

Use Your Computer as a Visioning Tool

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The computer industry is fascinating to watch. In this heady environment of high technology for the masses, new products are added daily to the dazzling array of computing toys and serious business tools. Computers that once filled a small room now fit into your briefcase, while the processing speed of the standard desktop PC doubles every 24 months. But what does all this mean to a rental store operator?

When we look down the road at how computers will help the rental industry, we must seriously consider what the computer, as a business tool, has to offer. While better operating systems, faster hardware and more advanced programming languages should not be overlooked, the real growth for computing in the rental industry lies in more sophisticated use of application software. Using a car as a metaphor for a computer, we can appreciate the increased horsepower of the car, but more importantly, let's see where the car can take us.

In the last seven years, the number of rental store owners who have automated their business has increased steadily each year. Yet over the same time period, profit on rental investment has declined from 20 percent in 1986 to under 5 percent today. With so many rental stores computerizing, why haven't computers helped rental stores win back eroding profit margins? The cars have more horsepower, but they're taking us around the same block.

Everyone knows that to be competitive in the rental industry, an accurate assessment of your business' performance in a timely manner is required. Knowledge is power. Ignorance is no longer bliss -- it's financial suicide.

The Computer is a Tool

A computer is a tool to help you turn knowledge about your business activity into enlightened decision-making that positively affects your bottom line. Yet many computerized rental operations cannot squeeze this knowledge out of their systems, no matter how hard they try. Many don't know how; some don't have systems that will do it; and still others believe the success of their business is out of their hands.

More advanced application software is just around the bend. This software will evolve from being primarily a historical tool to being a visionary tool. In other words, in addition to telling you what has occurred in your business, it will tell you what is likely to occur, and this before-the-fact knowledge will help you navigate your business in the direction of success.

Managing the Information

For every rental store operator who tries maximize the use of application software, there are a dozen who admit they don't use a fraction of what their system is capable of doing for their business. Why don't rental operators use the power of their current computer systems? For many, the information they could use is too difficult and too time consuming to extract from their computer. The amount of data a computer can spit out can be downright frightening, and

trying to make sense of the information can be frustrating. Also, in many cases, training is given only on the basic operating points. Continuing education on more advanced features of the product is hard to come by, or thought of as too expensive.

Rental operators should evaluate their current use of the software they have. A decision should be made to either stay at their current level of involvement or make a conscious decision to push their use of the system further. They should expect to be supported in this effort by their vendor. Software vendors who aren't interested in helping their customers get the most out of their system should be critically evaluated.

On the other hand, vendors should be ready to help their customers get the most out of their systems and should have programs available to assist users in this pursuit, such as newsletters, continuing education programs and regional seminars and classes.

What Does the Future Hold?

Application software of the future will use sophisticated modeling techniques, and thus, be smart enough to uncover trends by using past information to predict where your business will be in the future. The key to this evolution lies in the concept of "executive systems." Executive systems are currently being used in other industries and will define quality software of the future. These systems rely on an industry definition of several key "vital signs" to evaluate the health of your business. The software of the future will constantly monitor these vital signs. When incoming data suggests that any of these signs are in jeopardy, the computer will tell you where your business is failing and even suggest avenues to remedy the situation.

To make this type of software a reality will require the cooperation of rental operators and their software vendors. The key vital signs need to be defined and then the software written to keep constant tabs on these elements. This cooperative effort will strengthen the ability of computer systems to help rental businesses stay healthy and prosper into the next decade. It requires an openness from the vendor and leadership from the rental operators using the software.

Vendors must be open to the suggestions from their users as to which data they should provide and in what format. And users must take more responsibility by educating themselves on what a computer could do for them and communicating this need to their vendor. Users should communicate with each other so a cross-pollination of ideas can occur.

Vendors must develop better tools to educate their users on the capabilities of these new systems, using tools such as on-line tutorials, active help screens, telephone training, computer-based training aids and tutorial workbooks.

There is much to look forward to in considering the partnerships made between software vendors and the rental industry. To increase satisfaction, steps need to be taken on both sides. Rental store owners must move beyond the limited perceptions of what computers can do for them. And software vendors must urge their users to help them design systems that will truly become a powerful tool for their customers.