



Every Attachment Under the Sun

BY MICHAEL ROTH, *RER*
PICTURES PROVIDED BY FINNING

Jordan Reber, senior vice president of digital and operational excellence for Finning Canada, has worked in the equipment rental industry since the 1990s, holding senior level positions with rental corporations across the U.S. including Sunbelt Rentals, United Rentals and Hertz Equipment Rental Corp. Jordan has also owned his own rental company and has experience working with a private equity firm. As senior vice president, digital and operational excellence for Finning, Reber's technology portfolio is directly aligned with the company's unique rental program, about which he recently talked with *RER*.

***RER:* How long have you been at Finning?**

JORDAN: I've been here two and a half years. Finning was looking for a senior executive to head up rentals and returning to the business after a stint in private equity was a really good fit for me. So, we relocated our family from the States to Canada and I started leading a very big and very different rental business.

So, the idea that rental is an integrated part of that experience, where you go to get your Cat equipment serviced is the same place you get your rental, and we are working to expand that offering. For example, a lot of other rental companies struggle with attachments because of the very nature of the original equipment manufacturer (OEM) within their fleet. But for the most part, with earthmoving equipment we have one OEM. So, what we've tried to do is have every attachment under the sun in every branch. We've invested in this area and we definitely carry an assortment

of attachments for our Cat equipment, even though we don't carry everything, we would be above average in the market. We have tremendous access to really special iron and the attachments that go with it. It's allowed us to increase the size, and complexity of what we're renting. For instance, a Finning customer can rent a mini excavator, and the one you're going to get from us will have a rear view camera, it will likely have grade control, it's going to have an environmentally controlled cab, it's going to have disconnects on your buckets. A much different feature set from what people are traditionally used to renting.

We're so integrated with our new and used equipment business, we spec to what our customers want, not what they're used to renting. We have a very flexible program around rent-to-own without contractual commitment, so if you rent it and you want to buy it, we'll sell it to you with a rental credit. Our average fleet age is around 15 months, so we have all the latest equipment, and it's all for sale.



Finning offers items such as air compressors, pumps, lifts and trench shoring products (pictured) because customers ask for them.

You must have a wide range of customers, everything from petrochemical and logging and mining and a lot of industrial customers?

Where we excel is that we rent equipment that other people don't. We rent equipment across many industry sectors, including dozers and skidders and specialized equipment for the construction industry especially loaders and road-building excavators. And our 797F haul trucks for mining come fully equipped with the latest technology, some of the largest equipment in the world that you can rent.

Obviously not a lot of rental companies would have those!

It might surprise our customers to learn that a lot of the national rental companies actually rent from us. My favorite rentals are the big wheel loaders, which are no longer available through one of our competitors. So even the customers that are die-hard loyal customers of that competitor get their wheel loaders and their dirt moving equipment from us. Often our competition sub-rents them from us for their customers.

You are apparently renting a lot to the forestry industry.

Not currently, as, traditionally, customers in the forestry industry have never been renters, they've always been owners. We want to encourage them to change that thinking and give rentals a second look. Forestry is a huge growth opportunity in rental.

Are they becoming attracted to it for the same reasons other industries become attracted to rental?

Servicing what we rent is a key advantage for us. When you need something like a dozer that's too big to exchange, you need to be responsive if something breaks. That's a new dimension that comes with service in rental. People in forestry will rent if they know that if something breaks in the woods, Finning is going to be there to fix it.

You primarily rent Caterpillar equipment, right?

While Cat is our largest partner, our rental business is very well rounded especially when it comes to contractor tools and down into non-specialty items. We offer aerial lift equipment, air compressors, pumps and trench shoring products that support and complement the earthmoving business because our customers are asking for these items.

Sounds like you have a varied customer mix. Do you rent to a lot of small contractors or do you primarily rent to large companies?

Because our dealer and our retail experience is so integrated, if a small contractor in a pick-up truck needs a gallon of hydraulic oil or he needs a filter, he comes into the dealership to get that. The same place they get a hammer drill or a 185 compressor, it's all integrated in that experience. So, he can drop off a skid steer to get repaired and rent a hammer drill at the same time. One stop shopping for any size of customer is what we are aiming for.

Finning also does service work on customer-owned equipment?

Yes. Our rental branches are also starting to price by menu board, so it's easier to understand pricing. Plus customers can drop something off to be repaired and rent a machine while it's being repaired. At Finning, our customer-centric focus means we do what is needed to ensure customers get the equipment they need when they need it, we call it our Ready2Go approach. We know



Being closely integrated with the dealership, Finning is strong on parts and service for its rental machines.

flexibility is key when you run a business, so whether you are buying new, used or renting, your machine will be prepped and primed and ready to go when you are, complete with attachments and easy financing.

Why does that model work so well with Finning but not with most rental companies?

As a dealer, service is what we do, and we have integrated it across the business. That same sort of ethos around customer service, and parts and maintenance in one happy, friendly environment. And the other piece is the integration of sales, and the ability to sell you any machine at any time. If you rent it and don't want to bring it back, we'll finance it for you. If you prefer a brand-new machine or a used machine and you want it, buy it. We'll figure it out!



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Because every machine in the rental fleet is also available for sale, Finning keeps its rental fleet among the youngest in the industry.

It sounds like a sensible model.

The key is the way in which the rental fleet is aligned with what people want to own. We're the biggest Cat dealer in the world with a good understanding of what features customers want so our rental fleet looks exactly that way.

We build all our fleet based equipment on ownership. Meaning, what customers buy the most is the way we outfit our rental fleet. We are putting a lot of high-tech features that customers typically purchase, on the rental fleet such as back-up cameras on every machine, quick couplers on every skid steer, heated seats and a climate-controlled cab. Most rental-spec machines don't have those features, but that's what people want, so we outfit ours that way with the intent that someone's going to take it on a rental one day and then decide to buy it.

Then we finance it and give the customer a warranty. If they don't choose to buy it, if they bring it back, the next guy's going to keep it. That's why our fleet age is so low.

You keep turning it over that way.

Exactly.

You must have quite a mobile service fleet given those massive distances in Western Canada.

That is the key with being integrated with the dealer

side of the business. We have a huge Cat fleet at most of these sites and we have such a large service population that covers rental and the dealer, it's really an integrated piece of a service offering for customers whether they are looking for rental, new or used.

You must have a lot going on in the oil sands in Alberta?

We absolutely do, and are even renting 797F mining haul trucks the same way we rent any other piece of equipment. From D10s and D11s and giant dozers and big hauling trucks, all the way down to compact equipment and small contractor tools. We want our customer to be able to "try before they buy", with a goal of securing that loyalty up front, so we can keep that customer for life.

Overall how was rental last year and what do you expect for this year?

Our Customer Satisfaction Scores and Net Promoter Scores are extremely high. Customers really understand our product offerings and we're continuing to build loyalty around the rental business in a way that is appreciated. We have a diverse inventory with a wide variety of Cat equipment and all these attachments, all the way up to the largest machine in the world. And we rent almost everything that we sell.

You must rent items most people in the U.S. have never even seen.

Exactly, and they would never think that you could rent a 797 in the same place that you could rent a 185 compressor.

Do you do a lot of training of managers and staff at Finning?

The experience, commitment and customer focus of the employees here is really something that we're proud of. A lot of the folks here at Finning are lifers and have been around a long time. But we also have a lot of diversity and new talent. We are excited to be able to have a great balance of employees with tenure and new kids on the block like me.

Do you use telematics systems on everything?

Another real differentiator for us is our company's entire technology suite is available with our rental machines. We do condition monitoring and we have analysts that monitor the performance of the rental fleet and if there's a breakdown we can predict it and keep that customer informed. We use Cat telematics and our rental



Finning puts high-tech features that customers usually purchase, such as back-up cameras, on its rental fleet since many of its customers rent with the intention of buying.

machines come with Trimble technology, grade control and more sophisticated tools for machines in a production environment and so you're able to use them the same way as something you would own in real critical situations. **RER**

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