

Face of Rental

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The salesperson is an invaluable part of the rental team and looking at the long laundry list of tasks he or she performs in a given day, it's easy to see why the sales staff is indispensable. From knowing what projects are going on in a given territory and checking Dodge reports for upcoming jobs to pounding the pavement and staying in touch with customers and building relationships, there is plenty to keep a salesperson busy. And because every customer is different, even keeping track of company's purchasing habits is a tough job: At one company a superintendent places orders, at the next it's the project manager. It is up to the salesperson to be in the middle of everything and to be engaged in the many levels of a rental business.

The art of hiring

Someone who's shy and timid is definitely not a good fit for a sales position in a rental company. A salesperson needs to be energetic; they're on the go every day, meeting potential customers and building relationships. Outgoing, aggressive, sociable, motivated personalities combined with persistence, honesty and integrity can help a salesperson be successful. Strong work ethic, professionalism and knowledge of equipment and applications are also key qualities of a good rental salesperson.

"I find that the most successful salespeople are relationship builders," says Mike Dissler, vice president of marketing for Chicago-based NESRentals. "They must be masters at listening, comprehending and providing solutions to customer needs while making that all-important personal connection."

Joe Alonzo, director of sales for Midwest Aerials & Equipment says that while he can't pinpoint what makes a good salesperson, he knows it when he sees it. "If I interview somebody I can pretty much tell within half an hour whether they're right for the business," he says. "There's a certain drive about an individual." Walter Wilson, who has been in the rental industry since 1978, is the regional sales manager for Las Vegas-based Ahern Rentals in the Dallas/Ft. Worth area. He also mentions that spark that some people have that makes them right for rental sales.

"Through experience I've been able to evaluate people for their potential," Wilson says. "For me, it comes down to something you see in the person."

That drive and that “something extra” about a person allows them to do the job through its ups and downs. “Dealing with a contractor is unlike any other sales,” Alonzo says. “You've got tough characters to deal with.”

Larry Workman, president of Illini Hi-Reach in Lemont, Ill., looks for smart, goal-driven and organized people when filling one of his three area sales manager positions. “When you're independent, you're going to hang your hat on the relationship,” Workman says. “I need my guys to really understand the customer.”

And according to Workman, the workweek should start on a Sunday night, when the salespeople should be planning their week, what jobsites they're visiting and who they'll be talking to. “I don't want the guys in our place of business. I want them to be out face to face with the customer.”

Another good trait: problem-solving ability. A salesperson needs to be able to react before problems are giant problems, and forward thinking and anticipating troubles for the customer doesn't hurt. “We'll solve problems before he knows he has them,” Workman says. Wilson says that a salesperson who really cares about other people, and one who's empathetic can be very helpful on the job. “Being able to see themselves in someone else's situation — that really helps with conflict resolution and preventing problems,” Wilson says. Being a self-starter is also an advantage. “I really like people who are looking to do a job, not just who want to have a job,” Wilson says.

Star Rentals' president Bob Kendall makes it a priority to hire outside rental sales representatives from within the company. Kendall looks for candidates who are articulate, attractive, and present themselves well and would also represent the company well.

Having construction or construction sales experience can obviously give someone the know-how and understanding of the rental business, but it's not absolutely necessary to come from that background to be a success. The sales staff at Ahern Rentals has a variety of backgrounds. Wilson says he has those who have come in from outside the industry, those who have jumped from being a counter person or truck driver to those who have come from competing rental companies. It seems that there is no particular formula for that perfect salesperson — but motivation and dedication to hard work are necessities.

Grooming a successful salesperson

Because selling rental is unlike most jobs, the training that a salesperson receives is also unlike most job instruction. Rather than being thrown to the

wolves, a mentoring style of training is frequently used. At Midwest Aerials, there is a three-phase program, which includes immediate on-the-job training. Newly hired employees ride with other sales staff to get inside knowledge of the job and how it works. In-house training follows, which is a day to a day-and-a-half of learning about the equipment and products. Then, when the opportunity is available, new employees can visit the equipment manufacturers to tour the plant and have training through them.

Illini Hi-Reach rents JLG Industries' products, so Workman sends salespeople to product school for the equipment. Then, every couple of months Illini Hi-Reach has an informal "inside school," during which the sales force discusses goals, price changes and product changes. This keeps the staff up to date on changes in the company, and ensures that the salespeople have current information on equipment specs. Fort Lauderdale, Fla.-based NationsRent in 2004 instituted its Sales Effectiveness Process Training Program. Since its implementation all of the company's more than 350 outside sales representatives have completed the two-day program, which supports the company's fundamental shift from being product and transaction focused to customer and relationship focused.

"Our leadership structure in the new NationsRent enables us to manage from the ground floor up, with the store managers established as the first line of sales management," says John Washburn, district sales manager for central and southwest Ohio and sales black belt for the Midwest region. "We then work through a group of seasoned veterans who are either district or region sales managers who have the experience and know-how to support and lead the team of outside sales reps."

NationsRent also uses a mentoring style of training with its Black Belt program. Each of the company's six regions has its own sales black belt who receives the nomination from their regional vice president, and is typically someone who is considered a sales expert and has been in the business for a while. The black belt is a go-to person for all the programs in place at NationsRent and they serve as a mentor for the entire sales force.

If a new salesperson needs guidance with a cold call, the black belt in his or her region will go out with them to make some cold calls, explains Washburn. The black belt could also help the new salesperson with negotiations if he or she is having a hard time getting something across to a customer.

NationsRents' black belts also serve as a kind of liaison for the executive management, acting as a sounding board for new ideas and relaying communication from other sales staff in the field.

Compensation — the ultimate motivator

More and more rental companies are moving away from commission-based compensation programs for their sales staffs in an effort to increase volume and improve their rental rate structure, and to reward salespeople for garnering higher rates. Other programs are designed to reward salespeople for doing what's best for the greater good of the entire company, regardless of branches and territories. It's about overall efficiency.

Las Vegas-based Ahern Rentals has its own unique compensation structure, which has proven very lucrative for those individuals willing to work hard and hold out for higher rates. After implementing the new program, Don Ahern lost 65 percent of his outside salespeople, which he says was the best thing that happened to his company.

"I had all these prima donnas ..." Ahern says. "They were doing big discounts and at one point in time some had done some real good business for me, but when the going got tough they just gave up.

"We have found that by trying to legislate internally what our rate is for a piece of equipment, the lowest price, the highest price, all those things, we just couldn't find any success in that. We like to give our salesmen a lot of ability to negotiate the price out there, at the belly-to-belly point. And the only way that we could really get what we want out of it as a company was to give them the room to negotiate, pay them a higher price on that piece of business if they get a higher rate, and then to compensate them on literally everything they do, whether it be delivery and pick up; damage waiver; service and repairs; retail sales; new and used; and all those things."

Star Rentals' program eliminates competition among branches and encourages cooperation for the best of the entire company.

"Our rental sales compensation packages are not commission based," says Kendall. "Instead, we have an efficiency-based system and everyone within the company is tied to a bonus — we call it a branch efficiency quotient. What this does is allow the salesperson to focus on what's best for the company, rather than what's best for him or her individually."

Because the job of the salesperson is to build relationships and work to fill customer needs, a salesman needs the flexibility of being able to negotiate prices. At Midwest Aerials, management familiarizes salespeople with equipment costs, but empowers the salesperson to make the decisions they need to make as far as rates go. "But our focus isn't on rates and cost," Alonzo says. "Our main focus is building relationships with the customer."

At Illini Hi-Reach salespeople have a general parameter for rental rates, but because the staff is experienced, they have more latitude, Workman says. "I don't want them to say 'I'll get back to you' to check with me on rates. I don't want customers to wait."

Providing a set of parameters and letting the salesperson work around them is a common practice. Guidelines for rates change based on a number of factors such as market conditions and utilization, and are generally communicated at weekly or monthly sales meetings. Star Rentals' outside sales reps are their own bosses, says Kendall, and the company empowers them to negotiate their own rental rate within a given set of parameters.

NES Rentals has different levels of discount authority among its sales staff. "Everybody has a discount level of authority based on the book rate or the list rate," says Disser. "Like car dealers who have an 'MSRP,' rental salespeople have a similar MSRP — management suggested retail price. Each salesperson will determine rental rates based on variables such as equipment supply/availability, customer history and competitive issues." The level of discount authority fluctuates with different equipment classifications and based on different geographies and variables from each market including competition and demand.

Each region and district within NationsRent has the basic latitude to adjust rates to meet market conditions within the guidelines set by regional and corporate management. "Our operating philosophy is that each of our six regions functions as its own business unit, with broad latitude to make business decisions in the best interest of the customer," says Washburn. "Because our profit is driven on the number of transactions, our incentive compensation plan is volume oriented, and the outside sales rep does see benefit from obtaining higher rental rates."

At Midwest Aerials, the rates the salesperson gives a customer don't affect the compensation or commission. The money they make is based on a percent of total rental dollars. The emphasis is on rental dollars, rather than unit sales. Illini Hi-Reach's Workman is thinking about implementing a company plan where the better the rental rate a salesperson gets, the better the commission. But employees are currently paid a base salary and paid commission on sales.

To reward or not to reward

Some rental companies offer volume discounts to their large customers, while others don't offer any sort of frequent renter programs.

Midwest offers bigger clients credit rebates at the end of the year and additional discounts on daily and weekly rates. Special discounts are given to customers who make Midwest their main supplier. If they know that a customer has budgeted for a one-month rental, and they go over that allotted month, Midwest will work with them to give a discounted rate for that extra week. Discounts are also offered if a customer pays within 30 days, or if they meet a certain amount of rental dollars. Those rebates are given as rental credit for future orders.

Star Rentals' large volume customers are tied to a volume/rate structure program that is very consistent across the board for all accounts. "Nobody is getting a better deal than anybody else," says Kendall. However, rate incentive programs are in place for the company's key accounts.

While NES does not have a structured frequent-renter discount program in place, the company does offer incentives to high-volume customers based on certain regional variables. "There is no structured program in place, but anytime you have an opportunity to do more business with a customer you use the art of negotiation," says Disser.

Though NationsRent does not offer a universal reward program for frequent renters, there are some districts with NationsRent at Lowe's stores that are piloting a Frequent Rental Card, which offers customers who rent four times to receive a discount on their fifth rental — a program, Washburn says, which is more suitable to the homeowner segment of the business.

The company also provides a national account program that offers rebates tiered to the total number of dollars an individual customer spends with NationsRent in a year. The program is available to customers that do business with the company across different regions.

The gender gap narrows

The gender gap narrows While women in rental equipment sales are still a minority, the gap between the acceptance of female versus male salespeople seems to have narrowed.

"When I went into sales it was 1988 and there were no women in construction to speak of," says Linda Weber, sales manager for Midwest Aerials & Equipment. "It's changed drastically. Every year there's more women."

Establishing credibility as a new salesperson is difficult regardless of gender, but it can take time for potential customers to take a woman seriously.

"I have that advantage now that I didn't have when I first started," Weber says. "I think we get in the door easier but I think establishing credibility is more difficult. You have a lot of men that quite simply waste your time just to check you out as a female. You have a lot of men who want to chat with you, but they want to give their buddy the business. But I can honestly say that in all the years that I've been in this industry, the men who are unprofessional are very few and far between. For the most part, the men I deal with are gentlemen and professional, once they know I know what I'm talking about."

When asked about the success of women as outside salespeople at their companies, most sources indicated that their female staff members are among the most successful at the position within the company.

"They may be treated less harshly than their male counterparts, but on the other hand, they may be asked to prove themselves more," says Disser, who spoke to two women in outside sales roles at NES, and neither, he says, really felt like there were any significant job challenges that were gender based.

"There are some traits that just make a good salesperson and if you have them you'll be successful," says Disser. "It's not gender specific."

Ahern's Wilson, has one female on his sales staff of seven. Taylor Lewallen has been in the industry for 15 years. "She's very strong in her organization and has tremendous customer loyalty, great product knowledge and has been able to overcome any and all obstacles to be successful," Wilson says. "The competition would certainly know her name — and wouldn't we all like to be able to say that?"

Still key — rental relationships

Building relationships with the customer base is still key to building rental sales and that doesn't seem likely to change anytime soon. The salespeople who are really successful in their roles are those who can cultivate strong business and personal relationships with their customers while still being able to garner the top rates, despite the competition's efforts to undercut.

"The rental industry is a relationship business," says Disser. "We deal with people every hour of every day and they develop a level of trust with NES when it comes to understanding their individual needs and business requirements. Our customers are our most important concern and our salespeople are the face of NES Rentals."

Since rental is often a word-of-mouth business, salespeople work hard to satisfy customers so that they will refer their rental company to other colleagues and friends in the industry.

“Our employees are willing to do the extra mile for our customers to always ensure their needs are being met,” says Ellen Steck, vice president of marketing at RSC Equipment Rental, Scottsdale, Ariz. “This allows each salesperson to build those long-lasting relationships. RSC makes service a priority, whether it's a first-time renter or a long-term customer.”

Following up the sale with excellent customer service is another way salespeople nurture their customer relationships. NationsRent partnered with its vendor, JLG, to offer safety training to its customers for both aerial work platforms and rough terrain forklifts. The sales team is certified to deliver the training to customers, and the company offers it as an additional service after the sale of an item.

Whether a salesperson regularly offers additional services to customers beyond his or her sales role, most rental companies agree that if the customer wants that salesperson as a point of contact for additional services, a point of contact they will be.

The challenge continues

The role of the outside rental salesperson is always changing, but it is fundamentally the same. The skill and experience base required for the position are the same as they've always been. Relationships are still key. But one change echoed by many companies *RER* spoke to is the ever-shrinking element of time. “Everything has become compressed or accelerated,” says NES' Disser. “Where lead times may have been weeks in the past, now it's more like days or hours. Response time has changed significantly.”

Recent market research conducted by NES captured one customer's thoughts on the dissolution of time. “I want to be able to call on the rental company when I need something and I expect them to know more about the equipment than I do,” the customer said. In response Disser says, “Customers are turning to us as the experts to be able to provide a rapid, effective, value-based solution.” And the salesperson is ultimately the facilitator of that relationship.