



Technical paper

Understand the return on investment before you jump in

Dealers, service, and rental providers of heavy equipment face many of the same challenges, and must weigh the same factors as they look for the right software solution. Most want the same broad-sweeping results—such as improvements in customer service, operational efficiency, and financial results. Others look for ease of implementation, integration capabilities, training, and the type of services available. At the end of the day, companies should base their software system decision on the overall benefits and return on investment (ROI) that an ERP solution can deliver.

In this paper, we'll discuss how Infor® can help equipment dealers, service, and rental providers:

- Improve productivity and operational efficiency.
- Increase sales.
- Reduce inventory and services work in progress.
- Improve rental fleet utilization.

The findings we present are based on ongoing joint projects we have with a number of equipment dealers. Some are operating in a live environment, while others are in the process of implementing Infor Equipment. Our industry-specific focus, together with the advantages of a full suite business application, help us deliver more value per dollar invested than other ERP systems.

Identify areas that need improvement

When you plan for a new ERP system, your primary focus should be on business process improvement. And, naturally, any improvement must be turned into a quantifiable monetary advantage. We recognize that it's vital that you are able to justify and measure expected project scope and results before an implementation is under way. You should identify concrete areas that need improvement and map out the corresponding business processes that impact these areas. You can then quantify which process activities cost the most to carry out today, while considering the problems and opportunities that may exist over the long term.



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See the benefits up front with a Customer Value Assessment

A Customer Value Assessment (CVA) provides a fast and accurate projection of the potential business benefits that your company can gain through a new software system. It can help you to focus on areas where Infor Equipment can help improve your company, as well as best practices in sales, service, parts, rental, accounting, and IT. The CVA service is provided by Infor's Value Engineering team and is an investment that Infor makes in our most important customers.

An opportunity analysis, one of the tools behind the CVA, helps connect process to profitability. Andrew Stewart, CFO of Gap Group in the U.K. comments on its effectiveness.

“The opportunity analysis showed us that all things being equal, we could improve our margins by 3% to 4%. No other competitor offered GAP a product that could equal it.”

To start the CVA process, we team a senior business consultant from the Value Engineering team with an Equipment solution expert; they work closely with your business leaders and stakeholders to develop a comprehensive, high-level plan of action. We work with you to determine a cost/benefit and ROI analysis of investment and implementation costs up front—a sure way to help reduce risk and uncertainty.

Value discovery process: Customer Value Assessment



Customer Value Assessments have helped companies like yours to:

- Align business improvements with company strategy and objectives.
- Identify areas that need improvement and set targets using KPIs, best practices, business processes, and software components.
- Quantify operational and financial benefits.
- Develop plans for a value-driven project.

After the analysis is completed, the implementation team is guided to the precise improvements and corresponding business processes. A checklist is set up during the implementation cycle to ensure that all high-benefit improvement areas are covered.

It's not enough to say that our software helps dealers increase rental asset utilization by several points or that it significantly reduces parts inventory or work in progress (WIP) by three days. What companies really need are the tangible projected figures and corresponding improvement areas that the software can help them achieve. And that's what they get as part of a Customer Value Assessment.

Our joint projects with a number of equipment dealers have helped us to better understand the inner workings of the business, in order to create a continuous roadmap for success. These analyses have demonstrated that Infor Equipment has helped these organizations with:

- Improved productivity and operational efficiency
 - Service execution and support
 - Finance and accounting
- Increased sales
- Reduced inventory and services work in progress (WIP)
- Improved rental fleet utilization

Improved productivity and operational efficiency

Service execution and support and finance and accounting are two high-potential improvement areas. For service execution and support, projected results include a 10% to 20% reduction in selling, general, and administrative (SG&A) costs across several services support activities. Key performance indicators (KPIs) for these areas include a reduction in the time spent on invoicing, planning, scheduling, and creating and updating service orders.

Companies are focusing on streamlining their work order processing by using new software tools and related methodologies. With Infor Equipment, parts are better integrated with the planning and purchasing functionality. Companies can make use of the system's enhanced planning and scheduling tools to ensure that the right technician is at the right place, at the right time with the right part.

With mobility solutions, technicians can update their own work orders, close jobs, finalize their reporting, and send invoices—all while at a customer site.

Automatic invoicing helps companies reduce errors and improve customer service. Technicians are able to do their own service reporting, reducing the need for time-consuming follow-up.

The system's supporting functionality can help companies with automated maintenance and service agreements validation, warranty management with expiry reminders, service management integrated with sales support, automated maintenance, and service agreement configuration.

Improvements in finance and accounting efficiencies include reductions in SG&A expenses by 20% to 30%. The KPIs used are time to manage customer credit and time to manage supplier invoices. Toward this end, Infor Equipment offers tools to automate key accounting processes, which helps to eliminate errors and manual checks.

Increased sales

Analyses have indicated that we can help our customers increase their sales and rental revenue by 5% to 10%, measured by using customer face time as a KPI. To increase sales coverage, these companies are reducing non-value added sales activities, such as re-entering quotes as orders and reducing the time spent checking the availability and status of new, used, and rental equipment.

Successful companies will adopt best practices in addition to these improvement plans by using Infor Equipment's tools for advanced price and promotion management, available-to-promise (ATP), collaborative sales channel management, full customer relationship management, and marketing automation. They will adopt applications that can help with continuous monitoring of their overall business performance.

By maintaining peak equipment intelligence and operational control, these companies are able to generate different sources of revenue, while delivering first-rate service for their customers.

Reduced inventory and services WIP

Findings have also shown that equipment companies using Infor Equipment for their technology base can also reduce parts inventory by 10% to 20%. Days of supply and parts inventory figures (working capital) are used to measure these improvement areas. To make strides in this field, companies are focusing on using Infor Equipment's sophisticated forecasting tools to improve their parts fulfillment and inventory management practices. They are using enhanced applications to better manage full inventory, including warehouse management. Our solution's advanced supply chain planning tools, such as "hub and spoke" and van inventory management best practices, can also help with optimizing inventory levels at the primary warehouse and branch locations.

To help with services WIP, these companies are adopting best practices and using Infor Equipment's tools for service quotation management, shared services, service order management, interactive service planning and scheduling, and optimization. These tools are helping them speed response time and improve customer satisfaction. They are also adopting flexible applications to manage their spare parts logistics more effectively.

Improved rental fleet utilization

Companies participating in a Customer Value Assessments have found that they can optimize their rental fleet operations with the right tools and applications. Results show a reduction in working capital and an increase in rental sales by 5% to 10%, based on overall percentage of equipment utilization. With Infor Equipment's enhanced planning and equipment-tracking tools, including tighter integration with service parts and repairs, they can improve their equipment visibility and turn-around time for their customers. The solution's tools for monitoring equipment profitability can help these dealers predict when their customers should plan for new orders or trade-ins. This functionality also helps dealers preplan for their own maintenance and service requirements.

Other best practices being followed include advanced support for rental desk management, rental equipment planning, asset and equipment tracking and monitoring management, cross-rental management, rental equipment exchange, and preventative maintenance scheduling and execution.

Area of Improvement	Impact	KPI	Roadmap
Service execution and support	Reduce SG&A costs across several services support activities by 10–20%	Reduce time spent on invoicing, planning, scheduling, creating, and updating service orders, etc.	Streamline work order processing using new software tools and best practices. Automate non-value tasks, such as invoicing and service reporting.
Finance and accounting	Reduce SG&A expense by 20–30%	Time needed to manage customer credit and time to manage supplier invoices	Use Infor tools to automate accounting processes. Incorporate credit tickler notes, risk insurance management, automated three-way match, automated invoice capture, etc.
Increased sales	Increase equipment sales and rental revenue by 5–10%	Customer face time	Reduce non-value added sales activities. Revise sales and coverage strategies with better reporting and CRM tools.
Reduced inventory and services WIP	Reduce parts inventory by 10–20%	Days of supply—parts inventory (working capital)	Improve parts fulfillment and inventory, including warehouse management, with sophisticated forecasting tools. Incorporate best practices for service quoting, interactive service planning, scheduling, spare parts logistics, shared services, and service order management.
Improved rental fleet utilization	Reduce working capital and increase rental sales by 5–10%	Equipment utilization percentage	Improve rental equipment visibility and turn-around time. Incorporate best practices around rental desk management, advanced rental equipment planning, asset and equipment tracking, cross rental, exchange management, preventative maintenance scheduling and execution.

Identified improvement areas for equipment dealers.

Flexibility and scalability

Today's equipment dealers, service, and rental providers need flexible systems that can grow and adapt with their changing needs— such as expanding product lines or services, moving to a new business model, or going through an acquisition. Our customers recognize the value found in the flexibility and scalability of Infor Equipment. The software is built with open, Java-based technology that gives equipment dealers and providers the flexibility they need to quickly respond to the changes around them. It also makes interfacing with other systems more manageable—whether those systems are internal or external as part of a dealer's network of partners and original equipment manufacturers (OEMs).

The interface capabilities of the system's open technology base help equipment dealers operate more efficiently and collaborate more effectively. Dealers can set up a direct line of information sharing between their dealership and their OEMs and suppliers, as well as with their customer base. This interface with the OEM gives them the ability to share data related to equipment orders, configuration, delivery, service, and warranties. In the end, dealers become of greater strategic value to all partners in their network.

Infor products are developed by industry, rather than by company size. As a result of this industry-specific focus, Infor Equipment can meet the needs of a variety of equipment companies—from large, global equipment operations to smaller, mid-market dealerships and rental providers.

The road to success

With our Customer Value Assessment tools, best practice methodologies and benchmarking, equipment dealers are able to pinpoint ROI before they invest. They can define in monetary terms the value that a new solution or upgrade has to offer their organization. As Andrew Stewart of Gap Group explains, "When you are looking at a system, there are 101 things you could change in your business. The opportunity analysis focused us in on the four or five areas where we could get the largest effect on our bottom-line profit as quickly as possible."

Infor helps companies to get a real picture of the tangible benefits that an enterprise management system can bring to their business, while creating a clear roadmap for success.

Solutions such as Infor Equipment can help companies track the daily flow of business with a single, scalable business system—giving them more visibility over their processes, operations, customers, and equipment. With more control and equipment knowledge, they can run their business more efficiently and profitably, while delivering the kind of service that generates a lifetime of repeat business.

Contact us

For more information about Infor Value Engineering and the CVA process please [follow this link](#)>> If you are already an Infor customer and would like to know more about the CVA process, please contact your Infor account executive.



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