

PRO CONTRACTOR RENTALS

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RENTAL CENTER
RENTOLEX
 Robert Krueger
 Tampa, Florida

RENTAL
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IRON IS IN THEIR BLOOD

Three generations of Kruegers have survived and thrived in the equipment business. Rental has played an important role in their success.

CLAIR URBAIN

Robert Krueger and his brothers mark the third generation of Kruegers who have made their living in the equipment and rental business.

Their grandfather, Walter Krueger, started Krueger Machinery Company in 1929 that he operated out of Saginaw, Michigan. In the '60s, his son, Tom Krueger, joined the business and through the early '80s they grew Krueger Machinery to four locations in Michigan: Saginaw, Flint, Novi and Alpena.

The Kruegers were one of the first Associated Equipment Dealer (AED) members to offer equipment rental to customers. By the early '80s, Krueger Equipment Rental Co. (KERCO) division of Krueger Machinery was the fastest growing portion of the business.

When the early '80s hit and the automotive economy in Michigan tanked, the Kruegers closed everything and Tom moved to Florida to start Rentalex. Robert moved to Florida later that first year to help his father start Rentalex.

Today, there are two Rentalex stores in Florida, one in Tampa and another in Hudson operated by Robert's brother, Tim. While they share the same name, they are, for all practical purposes, separate operations.

An older brother, Jeff, opened a Rentalex store in Kalamazoo, Michigan in 2000, which grew into two locations. In 2015, the Michigan

stores were sold to Sunbelt Rentals and he now works with that organization. The Event Rental division of Rentalex Michigan remains and Jeff's wife continues to operate it in southwest Michigan.

Game-changing Great Recession

Before the Great Recession, Rentalex focused on renting heavy equipment in the fast-growing central Florida market. "We had excavators up to 65,000 pounds and loaders up to 3 cubic yards in our fleet as well as a fleet of equipment haulers. When the housing boom went bust, we liquidated our excess inventory, selling it at auction. That's when we changed our focus to more general tool and compact equipment that has a much better return on investment," Robert says. Today, 80

With the move to compact equipment, Robert says utilization is almost at 80 percent.

percent of the Rentalex customers are smaller contractors or specialty subcontractors. The rental fleet is made up of general tool, compact and aerial equipment that includes mini excavators, small wheel loaders, skid steer loaders, compact track loaders, compact lifts, telehandlers, light towers, portable compactors and powered buggies. It also rents a wide variety of small tools and presently has an equipment inventory that is approaching \$8 million in value. "Contractors look to us for equipment they can't find at some of the national chains," he adds.

Its service area focuses on central Florida, running five delivery trucks; the Tampa location employs 24 people. "Our delivery trucks are on the road all day, every day," Robert says. One rental manager and three counter persons coordinate rentals, while three heavy equipment mechanics, two small engine mechanics, and one yard person keep equipment in top shape.

High utilization

With the move to compact equipment, Robert says they see utilization at almost 80 percent. "Contractors know we have niche equipment that fits their types of jobs. We've been carrying NiftyLift compact lifts for about 10 years and we're seeing a growing demand for them. We added 10 more units to our fleet this year and will add five tracked units that can fit through 36-inch gates before the end of the year. Tree trimmers and other contractors like them to get into the backyards of some of the older properties on the south side of Tampa," Robert says.

He's also seen an increase in inter-

est in hybrid-powered compact lifts. "We have two diesel/electric-powered NiftyLift models that have been very helpful for contractors working on the Armature Works revitalization project in downtown Tampa. They can be used inside or outside. It's an

our best to be proactive."

In addition to his two outside salespersons, he has two state-of-the-art service vehicles in the field.

"We want our people to be at the equipment at least bi-weekly. We're finding customers like our proactive



The inside sales staff: Ronnie Sims, rental manager; Tiffany Garrett, Anthony Farmer and Desiree Fisher, sales associates.

interesting site," he says,

The Armature Works is a project that's transforming the historic Tampa Heights neighborhood near the Hillsborough River into a mixed-use site that features eateries, public market, event spaces and exclusive coworking space.

"We have quite a few rental units on site there including the compact lifts and light towers, and one of the ways we separate ourselves from the other rental operations is with our proactive service and support," he says. "Where our competitors tend to be reactive to service calls, we do

approach to check on equipment.

Our two new service trucks allow us to make maintenance visits quickly," he says.

New service fleet

Rentalex recently added two new service trucks to its maintenance fleet. The Ford F250s are outfitted with service truck bodies you'd expect to find on any service truck; but that's where the similarities end.

Both units are outfitted with a 30-gallon Sage Oil Vac fluid exchange system that can pull oil out

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Rentalex can track delivery and maintenance vehicle location throughout central Florida, which helps them schedule deliveries and maintenance calls most efficiently.

of a rental unit in the field and replace it with fresh fluid, all drip-free.

Engine-powered rental units are fitted with Felco quick couplers so service technicians can easily connect the Sage units to the engine oil line to pump out the used oil. Using a digital handheld flow meter on the Sage unit, the service technicians quickly and accurately pump in fresh oil.

“Unlike other oil-changing systems that use diaphragm pumps and tend to have problems, the Sage units are powered by compressed air. It even has an oil filter box that captures the used oil out of the filter. What used to take our service people nearly an hour to service a unit, they can do it in 10 minutes,” Robert says.

To maximize his field service efficiency, Krueger has outfitted field vehicles with DPL telematic units so he knows exactly where the delivery and service vehicles are in the area.

“We have a monitor mounted on the wall inside the sales counter that displays each vehicle’s location on a map. We plan to extend the use of DPL telematics transponders on equipment to track hours, location and idle time. We are still setting that up and should be operational yet this year,” he says.

Internet presence

Krueger says the biggest shift he’s



Rentalex recently added two new service vehicles to its fleet that allows technicians to change oil on equipment in the field in minutes. It’s part of Rentalex’s proactive approach to maintenance and customer service.

seen in the last five years is the acceptance of using the Rentalex web site, www.rentalex.com, for equipment selection and inquiries.

“Most of the time, our customers know what they want and when they want it. However, when we have a customer who is not sure about what they need, we have them go to the web site and we discuss what they want to do and the equipment we have available to help them do it.



The switch to concentrating on compact equipment such as NiftyLift compact lifts has created a niche for Rentalex, says Robert Krueger, owner. He and his staff also offer proactive maintenance and attention to its customers, which sets it apart from his competitors.

We have a full-time web person who posts new information continually and keeps the content fresh. We use many resources that customers can tap into to see how equipment can be used and how to operate it safely,” he says.

Buying right

For more conventional-sized aerial lifts and other equipment, Robert prefers to go with used but refurbished units that he can buy at a fraction of the cost of a new model and bring into the rental fleet at a cost-competitive rate.

“With Tier 4 diesel requirements and the need to keep ROI in line, the used and refurbished units really help ROI,” he says.

In the future, he sees growing interest in electric-drive equipment and continued growth in mini-excavators. “When we brought in our first mini excavator 35 years ago, no one would rent it. They preferred tractor backhoes. Now, it’s almost all mini excavator and track loader rentals.

“The same is true for electric dumpers. They have taken some time to catch on, but I think we will see the trend continue to grow for electric dumpers and other electric-powered equipment,” he concludes. **PCR**