

# RSC EQUIPMENT RENTAL, INC.

## WHY BUY WHEN RENTING MAKES GOOD SENSE

THE RENTAL EQUIPMENT BUSINESS in the U.S. is a \$35 billion industry, yet only 35 to 40 percent of the people who use this equipment rent versus own. Heavy industrial machinery can cost hundreds of thousands of dollars to purchase, without factoring in maintenance fees, repairs, and fuel costs. Rental equipment is offered at a fraction of the price of buying, and all the additional fees that keep the machines safe and efficient are covered by the rental company. Given this information, why do the remaining 60 percent of users make large capital investments on machinery that becomes a depreciated asset?

### THE RENTAL TREND

The rental industry has greatly expanded in the last decade, creating new options for contractors who traditionally purchase their equipment and haul it to each new location. For example, RSC Equipment Rental, Inc., one of the largest equipment rental providers in North America, has over 460 rental locations in 40 states and three Canadian provinces. With a fleet worth \$2.4 billion, contractors now have options they never had before.

Renting serves a practical need for customers on short term projects on common pieces of equipment. Rental houses allow contractors the ability to get equipment on short notice without the inconvenience and cost of having to transport the equipment from the storage facility to the jobsite. It's one less thing they have to think about.

Still, old habits are hard to break, and for many companies the trend has been to purchase large equipment simply because that is what they have done in the past.

However, during the current economic environment, most companies are looking for ways to cut back and minimize their expenses. Fewer companies are willing to spend the necessary amount of money to expand their fleet or purchase new equipment, especially when older, less reliable machines are still part of their overhead. As emissions standards become stricter and fuel costs rise, renting equipment seems like a viable option for those dealing with financially insecure situations, especially when companies are not interested in making a large investment in a machine that has the potential to sit idle for months on end.

### BENEFITS OF RENTING

"Renting is a great option for those who may need a specific piece of equipment for one phase of a project but don't foresee getting that much use out of the equipment in the long run," says Erik Olsson, president and CEO of RSC Equipment Rental. "Even in cases where they think they may

use it frequently, it's worth comparing the cost of renting versus owning the equipment. I think most contractors would be surprised at how much they can save. The decision to own versus rent should be analyzed over the useful life of an asset and the percent of time that asset will be utilized is a critical component."

The real estate forecast aside, there are several reasons renting makes more sense than buying. When renting, you receive top-of-the-line, modern equipment that has been tested and provides the optimal level of performance. In addition, maintenance checks and repairs are routinely performed before, during, and after renting equipment so not only does the customer receive the assurance of a well-maintained machine, but they avoid the hassle and expense of having to service the equipment themselves. Furthermore, because industrial equipment is such a large investment, many companies are forced

to hold onto an asset that becomes devalued very quickly and they must continue to pay for the storage and maintenance of a piece of equipment that is infrequently utilized. In contrast, rental fleets such as those at RSC, have an average life-span of just 5 years, making them younger, less prone to problems and more environmentally sound, letting out fewer emissions than older diesel engines.

Companies like RSC have taken the rental equipment industry beyond just machinery, adding benefits that are beyond cost. Mobile Tool Rooms are portable trailers custom-stocked with the specialized tools and small equipment used for a short-term project. On-site maintenance prevents costly down time and increases productivity. Total Control®, an RSC proprietary software program, allows the customer to manage their fleet, costs, time, and rental spending more efficiently—all issues that are of particular importance on long-term projects with large jobsites. At RSC, safety comes first with programs designed to raise the bar in the industry and help companies manage a safer operation.

### THE RENT VERSUS OWN DEBATE GOES ON

The most important thing to remember is that there are options. Buying allows companies the convenience of already owning the equipment. Renting allows companies to control their expenses and conserve capital, while still getting top quality equipment that is well maintained and safe—an option that in the current economic situation may be the better decision.

For more information on RSC Rental Equipment and the solutions that are right for you, call 800.222.7777 or visit [www.rscrental.com](http://www.rscrental.com). ■



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To keep your projects on track, trust RSC Equipment Rental. Our top-quality pumping equipment is maintained to high standards, so you can depend on it. RSC also offers innovative programs and services to make your job easier, such as 24/7 Customer Service and Total Control<sup>®</sup> management software.

RSC carries a full line of pumps and pump accessories for your various needs—from dirty water to limited solids and chemicals. And RSC has a full line of power generation equipment, including the Multiquip Power WhisperWatt generators. These generators are reliable and provide a substantial reduction in noise output.

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