

coateshire

Overview

The need

Without an easy way to access operational data, Coates Hire's branch managers found it difficult to identify and prioritise the tasks that would contribute most to their bottom line.

The solution

A new dashboard solution gives branch managers instant insight into asset-related issues, helping them assess the top priorities and take rapid action to resolve them.

The benefit

Faster insight leads to better decision-making by highlighting the potential financial impact of each issue. 95 percent user adoption within two months proves the solution's value for branch managers.

Coates Hire

Keeping more equipment available for hire with deeper insights into asset management

In supplying thousands of different types of equipment to customers of all sizes across many industries, Coates Hire faces a key challenge: how can it keep the highest possible proportion of its assets available for hire at all times?

By rolling out an operational analytics solution to its 230 branches across Australia, the company is able to make smarter decisions about equipment distribution, maintenance and purchasing – which will ultimately help to increase its key “ready to hire” metric while keeping total inventory costs as low as possible.

Setting the scene

Coates Hire is the largest equipment hire company in Australia, operating in all states and territories of the country, as well as in Indonesia. It has 2,600 employees at over 230 branches, and services more than 20,000 clients in industries such as mining, oil & gas, engineering, construction (both residential and non-residential), industrial maintenance, government contracts and events.

The company offers a catalogue of 7,500 products (including equipment for earth-moving and compaction, access, power generation, traffic management, air compression, pumps and dewatering, shoring, portable buildings, industrial tools and general hire) to clients ranging from very large blue-chip corporations to individual do-it-yourself enthusiasts.

Analytics journeys often begin in the finance department – but Coates Hire took a different approach. CFO James Welch comments: “Our board knew we could gain more value, more quickly, by empowering our branch managers with analytics. In fact, our next board meeting will be held at one of our branches to demonstrate how the solution works in practice.”



Solution components

Software

- IBM® Cognos® Business Intelligence
- IBM Cognos TM1®
- IBM SPSS® Modeler

IBM Business Partner

- Cornerstone
-

Empowering branch managers with analytics

The success of Coates Hire's business depends on its branches having the right equipment in stock and available for hire whenever customers need it. Much of the responsibility therefore falls on its branch managers, who need to know exactly what assets they have in their yard, what assets are currently out with customers, and what condition all of those assets are in.

James Welch, Chief Financial Officer at Coates Hire, explains: "Our branch managers are so important to our business. We recognised that we needed to give them accurate, timely and relevant information about the assets they control."

Previously, branch managers needed to run a series of reports each day and review them to look for issues. The company set an objective of summarising all of this information on a few easy-to-use dashboards.

"We wanted a simpler way to deliver information, one that wouldn't tie our guys up in spreadsheets," says James Welch. "We realised that a summary-level dashboard could give our branch managers an instant overview of what the top priorities should be, and we also wanted a capability to drill down, right to the source."

Finding the right solution

Coates Hire determined that an enterprise-class analytics solution was the right option, not only to solve the immediate issues at the branch level, but also to provide a platform for broader applications in the future, such as planning, budgeting and forecasting.

"IBM had a compelling offering," comments James Welch. "The IBM suite includes business intelligence, performance management and predictive analytics software, so it gives us the maximum flexibility for extending our analytics landscape in the future."

After securing budget approval for the analytics initiative, the company set up a steering committee drawn from operations, finance and IT to oversee the programme of work. It also established several working groups to manage subcomponents of the project.

Cornerstone, an IBM Business Partner, was engaged to support the implementation of IBM® Cognos® Business Intelligence and the design of the user interface for the dashboard and reports.

"The consultants from Cornerstone are highly skilled, and they worked seamlessly with our internal team," says James Welch. "Our close partnership made a huge contribution to the success of the project."

“myBranch helps us run at top efficiency by delivering vital information to every one of our 230 branches, every day of the week.”

— James Welch, Chief Financial Officer,
Coates Hire

New insights enhance operational decision-making

With the new solution in place, branch managers can now log in at any time and view daily data about their branch. The dashboard – known internally as “myBranch” – provides a prioritised list of “next actions”, colour-coded to indicate urgency or importance, and linked to data about their potential impact on the branch’s financial performance. “The connection with the financial impact data is a huge motivator, because managers can see exactly how their actions are likely to affect their bottom line,” says James Welch.

Meanwhile, by using the “hire fleet” reports, managers can also look at all the equipment held at their branch and drill down to see which assets are “held ready for use” and available for customers, and which are not.

“If an asset has been sitting idle for too long, we need to understand why.” explains James Welch. “Is it available for hire? Or does it need a mechanical inspection or a routine service? Is it off-site with one of our accredited maintenance providers? Is it sitting off-hired on a customer site? Every day that equipment is unavailable for hire is a lost opportunity for the business.

“Giving the branch managers more visibility of asset status and condition helps us use our assets more efficiently and intelligently. There are all sorts of benefits: we will be able to get our equipment ready to hire more quickly, avoid unnecessary purchases of new assets, replace aging equipment more efficiently, and avoid under- or over-stocking. Ultimately, this kind of insight will help us maximise the availability of equipment for our customers, while minimising our overall inventory costs.”

User adoption exceeds expectations

The solution has been an immediate hit with the branch managers themselves, achieving an 95 percent adoption rate within just two months of deployment.

“User adoption has already far exceeded our expectations,” says James Welch. “It’s a real testament to the usefulness of the solution, and backs up our original theory that there was a big appetite for information at branch level that we just needed to feed.”

Piers Wilson, Director at Cornerstone, concludes: “The key to enterprise business intelligence is putting the right information into the hands of the right people in a format that they can readily consume. We are really proud of how effective the dashboards we have delivered with Coates Hire have been.”

About Cornerstone

Cornerstone Performance Management is an IBM Premier Business Partner, providing management and systems consulting services to help its clients analyse, visualise and manage their businesses more effectively. Cornerstone operates throughout Australia, with offices in Canberra, Melbourne and Sydney.

To learn more about services and solutions from Cornerstone, please visit cornerstone.com.au



About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organisations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualise trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organisations can align tactical and strategic decision-making to achieve business goals.

For more information

For further information please visit ibm.com/business-analytics



© Copyright IBM Corporation 2014

IBM Australia Ltd
Level 13
IBM Centre
601 Pacific Highway
St Leonards NSW 2065

Produced in Australia
April 2014

IBM, the IBM logo, ibm.com, Cognos, TMI and SPSS are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at ibm.com/legal/copytrade.shtml

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions. It is the user's responsibility to evaluate and verify the operation of any other products or programs with IBM products and programs. THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.



Please Recycle
