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HOW MOBILE TECHNOLOGY CAN STRIP OPERATIONAL COSTS AND IMPROVE MARGIN

At a time when equipment rental companies need to do more with less, innovative mobile technology is playing a key role. Co-ordinating personnel, equipment logistics and servicing successfully over a large geographical region, demands real-time information and process automation.

With the aid of mobile technology, companies can better manage operations to remove inefficiencies and maximize margins. This article highlights how this technology will strip operational costs and improve margin **in the field, depot, warehouse and back-office operations.**

CONTENTS

THE POWER OF MOBILE TECHNOLOGY IN EQUIPMENT RENTAL INDUSTRY:

Most equipment rental companies will rely on at least one mobile application on a day-to-day basis; whether for a simple mail account or a fully integrated mobile software platform that manages company operations in real-time.

In an industry full of risk from human error, mobile applications help companies reduce inefficiencies and effectively manage operations.

Providing fast, responsive, efficient service is not easy. Mobile applications are being implemented to replace outdated paper processes and reduce delays and costs caused by manual errors that are avoidable.

With the capability to provide real-time information, mobile applications ensure inventory data accuracy. This means your organization can meet changing demands 'on the fly' and manage assets and resources effectively.

Valuable data is also tracked, visualized and analyzed to provide clear evidence of performance and identifies process gaps where improvements can be made.

Extending existing back-office systems with innovative mobile apps will transform your field, depot, warehouse and back-office operations. The remainder of this document explains how.

1. IN THE FIELD: EQUIPMENT MANAGEMENT

With such a large portion of equipment rentals business relying on field service, a priority is ensuring that field technicians have access to the equipment and task information needed to do their jobs quickly and safely.

Mobile technology gives them the information and tools they need immediately.

Increase Equipment Utilization

Replacing paper processes with mobile data virtually eliminates error and cuts administration overheads. With online and offline capabilities, mobile application software allows field technicians to track, monitor and organize the movement of equipment, so you don't have to buy more equipment than you really need to cover mistakes in your operations.

If you think this looks too good to be true you would be wrong. We have customers who have been running their companies like that for years.

Radio Frequency Identification (RFID) tags and barcodes ensure that the risk of missing or inaccurate data is virtually eliminated. All of this ensures that field technicians can coordinate the distribution of equipment to locations where and when required, increasing utilization and driving revenue.

Improve Damaged Equipment Process

Remote access to data is essential to give technicians the information they need to log damages and maintenance issues in the field. Electronic checklists are available to assess the condition of each item of equipment and any repairs are documented and logged electronically - which means immediately.

Photographs can be taken the mobile device on-site on and logged in damage reports to provide evidence.

Full electronic auditability tracks who inspected what equipment, where and when to ensure fast damage reporting.

Greater transparency through the use of mobile applications generates quicker resolution rates and reduces downtime.

Increase Rental Revenue

Mobile technology gives field technicians and personnel access to work orders, performance tasks and schedules. The information is easily shared with the back-office in real time.

More revenue is generated by identifying sales opportunities with clients and feeding the information back quickly to the sales team. Sales executives can follow up on immediate opportunities that may otherwise be missed using paper-based communication.

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THE BUSINESS CASE FOR MOBILE OPERATIONS

2. IN THE WAREHOUSE: STOCK MANAGEMENT

Mobile technology helps real-time management of rental fleets in the warehouse to increase visibility, reduce asset downtime and improve inventory accuracy. This allows rental companies to meet changing priorities 'on-the-fly'.

Tracking work in progress and parts usage in the warehouse using RFID tags and barcodes allows warehouse management to monitor resource utilization, provide greater transparency and reduce inventory leakage by up to two thirds[1].

Inefficient paper-based returns procedures are replaced by mobile applications, capable of processing returns, generating cost reports and producing invoices immediately.

The end result is that inventory is cut and Days Sales Outstanding (DSO) is markedly reduced (e.g. 75 days to 45 days).

3. IN BACK OFFICE: ADMINISTRATIVE PROCESSES

Although all the above is fact, only 30% of the equipment rental industry[2] have has fully adopted a mobile based strategy, so the opportunity to get up with the leaders is there.

Reduced Error:

The traditional use of paper job tickets and manual processes to capture mission critical asset information is impractical and outdated. With an expected human error rate in manual entry of even 1%, there is scope for inaccurate data to cause you major problems[3].

When you consider this 1% error rate in relation to the amount of data-entry required by field and back-office staff on a daily basis, the situation becomes critical. Manual paperwork leads to errors, non-compliant processes, loss of data and a breakdown in communication between the field and the back-office. Why would any leader of an organization want to live with that?

Mobile Applications supported by RFID tags and barcodes ensure that the error from missing or inaccurate data is removed, along with the costs.

Increased Employee Productivity:

The implementation of mobile application technology saves employees an average of 42 minutes per day[4]. Eliminating the administrative manual paper overhead drastically reduces back-office costs.

Error-prone manual processes simply do not compete with the speed and accuracy of integrated mobile applications. Mobile technologies provide employees with more time to concentrate on the business operations that matter.

Improved Customer Satisfaction:

Reporting information accurately in real-time, as opposed to sifting through paper systems, improves efficiency and increases the speed of processing customer requests.

Mobile applications will easily track and save all valuable information. With all necessary information to hand, clients are provided with a fast, reliable and high-quality service experience which leads to customer satisfaction and retention.

It is predicted that by 2020, customer experience is expected to surpass product and pricing as the key business differentiators [5]. It is critical that companies build and nurture customer relationships through the use of innovative mobile technologies, or be left behind.

[1] http://www.spartansolutions.com/blog/see-it-bill-it-reducing-revenue-leakage-and-operating-costs
[2] http://blog.hedgehoglab.com/mobile-tech-in-manufacturing-inventory-management
[3] https://ungerboeck.com/blog/when-good-info-goes-bad-the-real-cost-of-human-data-errors-part-1-of-2
[4] http://blog.hedgehoglab.com/mobile-tech-in-manufacturing-inventory-management
[5] http://www.forbes.com/sites/forbesinsights/2014/10/17/can-data-and-analytics-help-create-lifelong-customers

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ABOUT SPARTAN

Spartan Solutions is a supplier of mobile apps to international companies in the oil and gas, utilities and industrial equipment sectors. Our mission is to remove the error, delay and cost of paper-based processes.

Spartan's PHALANX solution is a mobile App Store for the management of work, people and physical assets in industrial environments.

PHALANX has streamlined the operations of companies such as Aggreko, Balfour Beatty, and Swire Oilfield Services.

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