

Software for party and event stores comes of age

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When software companies began designing and marketing rental-specific software programs to rental stores in the early 1980's, development tended to focus primarily on the needs of tool versus party stores. The reason for this historical trend is clear. Larger tool stores were the early adopters of rental-specific software – thus software development efforts naturally followed the needs of this primary market.

By automating their contract-writing processes, these early adopter tool stores were able to collect overtime charges that were traditionally forgiven because they were too difficult to calculate by hand. Instant access to inventory utilization statistics also translated into larger profit margins for tool stores. Because tool rental is a high fixed-cost industry, utilization increases of only 10% can double profits. Because equipment is a tool store's largest expense, squeezing every last bit of profit from a piece of equipment is paramount.

Of course, it wasn't long before party and event stores began to use rental-specific software in their businesses as well. Even though software vendors tended to be more focused on tool stores' needs, their software did address many business processes common to all rental companies. Online reservation systems in particular were invaluable to party and event stores, because they allowed users to make changes to a reservation and see immediately how these changes affected future inventory availability.

However, while early rental software systems did help party and event stores manage their inventories more efficiently, they came up short in managing a more complex and important resource – labor. A party store can have thousands of chairs and tables on hand, but without the labor resources to deliver and set up these items, the inventory remains in the warehouse and a rental opportunity is missed.

In the last few years, more sophisticated software tools have been developed for party and event stores. As these stores become larger and more sophisticated, their ability to focus on developing software requirements for their businesses has blossomed. For example, my software company works with a group of party and event stores who share development costs for software enhancements that address the specific needs of party and event stores. I would guess this kind of coalition-building is also occurring elsewhere in the industry.

Many of the new software tools being developed for party and event stores take on the management of labor resources head on. For instance, when writing up an order for a customer, labor-tracking features can allow order-takers to determine not only if the equipment is available for the event, but can also show whether their "inventory" of staff for that day is sufficient to handle the order. Some systems even use ratios to estimate the staff resources needed to handle order commitments, thus allowing the store to proactively make adjustments to maximize the amount of business that can be accommodated during periods of peak demand. Historical data can also be evaluated to

determine the staff resources required for a particular weekend by looking at last year's volumes.

When writing up an order for a customer, it is critical that the right questions are asked so that all the pertinent information about an order can be obtained. If an employee fails to collect necessary information, inefficiencies can creep into the order-fulfillment process and seriously impact both profitability and customer satisfaction. Some rental software packages use "order wizards" that automatically ask a series of questions that must be answered when an order for a particular rental item is placed. Capturing this important information during initial order entry saves money, eliminates the cost of re-doing work, and results in fewer surprises when your delivery staff reach an event site. It also serves as a training tool for new staff members and thus provides an invaluable resource for stores with high staff turnover.

Another challenge for party and event stores is how to efficiently manage deliveries and pickups. Most rental software allows you to code a ticket for delivery and pickup. More sophisticated systems allow you to check existing delivery and pickup commitments as each new delivery is booked. In this way, deliveries can be shifted forward or backward during the week (or even during a work day) to accommodate as many deliveries as possible. Some systems even color-code delivery schedules, showing the relative availability of delivery bookings graphically (e.g. green means the time slot is available, yellow means it is filling up, and red means it is fully booked).

Because demand for delivery is dynamic, some stores have instituted flexible pricing strategies to more profitably ride the waves of supply and demand. For instance, since delivery and pickup time slots are typically in high demand on the weekend, stores can place a premium on weekend delivery and discount mid-week delivery. If a customer can agree to take delivery on a Wednesday versus a Friday afternoon, the customer can save money and the store can squeeze one more delivery in that week.

Pricing can also be determined by how large a time-window is provided for making the delivery. UPS and FedEx charge different rates for different time-window commitments, and hire firms can do the same. For instance, delivery rates can be discounted for "any time" delivery, and a premium can be placed on AM, PM, or specific-time deliveries.

The ability to schedule deliveries using different time-windows also allows you to increase the number of deliveries you can make in a day. If a particular day is overwhelmed with deliveries and a customer requests delivery for a specific time, you can offer a discount if the delivery could be accepted any time that day.

Truck routing is also a large concern for party and event rental businesses. Some software packages are being integrated with third-party routing software. Each day's deliveries are imported into the routing software and routes are automatically mapped, providing the quickest and most efficient route to make deliveries and pickups. Rental software is also being integrated with fax software so orders can be faxed directly to

customers. Integration with popular word processing programs also allows party and event stores to "pretty up" a quote for an important customer.

These are just some of the exciting new directions software is taking for party and event rental businesses. As these stores become even more sophisticated in their use of rental-specific software, more software innovations are sure to follow.