Equipment Rental Process

BuildIT is a construction company specialized in public works (roads, bridges, pipelines, tunnels, railroads, etc.). Within BuildIT, it often happens that engineers working at a construction site (called *site engineers*) need a piece of equipment, such as a truck, an excavator, a bulldozer, a water pump, etc. BuildIT owns very little equipment and instead it rents most of its equipment from specialized suppliers.

The business process for renting equipment goes as follows. When a site engineer needs to rent a piece of equipment, they fill in a form called "Equipment Rental Request" and sends this request by e-mail to one of the clerks at the company's depot. The clerk at the depot receives the request and, after consulting the catalogues of the equipment suppliers, selects the most cost-effective equipment that complies with the request. Next, the clerk checks the availability of the selected equipment with the supplier via phone or e-mail. Sometimes the selected option is not available and the clerk has to select an alternative piece of equipment and check its availability with the corresponding supplier.

Once the clerk has found a suitable piece of equipment available for rental, they add the details of the selected equipment to the rental request. Every rental request has to be approved by a works engineer, who also works at the depot. In some cases, the works engineer rejects the equipment rental request. Some rejections lead to the cancellation of the request (no equipment is rented at all). Other rejections are resolved by replacing the selected equipment with another equipment – such as a cheaper piece of equipment or a more appropriate piece of equipment for the job. In this latter case, the clerk needs to perform another availability enquiry.

When a works engineer approves a rental request, the clerk sends a confirmation to the supplier. This confirmation includes a Purchase Order (PO) for renting the equipment. The PO is produced by BuildIT's financial information system using information entered by the clerk. The clerk also records the engagement of the equipment in a spreadsheet that they maintain for the purpose of tracking all equipment rentals.

In the meantime, the site engineer may decide that the equipment is no longer needed. In this case, the engineer asks the clerk to cancel the request for renting the equipment.

In due time, the supplier delivers the rented equipment to the construction site. The site engineer then inspects the equipment. If everything is in order, they accept the engagement and the equipment is put into use. In some cases, the equipment is sent back because it does not comply with the requirements of the site engineer. In this case, the site engineer has to start the rental process all over again.

When the rental period expires, the supplier comes to pick up the equip-

ment. Sometimes, the site engineer asks for an extension of the rental period by contacting the supplier via e-mail or phone 1-2 days before pick-up. The supplier may accept or reject this request.

A few days after the equipment is picked up, the equipment's supplier sends an invoice to the clerk by e-mail. At this point, the clerk asks the site engineer to confirm that the equipment was indeed rented for the period indicated in the invoice. The clerk also checks if the rental prices indicated in the invoice are in accordance with those in the PO. After these checks, the clerk forwards the invoice to the financial department and the finance department eventually pays the invoice.

Questions

1. What type of process is the above one: order-to-cash, procure-to-pay or issue-to-resolution?

2. Who are the actors in this process? Who is the customer?

3. What value does the process deliver to its customer(s)?

4. What are the tasks of this process?

5. What are the possible outcomes of this process?

6. Taking the perspective of the customer, what performance measures can be attached to this process?

7. What potential issues do you foresee this process might have? What information would you need to collect in order to analyze these issues?

8. What possible changes do you think could be made to this process in order to address the above issues? Which performance measure would these changes improve?