

FLEET COST & CARE

PROFIT **S O U P** RESEARCH

Fleet Management Software ROI Evaluation

FLEET COST & CARE

ROI RESEARCH REPORT

JJ CURRAN CRANE COMPANY: FLEET COST & CARE SOFTWARE

The Research

The JJ Curran Crane (JJC) company examined their use of the Fleet Cost & Care software to identify the return on investment (ROI) and benefits of managing its employees and equipment in a centralized fleet management system. Compared to crane rental industry benchmarks and a financial benchmarking study (i.e., *SC&RA, 2016* and *Profit Soup, 2012*), JJC has above average sales per employee, higher gross profit margins and lower operating costs.

The Initial Investment

JJC implemented Fleet Cost & Care's comprehensive software system to manage all fleet operations.

JJC's initial investment of \$77,165 covered the cost of NexGen, Atom licenses and implementation.

After implementing the Fleet Cost & Care system, the investment payback was immediately evident in business operations. Examples include: sales staff streamlined processes increasing revenue, dispatch improved operational workflows reducing errors, service staff increased speed and accuracy of maintaining and repairing the fleet, all while management obtained critical business intelligence improving decision making processes.

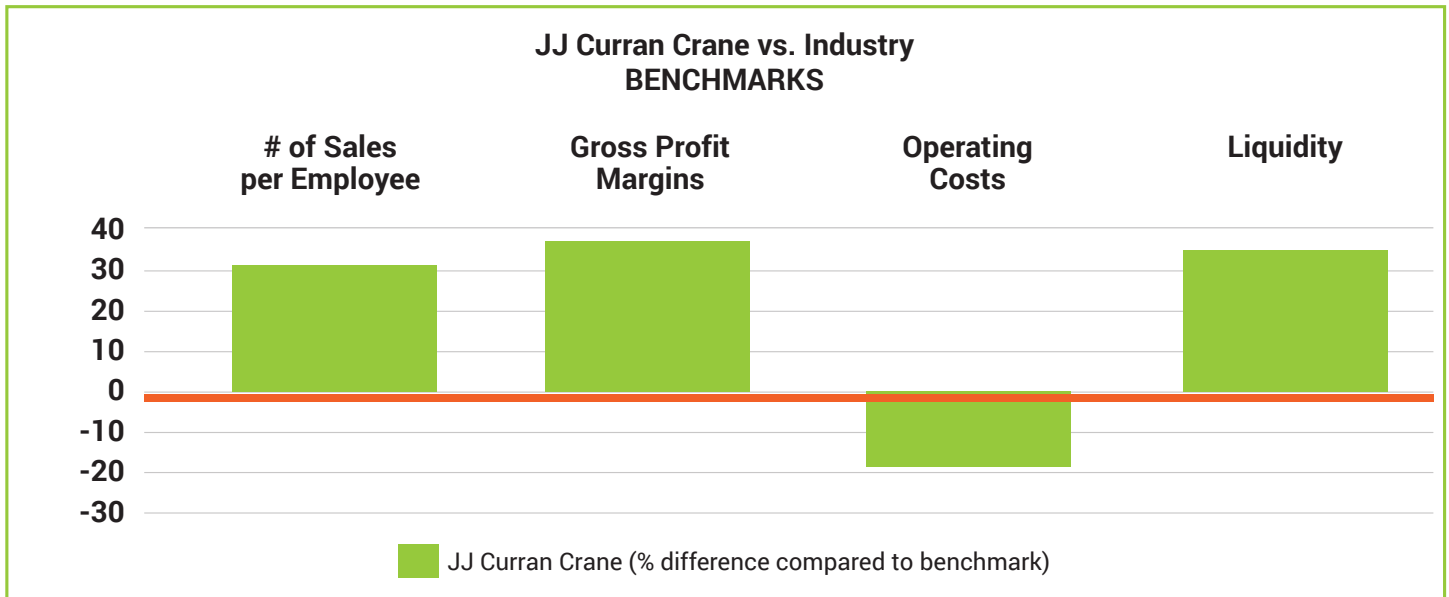
The Return on Investment (ROI)

Based on JJC's analysis, the percentages below are attributed to the implementation of the Fleet Cost & Care system. JJC had nearly \$11 million in gross revenue during the year used for this data. JJC's:

- **number of sales per employee are 32% higher** than the average industry standard.
- has a **37% higher gross profit margin** than the average industry standard.
- has **19% lower operating costs** compared to the average industry standard.
- has **35% more liquidity** than the average industry standard.

Based on the above analysis, a company with \$100 million in gross revenue achieving the same results would have a **42% higher profit margin than the industry standard** and have **25% lower operating costs than the industry standard**.

This analysis is intended to demonstrate the scalability of the Fleet Cost & Care system to improve operations and overall profitability, regardless of the size of the company.



Employee Type	# of Employees Staffed by type	Average hourly cost	Total Spent per Year on Salary	Value of 10% Increase in Efficiency
Clerical 	2	\$20	\$83,280	\$8,320
Dispatch 	4	\$40	\$332,800	\$33,280
Manager 	4	\$50	\$416,000	\$41,600
Sales 	5	\$40	\$416,000	\$41,600
Mechanics 	5	\$70	\$728,000	\$72,800
Operator/Oiler 	30	\$70	\$4,368,000	\$436,800
Net Benefit	50	n/a	\$6,340,080	\$634,008

JJC users realized a 10% increase in efficiency per staff member. Sales staff shortened the sales cycle by eliminating dependence on hand-written processes and manually maintained information. Dispatchers significantly increased productivity having a digital command center at their fingertips.

Mechanics and operators save time by using Atom (Fleet Cost & Care's mobile application) to complete safety checklists, gather electronic signatures on site and enter labor. Information flows seamlessly through NexGen (Fleet Cost & Care's desktop system) where staff have access to all information. Clerical staff save time not re-entering information in multiple systems and waiting for paperwork.

The 10% increase in employee productivity saves JJ Curran over \$600,000 annually in employee labor alone.

The Challenges

To manage its employees and equipment, JJC used traditional paper documents and excel spreadsheets. The company realized that the inability to view all operational data in a central place led to critical errors and miscommunication across the organization. Simple operational issues led to dissatisfied customers, lost jobs and lower profit margins. Additional issues included confusion in dispatch, inefficiency in service and potential safety issues. JJC made a business decision to invest in Fleet Cost & Care to solve its critical business issues. The original Fleet Cost & Care system was developed by JJC team members with input from key crane companies in North America, including members of the Specialized Crane & Rigging Association (SC&RA).

Streamlining Sales Processes and Shortening the Sales Cycle

The JJC sales staff relied on hand-written, stand-alone and manually maintained information that could only be accessed while in the office. These limitations slowed down the sales process and led to unorganized opportunity development and outreach.

NexGen provided JJC sales staff with the ability to access information in a centralized system from any location, enabling them to cover more ground every single day. By having all sales information (from customer contact information to notes on every opportunity) in one place, accessible from anywhere, sales staff were able to streamline their processes, ultimately shortening the sales cycle.

Developing a Digital Command Center for Dispatch

Dispatchers were inundated with tracking and completing hand-written job tickets and making changes to jobs after they had been scheduled and often dispatched. Before implementing Fleet Cost & Care, dispatchers were unable to view the status of all jobs or modify them easily. Communication across key departments was ineffective.

After implementing both NexGen and Atom, dispatch had all of the information needed to complete their jobs effectively. Information is now easy to obtain, is accurate, up to date and comprehensive. NexGen and Atom reduced frustration in dispatch while increasing the speed and efficiency of the workflow.

Eliminating Paper to Centralize Service Operations

Service staff at JJC relied heavily on paper documentation for servicing and maintaining equipment. These manual processes and paper documentation led to errors hindering the efficiency of the workflow in the service department.

By transitioning the service department from paper documentation to e-documents for work orders and maintenance history, service was able to access information at anytime, anywhere in one central system.

Obtaining Critical Business Intelligence for Management

Management at JJC was unable to quickly assess operations, labor, equipment and assets at any time. This lack of insight led to uninformed and inefficient decision making across the company.

The implementation of NexGen and Atom provided a centralized view of JJC operations in real-time from anywhere. The system was developed by JJC leadership to provide an overview of all operations whether the leadership team was on the road, at the office, on a job site or on vacation.

The reporting features of NexGen enable management to measure overall asset utilization as well as job and unit costing. Reports provided detailed information on how actual equipment and labor costs compared to estimates and quotes.

Reducing Down Renting Leads to Increase Revenue

In 2013, management used the reporting features in NexGen to reduce down renting on one unit by 30%. The down renting summary report identified a 275 Ton All Terrain crane was rented at its full capacity only 26% of the time over a three-year period. Management discovered 4,300 billable hours that were charged at lower rates – demonstrating lost revenue of more than \$60,000.

Taking action based on the data provided through NexGen reports, JJC management worked with the sales staff to adjust their quoting and sales approach. One year later, the crane had been rented out at its proper unit type 55% of the time – **leading to an increase in revenue of \$69,000 from this unit alone.**

Summary

The full implementation of the Fleet Cost & Care system led to significant improvements throughout all departments at JJC. Fleet Cost & Care helped JJC increase revenue and reduce operating costs. JJC achieved higher success than their competitors across every benchmark in the heavy equipment rental industry.

Based on the above analysis, a company with \$100 million in gross revenue achieving the same results would have a 42% higher profit margin than the average industry standard and operate at 25% lower operating costs than the industry standard.

The Software Solution

Fleet Cost & Care offers a comprehensive software system to manage various equipment fleet operations. The company's products are used in various industries, including crane rental, concrete pumping, earth moving, construction and environmental/industrial cleanup. Fleet Cost & Care's customer base includes 45 of the American Crane and Transport's 2018 Top 100 North American crane companies.

The NexGen desktop application enables companies to improve internal operations and employee efficiency by streamlining quoting, job scheduling and billing while storing critical business information in a centralized system.

Atom is a comprehensive mobile application allowing everyone in an organization to manage fleet operations using Android and iOS tablets and smartphones.

If you are interested in learning more about JJC's operational implementation of Fleet Cost & Care, or if you would like a consultation on how NexGen and Atom can improve your business, contact us today.