



## Criterion Equipment Relies on Embrace ERP to Drive Growth, Increase Revenues, Reduce costs, Improve Asset Utilisation and Boost Profitability.

“Almost immediately after going live with the integrated Embrace Rental Solution, we started achieving tremendous bottom-line improvement in rental-fleet management and operational efficiency, which has made a huge impact on the business.”

Brenton Kemp - Managing Director - Criterion Equipment



Embrace enables Criterion Equipment to successfully:



Industry Sector



The Challenge



The Solution



The Benefits



Why Embrace?

- ✓ **Manage** a fleet of 700 vehicles
- ✓ **Optimise** inventory with a huge parts investment, in excess of R14 million
- ✓ **Ensure** a 94% parts availability, without over capitalising
- ✓ **Maximise** competitive edge

- Rental & Hire | Sales | Parts | Service & Maintenance
- Forklift Equipment | Agriculture | Construction | Mining

- Implement an integrated real-time Rental System
- Efficiently manage and control a huge parts inventory investment
- Support different pricing structures per customer
- Flexibility to extend, convert, change or add to rental contracts

- Embrace end-to-end ERP Solution
- Integrated Fleet, Service, Rental and Employee Time Management
- Customer Relationship Management with full drill down capabilities

- Maximise revenue per rental with efficient fleet management
- Inventory optimisation
- Real-time access to accurate data to accelerate decision making

- Strategic partner with proven expertise in the equipment rental, sales, parts management and service industries
- Ease of use, user experience and superb support
- Ability to meet changing and growing business requirements

## The Company

Criterion Equipment, a wholly owned subsidiary of Invicta Holdings Ltd, is the sole distributor of TCM forklift trucks in Southern Africa. Supported by a network of Branches, Dealers and Agencies in all the major centres throughout Southern Africa, Criterion Equipment has become a dominant force in the material handling industry.

Renowned for its durability and simplicity, the TCM brand has become the product of choice in the market it serves. Servicing the TCM brand is comparatively economical, with all genuine parts being sourced directly from the TCM factory in Japan.

## The Challenge

### Prior to Embrace - Inefficient, Expensive "Bolt-On" Rental Module

Prior to the Embrace Rental module being available, Criterion was using a 3rd party "bolted on" rental package, which was cumbersome to use, expensive to manage and maintain and never really worked. Management lacked timely insight into rental inventory, financials and other important information, which delayed planning and business decisions.

It was difficult to measure the lifetime profitability of assets. There was duplication of effort as employees frequently needed to manually enter the same information into separate systems, which resulted in erroneous data.

**"Only once integrated within Embrace did 'Rental' work properly,"** explains Sean Meeling, Financial Manager.

### Gaps in Previous Rental Fleet Management System and Service

With a fleet of 700, Criterion Equipment has several million Rands invested in rental equipment. To ensure maximum return on this investment, the company needs to be able to manage these assets from acquisition, to service requirements, through to disposal. The lack of integration between the ERP, rental and service solutions, resulted in costly operational inefficiencies.

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*Operational efficiency has increased as all divisions and branches are working off a single, centralised and integrated system from quotation to end of contract life."*

Heinrich Fredrick - Branch Manager - Criterion Equipment

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### Inventory Optimisation and Procurement Challenges

The company maintains a huge parts inventory investment, in excess of R14 million, all of which are sourced from Japan and carry a 9 month lead time. Procurement needs to be efficient and accurate to ensure a 94% parts availability, without over capitalising. Inventory management and sales teams need to know the current inventory status, how inventory items turn over, fleet turnover and the availability of items.

### Complex Contracts and Pricing Structures

Criterion Equipment needs the flexibility to extend, convert, change, or add to rental contracts while at the same time being able to efficiently offer different pricing structures per customer.

There was a requirement to put better controls in place, track usage, abuse, credit status on all contracts and define “in process” rules for invoicing frequency of all contracts.

### The Solution

#### A Single Solution with Integrated Rental and Fleet Management

The Embrace end-to-end business solution gives Criterion Equipment a real time 360° view of the entire business, streamlining and automating core processes, such as rental, sales, service, invoicing, delivery and collections.

#### Fleet Management

The integrated Embrace solution tracks depreciation and has enabled Criterion Equipment to review the performance and profitability of their entire fleet as well as individual machines.

*“We are able to manage all our assets from acquisition, through the rental process, swaps and service requirements, through to disposal,”* explains Meeling.



*The workflow process prevents shortcuts being taken and ensures nothing falls between the cracks, to assist us in delivering exceptional customer service and meeting our stringent ISO audit requirements.*

Sean Meeling - Financial Manager - Criterion Equipment



#### Service Management

Embrace maintains a full history of all equipment, including warranties, service records, parts installations and location changes, which has increased operational efficiency. Future planned servicing requirements of the fleet are also tracked and monitored.

*“Visibility into detailed equipment histories enables us to plan services so as to ensure minimal interruption to the availability of machines for billable deployments,”* adds Heinrich Fredrick, Branch Manager, Criterion Equipment.

#### Employee Time Management

Workshop employees record their hours, as well as the jobs and projects they work on.

*“We are able to track employee time in relation to revenue, costs and tasks. The workflow process prevents shortcuts being taken and ensures nothing falls between the cracks, to assist us in delivering exceptional customer service and meeting our stringent ISO audit requirements,”* adds Meeling.

#### Rental Management

Through a single workflow driven interface Criterion Equipment are able to manage the life cycle of each and every asset and contract. Embrace provides a complete view of all the assets under rental, their availability and location.

*“Operational efficiency has increased as all divisions and branches are working off a single, centralised and integrated system from quotation to end of contract life,”* continues Fredrick.

### Customer Relationship Management

The drill down and integrated capabilities of Embrace enable sales and service teams to access complete customer histories with detailed updates on the equipment customers own or rent, their purchasing history and service requirements.

*“Embrace enables us to identify customers who have not purchased for a while, see when last they purchased, establish who has the relationship with them, take action and encourage them to purchase and renew their relationship with us,”* continues Fredrick.

### The Benefits

*“I believe that what differentiates Embrace from any other ERP solutions is that the Rental Module is fully integrated and the great support,”* states Meeling.

### Maximise Revenue per Rental with Efficient Fleet Management

Criterion’s fleet managers are able to track depreciation and review the performance and profitability of their entire fleet as well as all rental equipment by individual machine, model, equipment family and other criteria. This enables management to take prompt action to eliminate or improve machines or fleet sectors that have subpar performance.

*“Almost immediately after going live with the integrated Embrace Rental solution, we started achieving tremendous bottom-line improvements in rental-fleet management and operational efficiency, which has made a huge impact on the business,”* states Brenton Kemp, Managing Director, Criterion Equipment.



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Brenton Kemp - Managing Director - Criterion Equipment



### Inventory Optimisation

Criterion Equipment can now track sales with full visibility into all inventory issues, i.e. shortages, back orders, allocations, parts, damaged stock, swaps and write-offs.



Long lead times make it necessary to carry a large stockholding. Tightly integrated procurement models, along with critical warning lists ensures that the company always has the correct stock, when and where they need it, minimizing customer downtime and allowing for cost effective and efficient service. Write offs are minimal and stock turns twice per annum.

### Exceed Customer Expectations

The integrated solution has enabled Criterion Equipment to boost its capabilities and accelerate customer service with direct access to inventory and costing.

Salespeople can verify inventory availabilities and customers' credit status on all contracts. When customers' exceed their credit limit, credit control is immediately notified and assists in resolving, enabling customers to keep their projects moving.

The system is extremely flexible, making it easy to add to, change or convert a contract from short to long term, while catering for different pricing structures per customer.

### Accurate Tracking of Work In Progress (WIP)

"WIP" is a critical element of the business and Embrace gives full visibility into all "open jobs", enabling service personnel to track the number of jobs that have been opened and their current status.

All parts, outwork, consumables and labour are loaded, so that the costs, revenue and profitability of every job can be measured.

***"Embrace assists us in reducing the amount of capital tied up by keeping work in progress to a minimum. Detailed enquiries, flexible and comprehensive reports give us full visibility into these figures,"*** explains Meeling.

“

***Embrace EDI has helped reduce outstanding and over aged payments.***

***We receive payment quicker, which positively affects our cash flow and that is important!"***

Sean Meeling - Financial Manager - Criterion Equipment

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### Exceed Stringent ISO Requirements

Criterion Equipment is ISO compliant and follows stringent audit requirements. Being able to toggle between figures and descriptions, seeing what was recorded and the explanations, has assisted in making critical decisions.

Embrace management reports assist in highlighting any problems in the branches and in achieving accuracies and efficiencies in excess of 95%.

***"This is critical for us, as management bonuses and incentives are calculated based on performance and accuracy,"*** explains Meeling.

### Improved Cash Flow

Customers receive consolidated invoices for Criterion Equipment contracts and services, which helps eliminate confusion and ease their financial planning.

The company effectively uses EDI (Electronic Data Interchange) for the delivery of these invoices and all statements, saving money on postal services and ensuring prompt payment.

***"Embrace EDI has helped reduce outstanding and over aged payments. We receive payment quicker, which positively affects our cash flow and that is important,"*** adds Meeling.

### Increase Sales and Boost Revenue Generation

The comprehensive mark-up matrix within the Embrace Price Book enables Criterion Equipment to sell individual parts at the most competitive and profitable price.

Discounts and special pricing structures, per customer are calculated into the selling price. An incentive scheme has been implemented, whereby the operator who processes the most sales, earns the most commission and because Embrace can track every transaction to a user level, commission calculation is automatic.

### Increase Operational Efficiencies

The integrated Embrace Rental solution has helped Criterion Equipment to eliminate time consuming tasks.

*“Life is a lot easier now, especially with accounts, allocation and invoicing. We never used to balance and wasted a lot of time trying to find the problem, but now our invoices are right, our collection is right, the cash comes in quicker and we balance! With Embrace, our Return on Investment was almost immediate!”* - Sean Meeling

### Superb Support

Embrace is quick and easy to implement, simple to use, with minimal training requirements.

Criterion Equipment is able to move new acquisitions onto Embrace within a month, with minimal disruption to the business.

*“We are very happy with the implementation and the on-going excellent support we receive from Compact Computer Solutions (CCS)”* – an Embrace Value Added Partner.

*“Embrace is cost effective to run, adds value and is not expensive to maintain. We would not stay on a package if it did not add value!”* – Sean Meeling, Financial Manager



*Our invoices are right, our collection is right, the cash comes in quicker and we balance!*

*With Embrace, our Return on Investment was almost immediate!*

Sean Meeling - Financial Manager - Criterion Equipment

