaining control over their equipment, revenues and expenses.

RMI’s ADVANTAGE System is built upon Microsoft Business Solution Software (Navision Edition) and is Microsoft’s Certified Industry Solution for the Equipment Rental, Sales and Service Industry.

Our total solution is fully integrated with Microsoft Office and is .Net compliant.

For more information about RMI, RMI ADVANTAGE or any of our service offerings, please visit us on the web at www.rmiusa.com.