



SOFTWARE THAT GETS THE POINT

The Point-of-Rental team from left to right: Steve Husbands, vice president of sales; Earl Sherman, support manager; Bob Shaffer, president; Wayne Harris, manager of software development.

Point-of-Rental founders started out in rental, giving them an advantage



RM: You started off as a rental guy. What led you to develop the Point-of-Rental system?

Shaffer: My two partners and I started a small equipment rental store in a fast-growing part of Arlington, Texas, in early 1982 with no intention of getting into the software business. But, business at the store was booming. We were tired of hand writing contracts, having essentially no inventory or customer control and having to do all the accounting by hand.

One of my partners was Byron White, a systems analyst who worked for NASA in Houston for several years. By early 1983 our store needed a counter rental-management system so we attended the ARA show in Atlanta. We visited the booths of all five rental software vendors at the show.

We concluded that all the systems at that show had at least one major deficiency. They were too slow and difficult to use. Plus, most didn't handle the situations a rental store gets into.

We set out to develop Point-of-Rental software. Our goal was to not only use it at our store, but to also market it to others.

RM: What were you trying to put into this system based on your own experience in rental?

Shaffer: The system had to be easy-to-use, fast, flexible and reliable. The fact that both the systems analysts who have headed up our development efforts worked behind a rental counter for over a year has immeasurably contributed to the intuitiveness of the end product.



The Point-of-Rental Systems IT and software-support group members, from left: Jason Albus, Jeff Hoten, Melanie Tarby, Steven Wallace, Earl Sherman, Holly McKinney, Joe White and Tom Borst. The company will be relocating to the building where this photo was taken since the current location — The Rental Stop store — has been sold.



Point of Rental Systems' President Bob Shaffer, left, and Vice President of Sales Steve Husbands.

RM: Describe the POR system — what operating system it uses, what features or functions it may have that are unique, the size and type of company that is really its target market.

Shaffer: Over the years we've used only two operating systems — AMOS and Microsoft Windows Server. In February 2001 we introduced our Windows Server-based Enterprise product after more than four years of mostly "porting" the business basic code used by our legacy product to the visual basic code that Windows understands.

Our typical installation is probably one store with four terminals and two printers. We have small stores with only one user and then a couple of eight-store systems with 30 to 40 users plus many with two to five stores.

Recognizing that there are many fundamental operational differences between types of rental stores, i.e., equipment and party, Point-of-Rental software has always been parameter-driven. This design enables the exact same software to be configured for different rental environments. There are hundreds of parameters in our software. The look, feel and operation of the software changes depending on how they are set. This design not only contributes to product stability, but is the only realistic way updates and enhancements can be distributed.

RM: How many rental locations are running POR now?

Shaffer: We have licensed 717 stores in 45 states, Canada, the Caribbean and South Africa. These include single-user, multi-user and multi-store configurations. Typically, a single-store system will have three to five users, but one has almost 20. We have quite a few multi-store systems with two to eight stores communicating over the Internet to a single server. Expansion is limited only by the capacity of the server and not POR software.

RM: How did you learn so much about software systems?

Shaffer: I have a B.S. degree from RIT in Rochester, N.Y., in photographic science. In the third year of the program you had a choice of electives either in electrical engineering or computer programming. I chose computer programming and learned some FORTRAN.

I met my partner, Steve Husbands, while working on the Earth Resources Technology Satellite program at Goddard Space Flight Center in Greenbelt, Md., in 1971. Later, we both joined a government project in D.C. that, in 1978, moved to Arlington, Texas. One day, Steve said we should start an equipment rental store, so we drove to Moore Rental Service in Arlington. I was intrigued with the business concept. Financially it looked like it had potential, so my partners and I opened our rental store in early 1982.

RM: Describe your own rental company, so we can see how the system you developed matches up with the reality of the store — customer base, market mix, revenue, inventory valuation, market radius, cash versus



monthly accounts, etc. Give us a quick profile of it.

Shaffer: In 1996 we opened our second rental store about 12 miles east of the first. It is on one acre of land on a busy six-lane freeway. The newer store is larger than the first, but the product mix is similar with roughly 70 percent equipment and 30 percent party. Account customers contribute about 20 percent of revenue. Both stores are primarily homeowner and light-contractor oriented. The stores' primary service area is Arlington, Grand Prairie and Mansfield, Texas. Those cities have a combined population of more than 500,000.

Since the introduction of our Windows Server-based Enterprise product four years ago, Point-of-Rental System sales have soared — so much so that Steve and I had almost no time to oversee our Rental Stop rental stores. Without oversight, store revenue started to decrease and personnel problems increased. So, we considered selling [the stores]. Within a few days, Steve's son David and daughter-in-law Jill, expressed an interest and the stores were sold to them in May 2004. Revenue in their first full year increased 15 percent. And, we love having a place to test out new POR features without the responsibility of owning the stores.

RM: Give me a few brief illustrations of the advantage a system offers — any system, that is, not just POR. Can you put numbers with it — cost savings, profitability, anything to demonstrate the sense of running by computer versus winging it somehow?

Shaffer: It really depends on the number of contracts written per day. If you have 30 items, write three contracts a day and run the business by yourself, it may be difficult to justify a system financially. But, as the number of transactions increase, you'll either start losing control and have to add employees or install a counter rental-man-

agement system.

Employees are expensive. Even a minimum-wage employee costs at least \$12,500 per year. Over five years you'd spend well over \$60,000 for that employee. A counter system should last at least five years and even

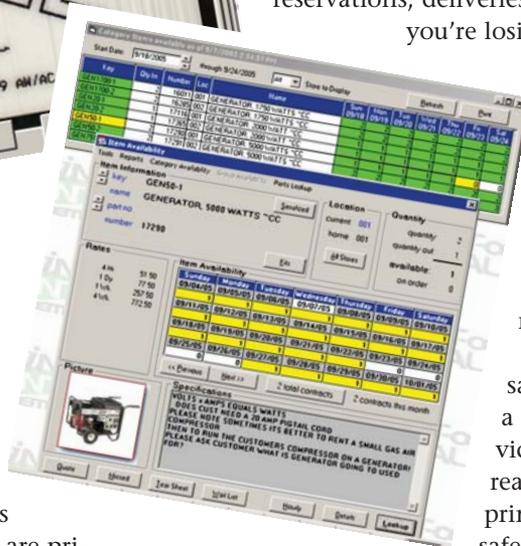
for a busy store, should cost less, including recurring support fees, than one minimum-wage employee. If you're winging it by spending money for one employee for A/R and other accounting chores, inventory control, tracking reservations, deliveries, pickups and overdues, you're losing money by not

installing a system.

And, that is just the expense side. These systems also increase revenue by properly pricing contracts and displaying suggestive add-on sales for some rental items.

Then there are the salient values of projecting a professional image, providing contracts that can be read and automatically printing instructions and/or safety messages.

In 1980, you could get away without a counter system, but today it is virtually mandatory.



RM: How are you set up to support your system with technical help, customer service and field-service reps?

Shaffer: We have one 800 number for both sales and support. The support group answers the phone. That means that more than likely, your support query will be answered by the first person you speak to. Well over 90 percent of support calls are satisfied without a call back. Sometimes, especially with reports because there are so many available, we'll have the customer fax it to us to help resolve the problem.

Point-of-Rental software is updated at least yearly. The updates include new features, but I think many people would be surprised as to what percentage of the updates are dedicated to making the software even more intuitive and bulletproof.

There are five guys in our support group. Most of them can handle both hardware and software inquiries, but two of them are hardware specialists. A sixth person handles the more complex accounting issues.

Our primary goal was to design a fast, easy-to-use, intuitive and reliable system. I know we've met that goal because even with more than 700 stores installed, we don't get many support calls. In fact, in many cases we don't

hear from customers for months and, in some cases, years. That benefits the users in two ways. First, they aren't wasting their time having to call us and second, we don't need a lot of support personnel on the payroll, which means we can keep our support fees low.

RM: In your experience, what's the most common sort of problem that rental stores have with their system?

Shaffer: Training comes to mind. Depending on the complexity of the system, we offer at least two days of initial training at our office or in the customer's store. Training is scheduled only after the customer's data entry of inventory and account customers has been completed. This is so we can train them using the inventory and customers they are most familiar with — their own. This initial training gets the customer up and running with respect to the counter system, A/R, close-for-the-day, adding and modifying customers and inventory.

Every system is delivered with a training database. At any terminal, a click on the training database box transfers the user into the training database. This provides a fully functional system that doesn't affect the store's real database in any way. A copy of the real database is automatically transferred daily to the training database. As you add new inventory, account customers, change pricing and the like, all those changes are only one day behind your real database.

Each system is delivered with a printed reference manual and a viewable PDF version. And, software updates are not distributed until the update pages to the manual are complete. A free training seminar is held annually at *The Rental Show*.

Recently we've added POR "tool tips" to the system. For example, suppose you are in an item record and want to know more about the depreciation "Method" option field. Simply right click on "Method" and a window opens up describing the options. But, even with all these training aids, in my opinion, the best way to learn any rental management software, plus undoubtedly discover new features, is to play in the training database.

RM: I have heard just about every vendor say that rental companies rarely get out of their system all that it has in it. There are always functions that they don't use or may not even know about. Do you agree?

The Rental Stop store and current Point-of-Rental Systems' headquarters in Grand Prairie, Texas.



Shaffer: I would agree. At the present time all stores use their system for contract writing, rental inventory control, A/R and usually reservations. But, many features such as tracking missed rentals, preventative maintenance scheduling and even keeping up with sales item reordering are ignored.

Sadly, many stores don't use some of the important information their system can provide. Rental systems provide the data required to predict the optimum inventory depth to avoid bad buys and a hit to your bottom line.

Of course no store is going to use 100 percent of their system's features because many features were added at the behest of some relatively small segments of the diverse user community. During the first year, implement and understand the basic functions. After that, sufficient history will be in the system so that really everything should be looked at. The best way to do that is to get into the training database and try things.

RM: What would you say to a rental company that is not using a rental-specific computer system?

Shaffer: Today, even most start-up stores know they can't operate efficiently without a system. In many cases it is at the top of their buy list so that it can be installed to write their first contract.

It is rare, but there are stores that still hand write contracts. In my opinion, any rental company that opens more than 15 contracts a day is losing money without a system in place. These systems increase revenue through accurate contract pricing, reduce many expenses including personnel, project a professional image and automatically harvest the data required to track maintenance history, inventory ROI and even more importantly, revenue trends for both inventory and customers. **RM**