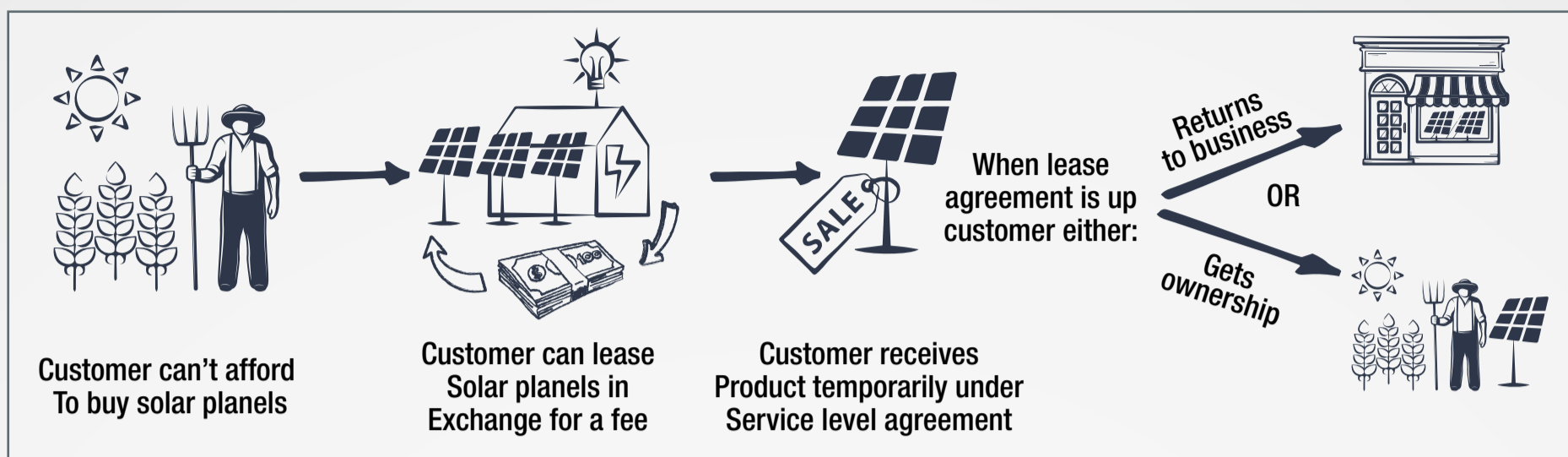


RENT SYSTEM LEASING & RENTAL BUSINESS MODEL



VALUE CREATION PROCESS - EXAMPLE



HERE ARE FEW THINGS TO CONSIDER WHEN DEFINING YOUR SYSTEM LEASING & RENTAL BUSINESS MODEL

OFFERING

- **Leasing and rental services have a lot of opportunities when:**
 - High value equipment is expensive (such as renewable energy equipment)
 - Customers don't have a high purchasing power.
- **Ownership of products/equipment/systems comes with responsibilities including maintenance, storage, insurance, etc.:**
 - Decide how many responsibilities you are going to transfer any to your customer.
 - Decide what services you will include in your offering including those that are necessary and those that will make you more competitive
 - All these service characteristics must be defined under a Service Level Agreement (SLA).

CUSTOMERS

- **Define your customer segment by understanding which motivations customers might have to lease or rent:**
 - Estimated rental payments for the period of use
 - Approximate cost of a new machine
 - Transportation and storage expenses
 - Frequency of need for equipment
 - Projected life span of new machine
 - Estimated cost of maintenance and service over its life
 - Rough amount of labour saved with either option
 - Financing options and available capital
 - Need for special technology or skills with equipment
 - Availability of desired new-purchase equipment
 - Possible, multiple uses for machines both rented or bought
 - Internal capability to test, maintain and service machines.

OPERATIONS

- The logistics of a rental company often requires significant resources to set-up and run the cyclical order between the company and customers.
- Legalities to keep leasing contracts up-to-date and under control can be complex.
- Effective partnerships could help you deliver your service on time and effectively, especially when you lack the finances, infrastructure and logistics.
- Conduct risk assessments and risk reductions for your products/equipments

FINANCIALS

- **Pricing:**
 - Factor in all fixed and variable costs and those that are hidden, including potential risk related to inappropriate use, etc.
 - Account appropriately for complementary services.
 - It is recommended to prototype and test each type of lease or rental package.
- **Financing and liquidity**
 - Products that are rented out must be purchased at the outset, resulting in high initial investments.
 - For external capital you have to prove the feasibility of your business to access capital from investors or bank.
 - In case your business model has a very relevant development impact, you can explore emerging impact-oriented financing.

KEY SUCCESS FACTORS



APPLICABLE BUSINESS MODELS

Technologies for different System rental/leasing Business Models
Tech for System rental/leasing Business Clients

