

INTERNATIONAL **rental** CONFERENCE

ASIA

Transforming a rental business with
digital technology

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YOUR BETTER WAY UP

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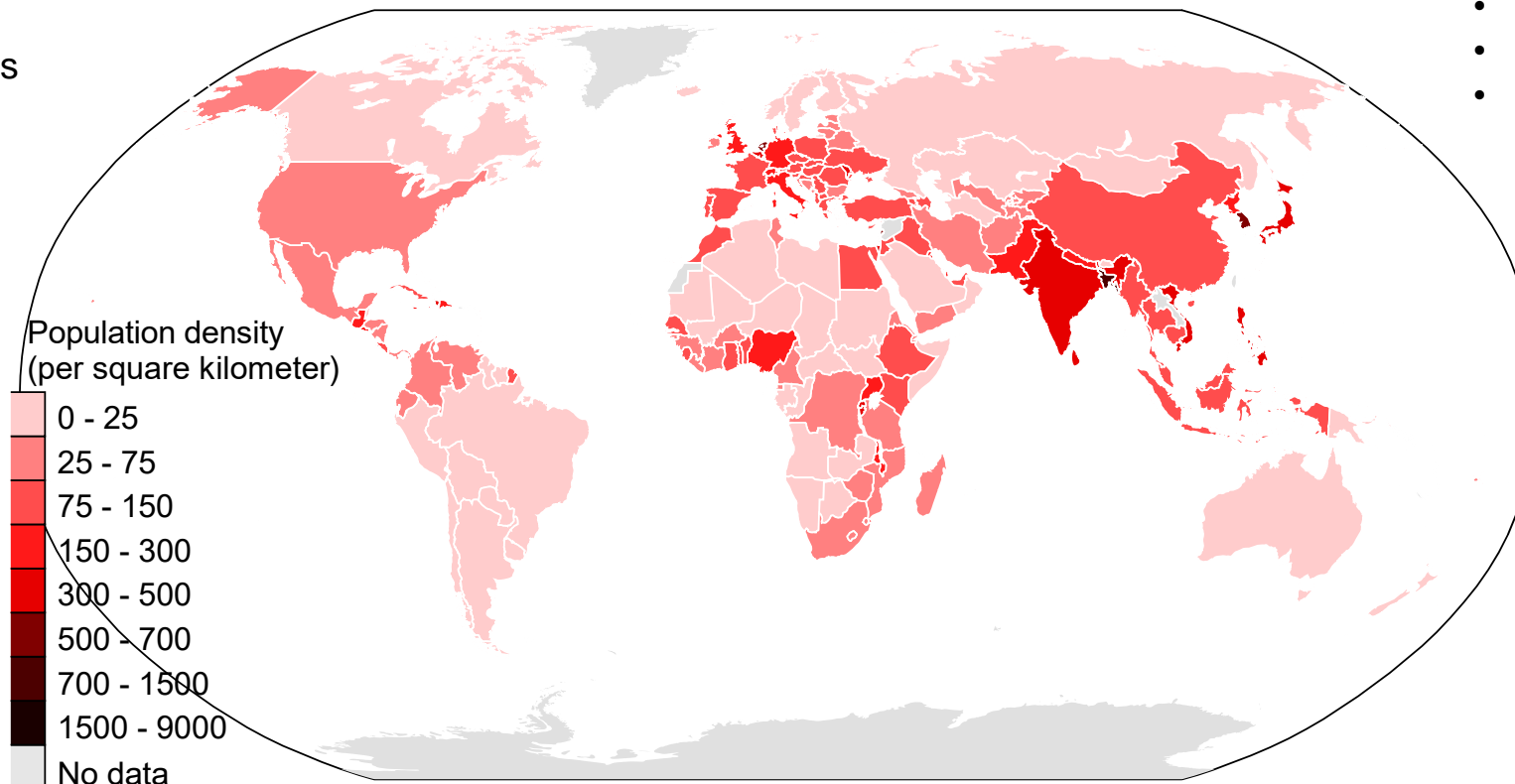
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- Population
- Legal safety regulations
- Labor cost

- Volume
- Complexity
- Competition



Map author: **Ms Sarah Welch**
Source: [wikimedia.org](https://commons.wikimedia.org/wiki/File:World_population_density_2014.png)



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Key elements that define the advantages of a professional fleet management vs traditional ownership

Rather than focusing on (cost) optimization, I would suggest to consider the added value for the rental customer that drives forward the development of the rental company, at any stage.

Based on my personal experience, I believe that the most successful decisions were those who created the biggest / fastest added value for my customers, where not all were about cost optimizations.

Definitely optimizing costs might be considered the reasonable approach in an increasing market competition.

It must be, at any given time, a component and one of the key elements that defines the advantages of a professional fleet management (the rental company) over the traditional end user / equipment owner.



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Speed to market vs perfect software solution

Rather than trying to create / buy the perfect system during a long (er) period in time, I choose to work at the fastest pace possible, even scrapping 30% of the new features. The value of the new digital idea was given by its fast adoption by internal and external customers.

Time wise, the evolution over the years took us through some milestones, which today became commodity, with minimum considerations when evaluating the opportunity of having a new system, whether we are speaking about a CRM, ERP or parts of them.



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Vulnerability
Uncertainty
Complexity
Ambiguity

TECHNOLOGY

People / STATUS QUO

SPEED TO MARKET

- SMB (0-100 people)
- SME (100-999 people)
- LARGE multinationals (>1000 people)
with several legal / fiscal systems

- Speed / Agility / Adaptability / Comfort
- Footprint / Size
- Buying power / knowledge pool / complexity / diversity



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Small Business Start-up

- + very agile & adaptive
- + high energy
- + simple needs
- + one location
- + direct communication
- Lack of capital
- Lack of capacity
- One man show

Model	Equipment serial number	Price (EUR / day)	Client	Duration	
				From	To
E450AJ	#0300164464		REPAIR		
E450AJ	#0300164605	56	CUSTOMER SRL	01.10.2019	07.10.2019
E450AJ	#0300164691	53	CUSTOMER SRL	06.05.2019	29.10.2019
E450AJ	#0300184854		FREE		
E450AJ	#0300199925	53	CUSTOMER SRL	04.10.2019	30.09.2020
E450AJ	#Z452515B-4986	46	CUSTOMER SRL	23.09.2019	22.10.2019
E450AJ	#Z452515B-5207				
E450AJ	#Z452516M-5705	46	CUSTOMER SRL	26.08.2019	11.10.2019
E450AJ	#Z452516M-5793	40	CUSTOMER SRL	03.10.2019	31.12.2019
E450AJ	#Z452516M-5835				
E450AJ	#0300216285	45	CUSTOMER SRL	17.07.2019	31.10.2019
E450AJ	#0300216558	50	CUSTOMER SRL	18.06.2019	31.10.2019
E450AJ	#0300218413				
E450AJ	#0300219349	50	CUSTOMER SRL	19.02.2019	18.10.2019
E450AJ	#Z452516M-6206		REPAIR		
E450AJ	#Z452516M-6208	40	CUSTOMER SRL	12.09.2019	11.10.2019
E450AJ	#Z452516M-6231	50	CUSTOMER SRL	13.08.2019	18.10.2019
E450AJ	#0300226787	49	SUSPENDED / CUSTOMER SRL	22.07.2019	30.10.2019
E450AJ	#0300226313		REPAIR		
E450AJ	#0300230904		FREE		
E450AJ	#0300232018	50	CUSTOMER SRL	13.08.2019	18.10.2019
E450AJ	#0300232020	52	CUSTOMER SRL	01.10.2019	30.11.2019
E450AJ	#0300235602	45	CUSTOMER SRL	02.08.2019	31.12.2019
E450AJ	#0300235899	45	CUSTOMER SRL	04.09.2018	14.10.2019
E450AJ	#0300237244		RESERVED		
E450AJ	#0300241069	45	CUSTOMER SA	01.08.2019	31.10.2019
E450AJ	#0300241070	50	CUSTOMER SRL	17.07.2019	31.12.2019
E450AJ	#Z4525M-8959	70	CUSTOMER SRL	23.09.2019	14.10.2019
E450AJ	#Z4525M-9252		FREE		

Off the shelf software

- + rapid deployment
- + market knowledge
- Sensitive to local conditions
- High cost / constant cash out

Custom made software

- + perfectly adapted to local conditions
- + tailor made / reduced cost
- + own the code (varies)
- Lack of long term vision
- Required constant development



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SMB / Startups Take Aways:

- **Just do it, don't delay it!** Instead of implementing the perfect software in 6 months, implement the fastest one that adds value to your customers
- Think ROI not just in money, better in time currency
- Don't expect it to be perfect
- Listen, understand on focus on your good paying customers needs, focus on profit not on turnover
- Pay attention to quick wins / loses, not on everything
- Have your software prepared for "uberization" / cross rental



Small Medium Enterprise

- + still agile and easy to steer, with entrepreneurship DNA as a leading role
- + access to bigger projects
- Accumulated debt
- Scalability challenges
- Resistive to change (new rules, procedures, safety, etc)



- + rapid scalability
- + immediate upgrade
- + interconnectivity
- Even higher cost impact
- High customization costs

Custom made software

- + perfectly adapted to local conditions
- + no additional / limited development costs / own the code
- One to one training
- Scalability (if not planned at the SMB level)

Agent	Reference number	Equipment serial number	Real Name	Date of Birth	Working hours	New equipment price (USD)	Occupation	Phone (dial)	Fee (Euros)	Photo	Client	Client total fee (Euros)	Income with own equipment (Euros)	Contract	Period	Location	Contract	Contact person	Tel. no.	Date of start of work	Working hours	Max hours per week
A.TM	2-340226	4074386-8230	2-340226	26.03.2009	1.450,2	33310	0.4802				7P80A CONTRACT - 10 Jan			140020884-11000101	31.03.2019	12.09.2019	Spain	Agustin Valler	918366156	1.500000/11		
A.SPA	2-340226	4074386-8204	2-340226	26.03.2009	1.512,4	33310	0.5071				117.890A CONTRACT-ASPIRIN AG			140020884-11000101	31.03.2019	31.10.2019	Spain	Agustin Valler	918366156	1.500000/11		
A.SPA	2-340226	4074386-8305	2-340226	26.03.2009	1.157,4	33310	0.5753				31.4145 GUSTAVO CONTRACT-ASPIRIN AG	16.499,49	0.019,31	140020884-11000101	31.03.2019	15.10.2019	Spain	Francisco Faria	918366156	1.500000/11		3
A.SPA	2-340226	4074386-11487	2-300309-82	26.03.2009	1.871,0	33310	0.6773				1.450A CONTRACT-ASPIRIN AG			140020884-11000101	31.03.2019	15.10.2019	Spain	Agustin Valler	918366156	1.500000/11		3
A.SPA	2-340226	4074386-110410	2-340226	17.04.2019	955,0	33320	0.7894				7.4765A CONTRACT-SPIN AG	3.004,82	1.079,91	140020884-11000101	31.03.2019	15.10.2019	Spain	David Clavero	918366156	1.500000/11	08.09.2019	687,01
A.DI	2-340226	4074386-111957	2-340226	26.04.2019	5007,0	33310	0.9944	26,07			2.789A CONTRACT-BA	31.240,39	7.809,42	140020884-11000101	31.03.2019	31.03.2019	Spain	Olivia Costa & Volonté	918366156	1.500000/11	26.03.2019	387,3
A.SPA	2-340226	4074386-110410	2-340226	27.07.2019	479,0	33310	0.8099				7P80A CONTRACT - 10 Jan			140020884-11000101	31.03.2019	31.10.2019	Spain	Agustin Valler	918366156	1.500000/11		690
A.BV	2-340226	4074386-112404	2-340226	26.07.2019	400,0	33310	0.8007				5.515A CONTRACT-DEVELOPMENT SRL	0.001,91	0,00	140020884-11000101	31.03.2019	31.10.2019	Spain	Felipe Chelera	918366156	1.500000/11		499
A.BV	2-340226	4074386-117173	2-340226	26.07.2019	349,0	33310	0.4207				9.234A CONTRACT-OLCAG SRL	4.632,41	1.4407,79	140020884-11000101	31.03.2019	31.10.2019	Spain	Francisco Faria	918366156	1.500000/11		239
A.BV	2-340226	4074386-110001	M & GROUP SRL	04.02.2019	451,0	33310	0.7054				5.173A CONTRACT-M & GROUP SRL	7.014,66	3.060,79	140020884-11000101	31.03.2019	14.10.2019	Spain	Francisco Faria	918366156	1.500000/11	04.02.2019	425,47
A.BV	2-340226	4074386-110001	CONTRACT-DEVELOPMENT SRL	04.02.2019	451,0	33310	0.6093				SUPPLEMENT-1 PIONONASA S.R.L.			140020884-11000101	31.03.2019	14.10.2019	Spain	Francisco Faria	918366156	1.500000/11	04.02.2019	425,47
A.BV	2-340226	4074386-110001	CONTRACT-DEVELOPMENT SRL	04.02.2019	451,0	33310	0.6093				SUPPLEMENT-1 PIONONASA S.R.L.			140020884-11000101	31.03.2019	14.10.2019	Spain	Francisco Faria	918366156	1.500000/11	04.02.2019	425,47



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SME Take Aways:

- **Just do it, don't delay it!** Instead of implementing the perfect software in 12 months, implement the fastest one that adds value to your customers, while serving your medium long-term development plan
- Think VUCA, the bigger you become, more complex and unpredictable, harder to steer in uncharted waters; don't loose speed, always put a challenging deadline in your software roadmap
- Don't expect to be perfect
- Look around you, learn and share experiences; learn from developed markets
- Start to pay attention to complex customer requirements, not anymore just on "quick wins"
- Have your software prepared for new way of doing business:
 - Daily rental
 - Pay as you go
 - Stand by and Pay per use
 - Rental sharing
 - Pay per service (invoice kW instead of rental days for a generator)



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Large Enterprise

- + buying power
- + coverage
- + access to biggest global customers
- PROTECTING STATUS QUO AGAINST progress & innovation
- Hard to steer the Titanic vs a ski jet
- Lack of entrepreneurial spirit
- Overwhelming procedures
- Heavy delays in adopting new technologies across the organization

Off the shelf software

- + rapid scalability
- + immediate upgrade
- + interconnectivity
- Huge cost impact
- High customization costs / each local implementation

Custom made software

- + perfectly adapted to global & local conditions / while keeping strengths
- + no additional / limited development costs / own the code
- Requires expensive dedicated deployment in-house “globetrotter team”



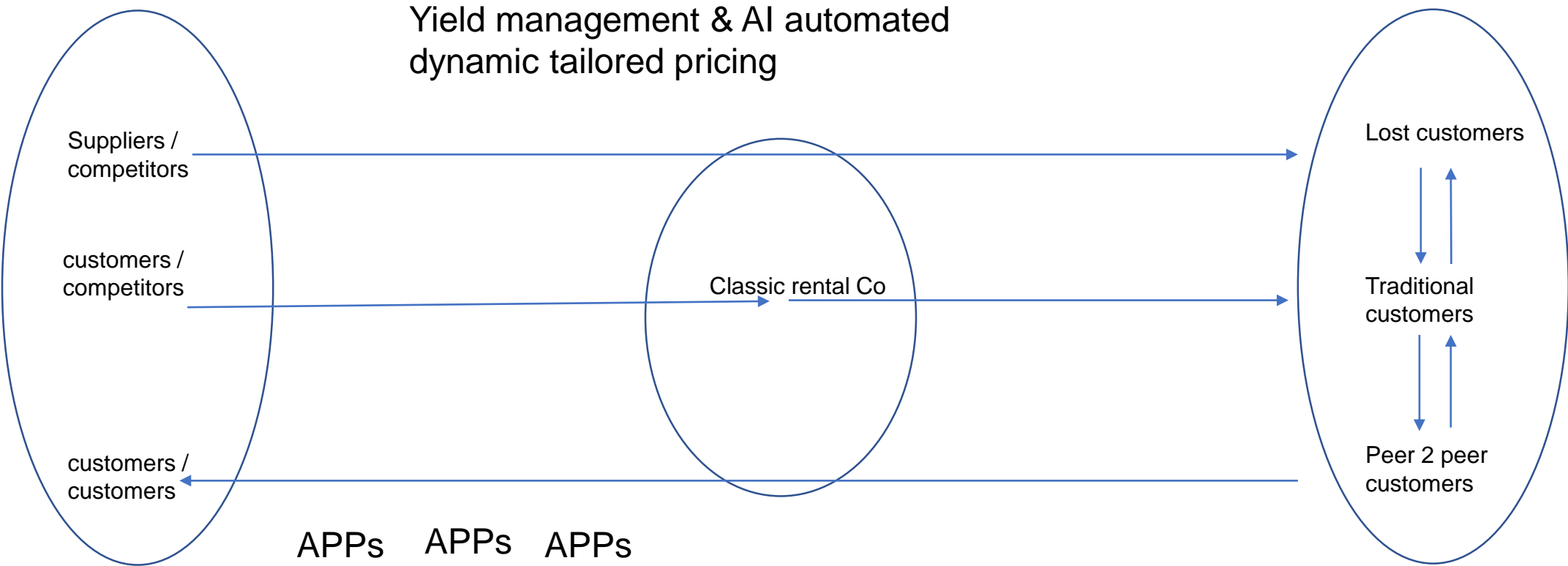
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LARGE ENTERPRISES Take Aways:

- **Just do it, don't delay it!** Instead of implementing the perfect software in **24** months, implement the fastest one that adds value to your customers, while serving your medium long-term development plan
- **DO NOT PROTECT STATUS QUO AGAINST AGILE PROGRESS:** learn from the diversity you have in your team, from the Far East to the Wild West. Respect the data, do not overprotect technological legacy
- Always have advanced R&D leading the way, not looking backwards towards today's business habits
- Always look towards other industries and be constantly among the early adopters, if not pioneering innovators
- **AVOID** at all cost "ONE SOLUTION FITS ALL" approach: despite high commonality, each market has specific cultural, legal, economical, safety and environmental specifics that makes the difference between turnover and profit, safety and risk, sustainable and non-sustainable.
- Be prepared for the most advanced tech to become commodity in months



ECOSYSTEMS – solution at any level





Transforming a rental business with digital technology

CONNECTED
DATA & TIME
the new HARD currencies

Pen & paper
Excel, office, stand alone
Local software, minimum to
no integration with other
systems

**Cloud rather than client
server, more software, not
necessarily connected
(CRM, ERP, Sales Force,
APIs, Telematics portal,
leads & prospects portal**

**More & more integrated
software, covering more
and more of the (main)
operations processes as
well as financial and
analytical reporting
software**

**AI, AR, VR, predictive,
RPA, advanced CAN
telematics, BI, eliminated
language barrier, supply
chain integrated automation**

Flexible, universal, cross
industry, connected 4.0 IoT,
with easy commoditized
access for all stakeholders,
where digitization is not an
advanced feature anymore,
but native for all systems



- Create biggest added value for your customers (internal and external)
- FAST! Speed to market is key, better have one up and ready than the perfect solution in 5 years
- Share your knowledge:

A very important aspect is for the industry peers to freely share their opinions within our rental guild.

Despite it seems unlikely for one to share the very secret that he just implemented in his own company, it is actually paying more to share it, especially in the under-developed markets, where a great idea that becomes popular will boost the entire market at a much higher level, rather than increasing insignificantly just the original player.

Any new valuable gizmo (soft/hard) will create huge value for its creator within the first 6-12 months of full implementation. After the initial boost, the added value will decrease closing to 0, unless it gives another boost to the market through shared best practices and experiences. Keeping it hidden in-house proves less profitable for the creator than sharing it with the peers.

Morale: people should come together and freely share their knowledge and experience, especially in an emerging, less regulated market. This creates positive traction, positive constructive competition and sharpens the capabilities of the players, for a better customer experience, safer working environment and transparent relationship among all stakeholders (manufacturers, banks, rental customers, insurance companies, regulators, etc).

THE SIZE DOES NOT matters most: pioneering, open mind attitude and change speed & readiness are more important than size.



LIVE DEMO SMARTRENT[©] ECOSYSTEM

Cloud all in one ecosystem allowing transparent access to structured data pool offering real-time, deep as well as predictive insights on the environment evolution to all stakeholders:

CUSTOMERS (b2b & b2c) , *the rental company*, **EMPLOYEES**, OPERATORS, **INVESTORS**, banks, **INSURANCE**, supply chain (**LOGISTICS**, **TRANSPORT**), manufacturers, parts suppliers, **information companies**, **government**, regulatory & inspection bodies, **trainers & trainees**,



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Q&A

Thank you!

Stefan PONEA

2005 Founder & CEO Industrial Access SA (since 2016 part of TVH Group **mateco**)
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2010 President of the Romanian Rental Association

2015 Member of the Future Group - European Rental Association

2018 Global Telematics BPO **mateco**
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