

# HIRE

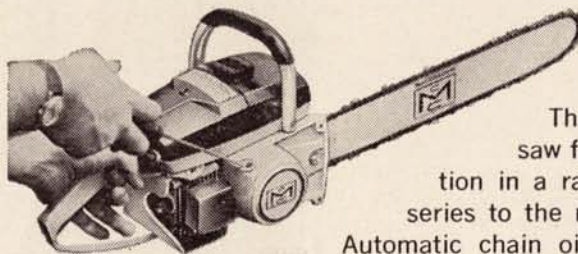
OFFICIAL JOURNAL  
OF THE HIRE ASSOCIATION

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*THE HIRE ASSOCIATION OF N.S.W. was formed in 1967, by a group of hire business men and women. Its aim is a progressive profitable and ethical hire industry.*

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Neville Kennard  
(Kennard's Hire Service Pty. Ltd.)

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(Silverwater Plant Hire Pty. Ltd.)

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(Broadway Hire Services)

Greg Page  
(Pages Hiring Service)

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## YOUR MAGAZINE

This is the second edition of "Hire", official organ of the Hire Association of New South Wales.

It carries the promised Editorial from the President, a report on marketing trends in the American rental industry, the regular feature tracing the history of one of Sydney's hire companies, and short reports on latest trends in the industry.

As we hoped, we are shaping up as the voice, mouthpiece, guide, philosopher and friend of the industry.

And the enthusiasm of hire-operators who have seen how much potential for development this magazine provides the industry are thanks alone.

But we're still young; and there may be aspects you would like covered that we have not looked at. Your opinions count with "Hire." So would you throw pen to paper, reasonably briefly, and let us know what you would like to see.

This is YOUR journal; help us to serve you better, by taking an active role. If you have an important meeting that you think would interest the industry, let "Hire" know, and we will cover it.

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This is the official Emblem of your Association. Members are urged to use it on their letterheads and invoices and in their advertising where possible. The emblem will be promoted to the public, and the public urged to look for the emblem and deal with Association members. Blocks and artwork are available, and transfers for shop windows and vehicles will be available shortly.

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## **Editorial . . .**

This is "HIRE" No. 2.

Our first edition was a great success, bringing in new members, and gaining for the Association the recognition we are seeking.

Our thanks for the efforts of our Publisher, Keith Breusch, and for the support of our advertisers. We know their confidence in this young and growing industry will be rewarded.

Such a publication as this needs material. The most interesting items are those concerning people and events in the Industry. Whether you are a member or not, your comments, suggestions and news items are welcome.

**"HIRE" is the Industry's mouthpiece. Let others know what you're doing. Tell us about your news items and services, your new personnel, ideas, techniques.**

It has long been a theory of mine that our greatest source of business (and the cheapest) is from our competitors. We all like to please our customers and rather than say, "sorry I can't help you" when you can't fill an order, you will have a happy customer—even if he is not yours this time—if you sug-

gest where he may be able to get what he wants. Chances are he will be a repeat customer for hire sometime in the future, and he will probably come to you then.

Our Association Membership List sets out the name of members, addresses and phone, and type of business. Members are giving and getting referred business from this, and it must be obvious then that non-members are missing out.

We need more members. The advantages are many. The cost is small—\$40 per year. A couple of customers referred can make it worthwhile. A new idea, a bad debt saved and you have paid for your subscription. Also you get "HIRE" four times a year free.

The Association is working for the Industry and all in the Industry will benefit. We will always have those who sit on the fence and those who stay out. The go-ahead people, the people who see the future possibilities of the hire industry are the ones who will join and get most benefit.

If you are not yet a member, you can submit your application for membership now—an application form can be found elsewhere in this issue. If you are already a member, find another one—we shall all benefit.

Neville Kennard, President.

---

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# HIRE OR BUY

There is a tendency to increasing specialisation in the construction industry, particularly the use of consulting engineers in this field, to provide part or all of a contractor's engineering requirements.

A contractor may consider this justified. The decision may frequently be made on others than economic grounds. However, even on a purely economic comparison, the choice will still quite often favour the use of a consultant, when all factors are taken into account for the circumstances.

This article is designed to help you sell hiring to contractors.

From time to time, articles appear in the construction industry periodicals under such titles as "Hire or Buy?" These articles, usually written by hirers, examine the relative merits of owning and hiring plant.

Coming from the source they do, they are intended to bring to notice the desirability of hiring plant. Nevertheless they normally examine the question in a fairly objective manner. They come to an entirely reasonable conclusion. There is room for both systems, and each time the question arises, it should be considered in the light of circumstances at the time.

The phase of industry these articles speak for is the result of a trend not new. In fact, it has been responsible for the growth of the contracting industry as it is today, the trend towards specialisation.

When man first came to construct, it was naturally a "do-it-yourself" operation on a trial and error basis, both in design and construction.

But specialists in working in the material also arose and developed it into a craft. As the number of potential employers grew, it would become obvious that there were advantages in a centralised body of craftsmen able to move from job to job. The employer would engage an organisation on some terms, rather than individual employees. The contracting system commenced.

In turn, contractors at first would control all their activities completely. But as the number of crafts, the complexity and work increased, they employed other specialist groups, sub-contractors.

At the same time, the design functions separated from construction: they passed into the hands of a body of professional designers; again, aesthetic aspects of design became separated from structural.

The whole process is the result of two basic causes, the tremendous increase in construction which sets up a requirement for them. The trend has been reinforced by the need to limit fixed outgoings of cash, either capital or overheads.

Two aspects of contracting, very much direct functions of the contractor until recently, were plant ownership and job engineering.

In plant, there is an ever-increasing flow of new models of improved design, and of new types of machines. This has intensified the capital problem and return from plant. Hiring from plant owning agencies has become an established and necessary alternative to buying.

In the same way, there is a growing tendency for engineering services to be made available for relatively short term hire. Here is the case for this to assist in reaching a decision.

The "Buy" alternative denotes the appointment of engineering staff in the normal manner, i.e., for an indefinite period. "Hire" covers the engagement of engineering skills to carry out a specific job, or for a previously-agreed short term.

It could still be on an employee basis, if there were sufficient engineers willing to accept employment of this type. However,

with things as they are, it almost certainly involves engagement of one consultant practising in the construction field.

Many arguments for and against hiring plant have a very close parallel in the case for and against short-term hiring of engineering knowledge.

Employing an engineer full time, there is a commitment for a certain expenditure each year, which has to be covered out of earnings.

Whether this is possible at all has first to be considered; if so, the next step is to assess the foreseeable work for the employee which he is capable of effectively performing. Is this sufficient to reduce the total cost per hour of necessary work below that if the services were obtained, as required, on short-term hire only?

Probably the answer to both questions is, yes: the correct conclusion is that an employe engineer should be engaged.

Having decided this, the next question is, "What engineer?"

Certain differences from the plant analogy become apparent.

Selection of plant can be quite difficult, but information is available on specifications, published performance figures, and probably operational experience. This does not apply engaging an engineer—there is information on qualifications and on work performed, but anything on quantity or quality of output is subjective only.

Further, he is normally already employed, and trial or demonstration for a long enough period is unreasonable.

To some extent, more scientific methods of assessment can overcome the problem. But this is limited by factors such as the precision with which the employer can impart his requirements to the assessor. All this leaves a distinct element of uncertainty in choice.

Advertising and selection take time, after which the successful candidate has to give notice in his present job. There is a considerable lapse between the decision to employ and taking up employment, and a further period for settling in.

Even if the new man proves not exactly what was required, most employers will tolerate this, rather than go through the long drawn out process again too soon.

For these reasons, some employers may prefer to engage consultants regularly, even

though able to justify full time employment of an engineer.

The consultant's services are available immediately. If it is felt that his work is not what is required, he can be released immediately the work he was engaged for is concluded. Another one can be engaged for the next requirement.

Alternatively, the employer may engage a lesser permanent staff than could be justified, and supplement it with consultants.

There will be many occasions when a full time employee is not justified. Typical circumstances occur where:—

1. expansion is contemplated and it is necessary to keep expenditure down and yet maintain the quality until the outcome is clearer,
2. requirements are subject to rapid fluctuations and a permanent staff of sufficient size and experience would result in idle time,
3. the type of work involved is not often encountered or out of the regular run of business, and a man skilled in it is not warranted, while diversion of regular staff would result in low effective output by lack of familiarity,
4. there is a rapid build up of engineering requirements and, there will be a gap between the decision to hire more men and the actual engagement.

Some examples:

Where a job being tendered for is large, in relation to the firm's resources, it is most desirable to have a second estimate as a check on the tender. If it is a joint venture, the other partners will provide this, but in a solo bid, the contractor's engineering resources will rarely run to a check estimate.

Again, a substantial portion of the job may be work in which the tenderer is not experienced. Normally, sub-contract prices would be sought from several specialists. However, (1) if these vary widely, there may be doubt on which one should be used; (2) because of the critical relation to the programme as a whole, it might be undesirable to sub-contract it at all; (3) the specialised section may be relatively so large that the most suitable sub-contractors are themselves bidding for the job as a whole; (4) if the contract is for design-and-construct, the prime tenderer may be unwilling to release designs at all to possible sub-contractors, or will do so to only a very limited field.

Other aspects of tendering, through lack of time and resources, do not always receive the attention they deserve: consideration of alternative methods for major items, and programming.

In view of the tendency to require tighter completion times, greater attention to these points is essential. Modern technology has provided more powerful tools for dealing with such problems (e.g., critical path programming) but proper use requires greater engineering resources.

Putting these practices into effect will increase tendering costs. Nevertheless, because of an increasingly competitive construction industry, and the effect that an unsound tender can have, protection outweighs the cost. The contractor is naturally anxious to minimise this. Because of the intermittent nature of the work, consultants may achieve this.

On award, probably the most rewarding

expenditure is preparation of a detailed programme. If the contract is at all complex, this will involve a critical path study.

A preliminary programme is necessary for proper tendering. This requires development as a control for job management. Such a programme is essential in today's construction. Unfortunately, it must be prepared in the early stages, frequently when many other matters press for attention. Here the consultant can help.

Other pressures on engineering arise during currency of the contract, most through unexpected difficulties in execution of work. These include unusually wet weather, physical conditions not suited to the choice of plant, or methods, difficult industrial conditions or changes in the scheme by the principal which affect the balance of operations. They involve re-programming the job, re-planning methods and possibly re-assessing the contract.

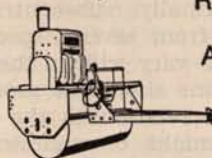


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All this requires prompt action; the sooner the job can be put on a sound footing again the better for the contractor. From the contractual point, there are usually time limits for various actions particularly if there are claims involved. If the contractor's engineering staff is not large enough to handle the increased volume, there will usually not be time to engage additional staff.

Claims: This is contentious. Many people, including even some contractors, look askance at it.

There is a tendency at time to think, "This is the end of the job—what can I claim on?"

There are many occasions when a contractor feels he has been required to perform something he did not contract for. Some seek guidance on such occasions from the Principal's representatives.

This is rarely satisfactory for the contractor. The points at issue are never clear cut.

The Principal's representatives have absorbed their knowledge of the job and the contract from their employer's viewpoint: it is difficult for them to see it from another. Most contracts contain provisions, often very

general, which appear to rule against the contractor's right for compensation in various circumstances: it is easy to read these out of context, or to give them too wide an application.

It is essential that the circumstances be looked at promptly, by someone capable of recognising whether there is the basis of a claim. If so, he should define and formulate it.

If the contractor has such a person already on his staff, well and good: otherwise, it will almost certainly pay to seek assistance. Potential recovery, so often lost to the contractor through failure to protect himself, is very great in this field.

Some other considerations are:

1. The apparent rate of payment to a consultant is considerably higher than to an employee engineer. A true comparison should include such things as leave, insurance, superannuation and fringe benefits, rental value of office space, cost of necessary equipment and material and cost of clerical, secretarial and sub-professional

labour to make the engineer's time more productive. If this is done, it will be found that the difference is much lower than expected.

2. If a suitable choice of consultants is available, it may be possible to obtain consistently higher standards of work. It is not intended to imply that consultants are a race apart: it is possible to obtain skills more nearly suited to the particular work once relative capacities of consultants are known.
3. The consultant, moving around, builds up a greater variety of experience in all sorts and conditions of jobs than the employee engineer in the same time. This experi-

ence is desirable, yet at the same time he naturally prefers his employee staff to be fairly stable.

4. There are many decisions beyond the scope of a consultant because they involve policy matters. Nevertheless the opinion of a consultant may be of value in marshalling facts to enable a decision more readily.

Summing up, in the majority of cases, the correct decision is to employ engineering staff. But there is a sufficient and equally justifiable requirement for consultants. Both systems are warranted, one supplementing the other.

Your clients can profit if you know and use, this information.

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## INDUSTRY NEWS

Mr. Grahame Evans, Managing Director of Everready Hire Service, has left for a trip to U.S.A. and Europe to study the Hire market.

Mr. Des Whelan of Wreckair leaves soon for the same purpose. The travel bug and the desire to learn seem to be catching.

Formal Wear Hire Service Pty. Ltd. has opened the second store at Parramatta. According to Peggy Levy, business is better than she ever expected in the first few weeks.

Hiring a Land Rover is possible now. Kennard's Hire Service have added these versatile vehicles to their truck fleet as a result of many enquiries and expect good business from surveyors, mineral explorers, civil engineers and sportsmen.

The Sydney Morning Herald has added a "FOR HIRE" section to its classified advertising. This fills a gap in this very effective means of advertising and has come about as a result of approaches made by the Association. Those who have been using it report good results.

Committee member Allen Cordukes died suddenly on April 25th. He was Manager of

Concord Plant Hire Pty. Ltd. and had been active in the Hire Association since its inception. He leaves a wife and two children. The sympathy of the officers and members goes to them.

It has been suggested that the Association on behalf of its members exhibit at the next Royal Easter Show. The display would emphasise the vast range of goods available for Hire, and promote the Association and members to the public. Comments and suggestions are invited.

At a Special General Meeting held on April 9th it was resolved that the Hire Association of N.S.W. be incorporated under the Companies Act. The reason for this is to limit the liability of officers and members and to facilitate the purchase of land or property should the occasion arise.

Following the meeting Andrew Kennard gave an address following his recent visit to U.S.A., (the story of his visit and impressions is published in this issue), and then the usual "chin wag" of hire people went on over a cup of coffee.

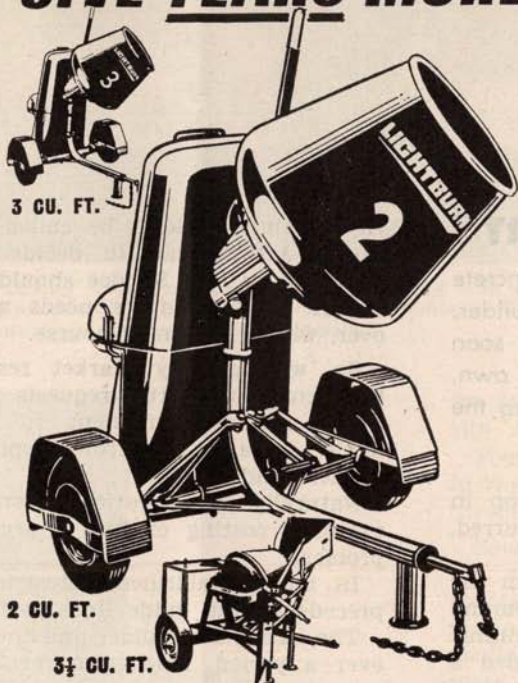
Growing every day. Since the first "Hire", five new members have joined the ranks of "HIRE" Association.

The Lightburn man says



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**SPOTLIGHT ON**

# HANDYMAN'S HIRE SERVICE

## AN ACCIDENTAL START

Twelve years ago, Arthur Ball hired a concrete mixer for his own use from a local builder. Finding it in poor mechanical order he soon returned it and purchased one of his own, little realising that he would be entering the hiring field.

Realising that there would be a drop in value on the mixer, the thought occurred, "Why not hire it and recoup this loss?"

So he placed a small advertisement in the local newspaper. Sure enough, a demand soon became evident. This was the beginning.

To test the demand further, he added a ladder and electric drill to the advertisement, and coupled it with the name "Handyman's Hire Service."

At that time, hiring was in no way as popular as it is now. Most of the hiring firms specialised, and only a couple carried a range of items.

The situation soon became embarrassing; with only one of each item for hire, the demand exceeded the supply from the very start. Particularly, Arthur noticed, many requests were obviously from the trades.

It was further obvious that, far from being a sideline, the potential was there for a sound business, providing that good equipment and service to the customer were kept to the fore.

As a very raw recruit to the hiring game,

(it certainly couldn't be called an industry then), Arthur had to decide which road Handyman's Hire Service should take.

Here the customer's needs virtually took over, within reason of course.

So, without any market research, other than continued direct requests for items, he added further equipment to the range—ladders, trestles, barrows, spray painters, sanders and welders.

Naturally, complications soon arose. For example, costing of hire charges became a problem.

In most established industries, there are precedents and guide lines to follow.

The baker, the builder and the grocer have, over a period, reached a mean average of costs to base their charges on.

However, hiring in a diversified field was new. Quite a lot of thought and "guesstimation" was necessary. As it happened Arthur used more estimation than guess.

Nowadays, with the experience gained from these early days, he uses a more realistic approach to costing. Granted, a completely new product to hiring requires some guesswork and faith in its popularity. But a more stable approach can be made to costing.

Whilst a small number of items were available, booking-out systems were easy. But as the items increased, so a more effective, though simple, system was required.

From this demand evolved a system, so



ABOVE: Two Datsun trucks, attractively signwritten and with uniformed drivers, stand outside Arthur Ball's "Handyman's Hire Service" sales area in Hornsby, on Sydney's Northern side. Arthur tells how the business started—by accident—in the accompanying article.



ARTHUR BALL

that any staff member can immediately see whether a particular item is out on hire, to whom, and for how long. This makes a prompt answer to a customer, on the availability of any equipment, easy.

As in most expanding businesses, space became a never ending problem. Graduating from a small garage-type store, Mr. Ball added extensions and additions, without a good overall plan.

The time came to seek out a more suitable

for hire, has exceeded all expectations. Once site and premises.

Four years ago, the Company bought land in the commercial area of Hornsby, at Jersey Street. A modern store stands there now.

So as to cover further the contingencies of wet weather, or slow-downs in the building trades, Handyman's Hire has increased the range of items. Now they include party, medical, health, gardening and fete equipment.

The new store, coupled with the continuing policy of ever increasing the range of items again, further expansion is necessary.

This week, Arthur said, "Even now, the hiring industry has, in general, only scratched the surface.

"As the public and industry become even more aware of the advantages, the volume of our business will increase tenfold.

"It is indeed fortunate that our Hire Association is now a going concern.

"It will promote a good public image, create harmonious relations amongst hirers, and serve as a united voice for our industry when required."

## *Andrew Kennard finds the U.S.'s fastest-growing service industry:*

The U.S. hire industry has been a billion-dollars-a-year business for the past few years. In the fiscal year 1967, it was the nation's fastest-growing service industry.

# RENTAL, U.S.A.

From a small start about 25 years ago, it has mushroomed. First pure rental yards were recorded in the 1920s.

Nowadays, it is generally divided into two basic sectors:

- "hard" goods—contractor and heavy equipment, power tools, homeowner, lawn and garden, and
- "soft"—clothing, camping, sporting, cutlery-crockery, tables, chairs, invalid, hospital and "fun-park" equipment.

About 10 percent of U.S. rental yards carry a full range, both basic types; you can even rent a wedding gown and a tractor from the same place! But most concentrate on one type or the other.

Unlike in Australia, yards carry an enormous range in their type of business. In "hard" goods, it is not unusual for companies to have a range of more than 500 different types of equipment. This also applies in "soft" goods.

In Australia, the situation is completely different: there is a fair range in "hard" goods, but "soft" companies tend to specialize, either in clothing, camping goods, party goods or the like.

### ***"good equipment makes happy customers"***

Bigger, more progressive yards keep their equipment in first-class condition; it must run well, and it must do the required job.

But they also concentrate on appearance. All items are cleaned on return—not just hosed down and dusted off, but thoroughly

washed or steam cleaned. Machines are painted regularly, to look like new. I saw some machines, 12 years old, looking and performing like new. (Back here, I saw just the opposite.)

Maybe it's psychological, but from a customer viewpoint, "the better a machine looks, the better it goes." How often have you hired a newly-overhauled machine, going perfectly, and had it returned with the comment "It doesn't work properly?" Usually, looks are to blame.

Conversely, most hirers can recall compliments for an attractive piece of equipment in not-so-good shape. Appearance is most important to a company's reputation, and to the industry as a whole. And equipment will last longer; customers take greater care of good-looking equipment.

### ***"a place for everything . . ."***

One quote you see in every American yard: "A place for everything, and everything in its place." And they stick to it!

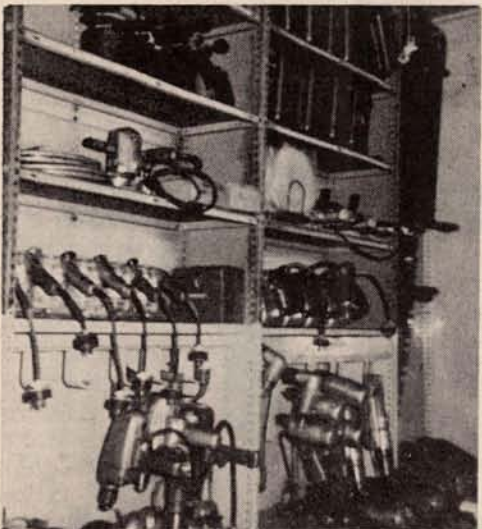
Each machine has its place; it's kept there, to within an inch.

Machines are stored in rows, one row for each type of machine. All machines face the same way—one behind the other, and even the same distance apart.

Next time you're in a Supermarket, note how the merchandise is arranged: similar goods together, neatly, squarely, facing the customer. This is how American rental com-



ABOVE: Covered display lines, machines in line, steam-cleaned and neat. This is how the U.S. rental industry merchandises equipment-hire.



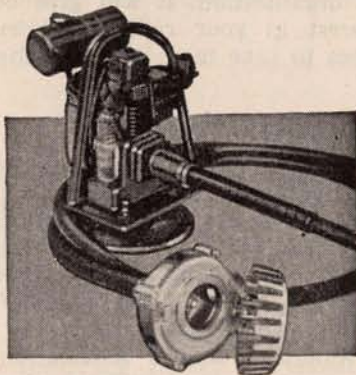
ABOVE: Tidyness and display, typical of U.S. rental houses, outlined in the accompanying story. Note special racks and attachments, as in Supermarketing.



ABOVE: Display rows demonstrate merchandising, U.S. style. The trend will develop in Australia, says Andrew Kennard in the accompanying article.

# BULLFROG PUMPS

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panies display their goods. This is the way WE should.

But no matter how clean the equipment, or how well displayed, there must be good housekeeping. Both store and yard must be swept daily—more if required—papers and litter removed, dirt from machine-cleaning removed immediately. One U.S. company considered this so important it built a spray system into its yards.

The opportunity to market goods becomes more obvious. Manufacturers use "come-hither-and-buy-me" packaging. Retailers use eye-catching displays. Hire companies must apply both methods here, just as in America. Not only will this give an impression of organisation, it will give customers an interest in your range, and encourage employees to take more pride in their work.

### "cost-conscious?"

American rental companies review prices each quarter or half-year; they don't hesitate to raise charges, either. Competitors' prices are not considered. I saw prices on the same machine vary by \$8.00 a day (\$12.00 a day, compared to \$20.00 a day), between direct competitors, within five miles of one another.

The American Rental Association carried out a survey, which showed that larger companies charged more than smaller companies.

An interesting example of price differences came out of it.

Two competitive companies, within a mile of one another, agreed to double the price of a machine; the price had been far too low. Company "A" raised its price, but Company "B", hoping to steal the other's business, did not. After six months, there was no significant change in each company's rentals; Company "A" did not lose any customers from the price rise. You can imagine the difference in profit!

### "knowledge is power . . ."

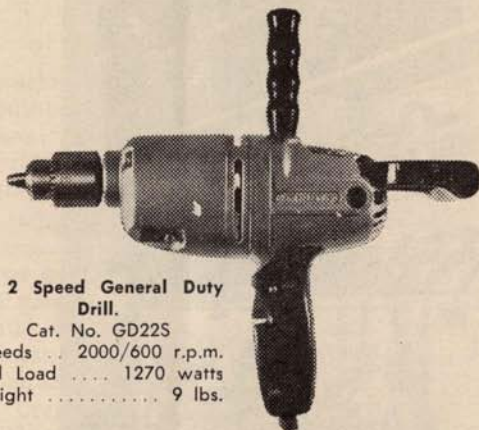
American companies place a big stress on education. Most firms have a continuous education programme.

One company gives every employee 2½ hours' training each week. And it is producing a special film, to supplement that!



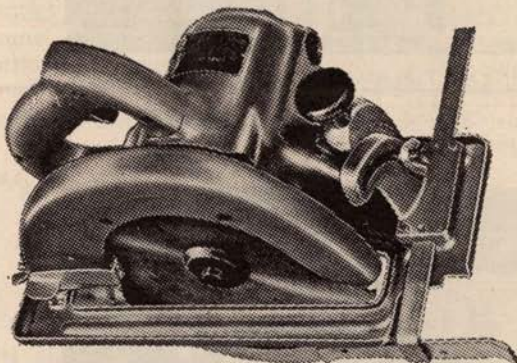
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They say employee education is important for two main reasons:

- for staff: they get greater enjoyment and feel more at ease if they are properly trained. It makes them feel part of the company, and more secure in their job. This leads to smaller staff turnover, and greater time to allow customers to get to know the staff; customers can back off if there's a new face each time they call, and

- for customers: if staff can give correct instructions to use equipment, there will be less abuse, less wear and tear. That means fewer arguments when the equipment comes back. And customers appreciate good instruction.

This is just one of the forms of manage-

ment where American companies are more advanced than ours. Overall management is the reason we should learn American methods of operation.

To sum up:

The rental industry is relatively new, pioneered by American companies.

These companies made mistakes—and they learned by them. We, too, can learn; American companies have evolved systems and methods suited to the rental industry. Nobody else has, so nobody else can give us the management information we need.

Take the Industrial Revolution. In England, the pioneers needed 70 years. America, following an example, took 20. In our field, we can learn the lessons of others, and improve accordingly.

---

## Mural Rental Service

A Sydney man is renting murals to offices, theatres and private homes.

He charges about \$7 a week, and changes the murals once a month.

He is Mr. Allan Wade, 33, owner of a stage construction company.

"The idea was a bit slow getting off the ground," he said. "But I think it is really catching on now."

Mr. Wade calls his service Rent-A-Mural. It is the latest hire service available to the public.

Wearing dark glasses, the bottom half of a

red track suit and mountain climbing boots, Mr. Wade showed "Hire" his Glebe studio.

"I have four or five artists painting murals all the time," he said.

"Each one takes two to three days to complete. I place them in a foyer or in a club for one month.

"After that, the mural is replaced with another one. They can be hired for special occasions and parties.

"The murals—we have about 22 at the moment—are in various art styles, some traditional and some very way out."

---

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I desire to become a member of the Hire Association of N.S.W. and on my election I agree to be bound by the Rules and Regulations. I authorise the entry of my name on the Register of Members.

I enclose the sum of \$40.00.

Name:.....

Company:.....

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Signature:.....

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# MERCHANDISING makes the difference

This article is reprinted by kind cooperation of "Rental Equipment Register", the authoritative organ of the U.S. hire industry.

## "Silent Salesmen" Can Turn Your Store Into A Showroom Inviting Your Customers To Browse And To Think Rental.

"Did you ever think that there is resistance to renting just as there is to buying?" asked Wayne Wilson, manager of a Home Service Club branch store located in Tulsa, Oklahoma.

"When customers come in to rent cement working tools, are they thinking, 'I can mix the cement by hand and save the cost of renting a mixer'?"

"We rather anticipate these resistances and, rather than arguing, present our case tactfully through signs. In the case of cement mixers, as one example: 'Don't Rent Me . . . I'll only make your job easier!'"

The store applies the same principal to lawn edgers to encourage mower renters to make double rentals. In fact, it is used wherever there is a chance to make a complementary rental . . . whether on immediate or follow-up basis.

"Mass displays of garden equipment should encourage more rentals," Wilson noted. "But, when the mass display is of brand-new equipment, customers sometimes get the idea that the units are for sale instead of for rent. Perhaps they remember seeing a similar display at a retail store and don't immediately equate the difference between one type of operation and the other."

When Wilson recently encountered this situation, he solved the problem with some big signs: "Please! Take Me Home—I'm for rent!"

"As soon as customers understood that the brand-new equipment was part of our rental inventory, we started getting action. This convinced us to never assume our customers understand how we operate. We have to tell them."

Retailers who sell tents say it is almost impossible to get customers to buy unless they can see the tents set up. But once tents

are sold, related sales of camping stoves, cots, lanterns, picnic jugs, ice chests, camp ovens, etc., come easy!

"This points up a similar requirement in renting for 'operational' display set-ups," Wilson suggested. "Display emphasis on key items can ring up whole chains of accessory rentals."

"As a branch store, we face severe space limitation. If we set up a couple of tents and several banquet tables in the middle of the floor, everything else would have to go out in the yard!"

"Nevertheless, we learned that a quite elaborate banquet arrangement can be



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installed in a single wall compartment that requires very few square feet of prime floor area. Similarly, the front portion of tents can be erected against walls with very little loss of space and with very dramatic results. The effect on renting space is also dramatic.

"Customers want to see what the item they are renting will look like 'in use'."

A primary problem affecting the volume of branch stores is 'store traffic'. Normally, it takes a while to build up a regular clientele.



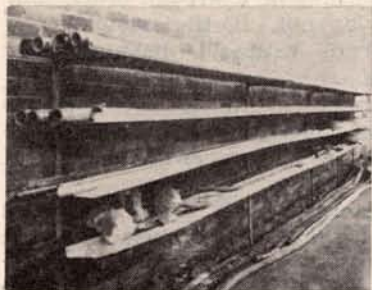
How can operators make sure that branches obtain exposure that will make them profitable at the earliest possible time?

"In our case, this problem was solved in advance by the selection of footage and frontage in a building occupied by an established building materials firm, Dickson Brothers Service & Supply. We don't sell; they don't rent. One business complements the other.

"Another Home Service Club branch, recently opened in Oklahoma City, is located in a building which has Trade Mart, a major discount operation, as principal tenant."

## HANDY HINTS

Here is a simple way to store pump hoses, Concrete Vibrator Shafts, and other flexible drive shafts: steel roof decking attached to pipe frames. You can separate different



sizes and types for easy identification and keep those long and awkward pieces straight and neat.

Here is an old trick, but one that is often missed. If you have to cut a bolt that is too long, screw a nut onto it before cutting. After you've cut the bolt, unscrew the nut, and you will have a good thread on your bolt.

You can save many arguments with customers over whether points, chisels and drill bits have been used in Electric Hammers, Drills and Air Breakers. Simply dip each point about 1 in. in paint after sharpening. There can be no doubt then as to whether they have been used.



Have you any "tricks of the trade" that you can give us? Anything you think your fellow members may be interested to know about, write it down and send it.

"Xeiss" will in future be a regular contributor to "Hire". He is New South Wales Manager of a major plant-hire company, with more than 15 years' experience. Some future articles will deal with design and operation of contracting plant, fleet and business operation.

Later, if Members indicate a need, we hope to run a "Problem Clinic," to help solve your problems.

The Editor.

# Who uses your money

by XEISS

**Are your customers ruining your business?  
Are you under-capitalised and over extended?  
Are you an exploited "little man?"**

If the answer is "yes," then the chances are that you are much too soft with those customers to whom you give your money.

"Yes" Money is just what you give, when you supply goods or services to any customer, on any basis other than where he pays you cash before he takes delivery.

Your valuable customer then uses your money in the form of goods, to make himself more money.

The longer you leave it with him, the less it will be worth to you: you cannot use it for anything else, and it will be worth more to your customer because he is earning extra money with it.

Now ask yourself: "Who's being smart?" Certainly not you, if your monthly turnover is, say, \$10,000, and it takes you 60 days on average to collect your accounts.

Somewhere along the line, you need \$20,000, to tie up stock "sold" to your customers, but for which they have not paid you.

If you recover your money from all of your customers within thirty days, you will still need \$10,000, to tie-up in stock.

This is apart from paying wages, rent, buying additional materials to make more products, payroll tax, stamp duty, advertising and every other expense.

An example, to bring home the importance of this facet: Suppose that instead of an

average of sixty days to collect your debts, it takes you only thirty days.

This is worth \$10,000, to you in additional working capital.

There are not many of us who could not find a way to put this to work! Not only have you lost the use of the money—you've also lost what it WOULD have done.

Suppose we accept that we are prepared to let other people use our money in the form of goods supplied.

What time limit? Say a normal thirty day account.

Next, to whom should we extend this privilege? Let us not lose sight of the fact that we are extending to our customers a very real privilege.

We are the ones who are running the risk; we supply the goods or the services—in most cases with virtually no security.

Possibly, there may be a written order. But whether it is or not, if the customer so chooses, he can withhold payment for lengthy periods.

In many cases, well in excess of twelve months can pass, before any form of payment or restitution can be effected by legal process.

This facet concerns only those customers who mismanage or mis-run their business. In most cases, they are financially completely incapable of meeting commitments they have entered into. It does not cover the small percentage of shady customers, that small two percent, who cause the other ninety-eight

percent so much trouble. Attempting to recover or recoup from them our just dues is a horse of a different colour.

The question, and the decision, are up to you: Who will you decide to lend your money to? Most important: how will you take every precaution to ensure that the chances of being paid are reasonably good.

There are some very sensible and simple precautions which cover the majority of cases. They ensure that the chance you are running in advancing credit to one of your customers are reasonable:

Firstly, references. These should be a minimum of three, checked out by phone to the company or person quoted as a reference.

In addition, it is extremely wise to obtain a banker's opinion of your proposed client; most banks these days will advance a report through their own system to your own bank, giving an indication of the chances of your account being met, when payment by your customer is finally authorised in the form of a cheque.

This process generally covers the majority of potential clients. But in some instances it is a good precaution to check with one or two companies or suppliers whose names have not been supplied as references.

In many instances additional precautions will pay ample dividends. It covers against unscrupulous people who preserve three or four companies with good accounts quoted as references: most of their other suppliers, if you take the trouble to find out, have gone to considerable trouble and expense to recoup their money.

The last avenues of checking, prior to advancing credit, are your own trade associations, most of whom conduct their own credit bureau.

There are three associations maintaining accurate, up-to-date records of all known delinquent debtors: your own Hire Association, The Earthmovers' Association and the Road Makers' Credit Bureau.

Active, careful use of these listings enables the amount to be written-off as irrecoverable at less than .5% of turnover. Further, a credit-control officer, whose responsibility is to make enquiries, and collect outstanding accounts, is amply justified, in the light of the figures quoted. If your monthly turnover is \$100,000, and employment of a person specifically for the job collects your outstanding accounts only two weeks earlier, then your company will have an additional \$50,000 available.

But I can hear you say, "I am only a small business; only employ eight people. It does not pay me to employ somebody full time for this."

In most cases, you will have to employ somebody to process your accounts, send out invoices and write cheques for accounts.

It is essential in any soundly-run business to delegate responsibility for checking credit references, and to collect delinquent accounts. There is no company in the hire industry which exists to tie money up in outstanding accounts, or written off as bad debts.

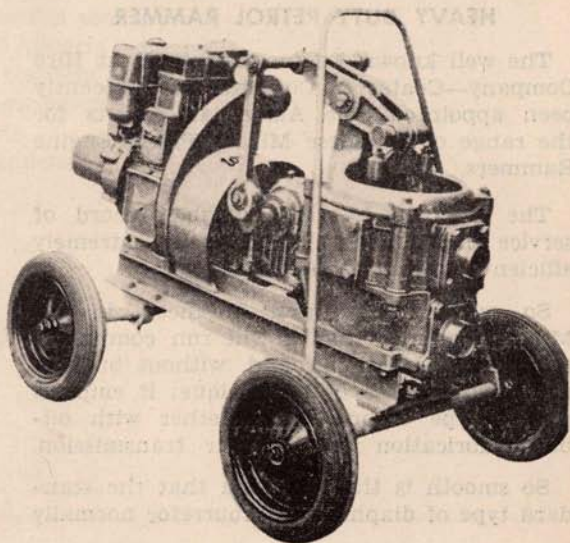
## NEW PRODUCTS

**Coates & Co. Ltd., Engineers and Plant Hirers, have recently announced release on the Australian Market of the Wickham Double Diaphragm lift-and-force 3 in. or 4 in. sludge pump.**

The Company was recently appointed sole Australian Agent for Wickham Engineering, of Ware, Hertfordshire, United Kingdom, to manufacture and market in Australia the famous Wickham Pump.

Tens of thousands of these pumps have been supplied throughout England, Europe and the United States. Overseas, it has become the accepted criterion, to carry out heavy-duty continuous de-watering of viscous sludge and fluids of all descriptions.

The double-diaphragm pump is unique: the suction and discharge duties are shared between dual diaphragms. The pump incorporates two chambers fitted with clack-type rubber valves.



The unit currently manufactured in Australia is the single-pump unit, with a capacity of 5,000 gallons per hour, equipped with 3 in. hoses, a suction lift of 26 ft. vertical, and a total delivery head of forty feet. The unit is equipped as standard with an air-bottle on the delivery side, which insures a smooth pulseless flow in the delivery line.

The machine is extremely ruggedly constructed of cast-iron castings and rolled steel channel frame. It has rubber wheels. It is powered by the well-known Lister LR1 air-cooled diesel engine, driving through an oil-bath worm reduction gearbox.

These units suit all problem pumping applications. They handle a high volume of solids in suspension: this makes them ideally suited for all contractors' use, de-watering of bridge caissons, to control seepage when pouring concrete foundations, and to handle all types of effluent.

The machines are completely self-priming, with a suction lift of 26 ft. They will pump continuously on snore, with no attention whatsoever. Compared to centrifugal pumps, they are a fraction of the price: there is no high-speed rapidly-wearing moving part.

They have proved, for over twenty years, an excellent hire-fleet machine in the United Kingdom. Machines are now available from stock in Sydney. For complete descriptive literature, contact Coates & Co. Ltd., 20 Burrows Rd., St. Peters, Telephone 51-2766.

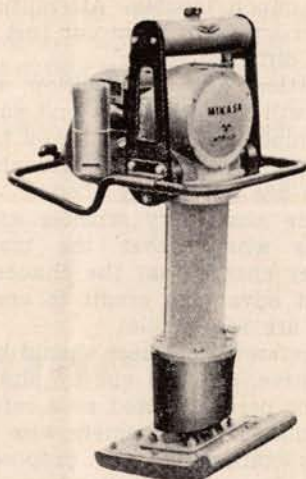
#### HEAVY DUTY PETROL RAMMER

The well known Engineering & Plant Hire Company—Coates & Co. Ltd., have recently been appointed Sole Australian Agents for the range of Japanese Mikasa Petrol Engine Rammers.

The machine has an enviable record of service and reliability, coupled with extremely efficient compaction performance.

So well-designed and balanced is the Mikasa Rammer that it will run completely untouched on level ground, without bucking and kicking. The unit is unique: it employs a float-type carburetor, together with oil-bath lubrication of the gear transmission.

So smooth is the operation that the standard type of diaphragm carburetor normally



fitted to this type of machine is not required.

The single guiding handle for the operator is connected to a full resiliently-mounted wrap-around guard rail, with handle.

Many Sydney hire companies can already testify to its extremely high reliability and performance. For a free, no obligation demonstration, contact Coates & Co. Ltd.

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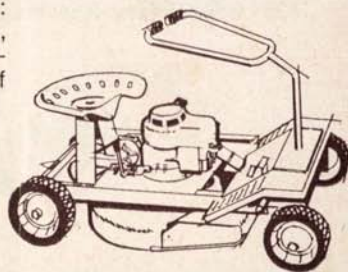
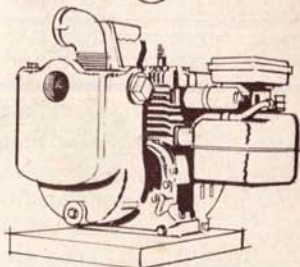
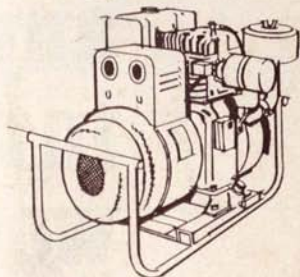
Well, in a way, yes! Walk into any TAA office and you can buy a ticket to Kalamazoo and even Timbuctoo. TAA is General Sales Agent for the world's leading airlines. Make that once-in-a-lifetime trip this year. Have TAA's International Travel Advisers or your Accredited Travel Agent make out your world itinerary. Book accommodation. Arrange for vaccinations, passports, travellers' cheques and every other detail.



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