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# RENTAL

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October 2009

## THE VOICE OF CANADA'S RENTAL INDUSTRY

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# Without boundaries

By Rich Porayko\*

## Friends turned business partners turn a star into a constellation

It's been more than five years since Aaron Sailer dragged his former boss, rental industry veteran Doug Johnson, kicking and screaming back into the rental business when the two friends purchased Star Rentals, a 20-year-old one-store operation that started in White Rock, B.C. "We had been involved in the rental industry for most of our lives and we knew the business inside and out," says Sailer. "We figured it was time to give the contractors and home owners a family operated business again, as opposed to a multi-national conglomerate. We didn't feel that the customer was getting the best bang for their buck with regards to service."

Five years later, the company has grown to five locations with 21 trucks on the road and 45 employees including two full time sales staff.

"We bought Star Rentals on April 1, 2004 and we quickly grew with our second location in Guildford by purchasing Sentry Rentals, which had been a small rental operation focusing on homeowner business and party rentals for 25 years. We expanded at the Guildford location by adding a delivery service, bigger equipment and contractor services. The deal also included purchasing Four Seasons Party Rentals, however, we liquidated all the party rental assets because we were interested in the home owner and construction business. The thought of washing 1,500 plates every Monday morning didn't really appeal to us," says Sailer.

"We weren't really setup for party rental. We found it difficult to have a mechanic hand out dishes to a lady and fixing a jackhammer at the same time," Johnson adds with a laugh.

Sailer continues, "Then we branched out again to our Abbotsford location which was a buyout from another 25 plus year rental company. All we did was refine the store, upgrade the equipment and put in our dispatch system so that when people put in an order for equipment, it's delivered within 45 minutes to one hour. None of this waiting for three or four hours. We moved some people in there to ensure that this was going to happen and we were off and running."

In 2007, Star Rentals built their fourth location, a corporate headquarters centrally located on the border of Surrey and Langley. "We were always focused on putting a store in Langley," says Sailer. "It took a long time to build it. We had some situations with the city and it took us 18 months to jump through hoops to get the Langley store going. It is what we consider a cold start because there was never a rental store in this location before so we're competing against five other rental companies in the area. In order to be more competitive, we brought in some highly trained people to motivate the store's revenue."

Not long afterwards came Star Rental's Port Coquitlam store which is their fifth location. Sailer ran into the owner



Top: Doug Johnson and Aaron Sailer bought Star Rentals in 2004 and turned a 20-year-old rental house into a multi-branch rental operation in British Columbia.

Above: Star Rentals Ltd. is a locally owned and operated rental company with locations in Surrey, White Rock, Langley, Abbotsford and Port Coquitlam.

of Moody Tool Rentals at the B.C. CRA show in 2008, who said he wanted to liquidate his assets. "We bought the assets of Moody Tool Rentals and we moved to a location in Port Coquitlam that had a rental store on it for over 20 years, hired some people, hung up some signs, ordered a phone line, implemented our systems and that was the store."

They make building five stores in five years sound easy, however, both Sailer and Johnson are astute entrepreneurs with extensive experience in the rental industry and in-depth knowledge of the business.

"I always knew that I would get back into the rental business," says Sailer. "I spent so many years learning about every aspect of the industry; from over 20 years of washing equipment, repairs, maintenance and servicing, counter sales, and management. I learned pretty much every aspect of the business except for operations and ownership."



**Top:** Focused on contractors, and homeowners the company rents a wide variety of product lines from pumps and scissor lifts to skidsteers.

**Above:** Star Rentals sells everything it rents, new or used. Repairs and maintenance makes up a large part of the company's business.

I figured I could take that 20 years of experience and flip it over naturally."

Johnson's father started a well known Lower Mainland rental company in 1969 where he worked for a number of years. "When I came back into the industry kicking and screaming in 2004, construction in Vancouver was booming. One of the opportunities I saw that Star Rentals could make a difference in the industry was the service to the contractor. I felt and still feel, that the service that the customer was getting isn't what it should be. Recognizing that there was a wide perception of a general lack of service in the industry, I felt that Star could make a difference and I think we have. Not only have we grown to five stores in five years, we've upgraded our equipment and continue to upgrade our equipment constantly. Our delivery service is modeled after the just-in-time philosophy. The reason we have so many locations and delivery vehicles is so that when a customer calls, we can jump and go and give them the service they expect."

And Star Rentals delivers. Almost on cue, during the course

of the interview, a customer called in with a rush order for a cut-off saw. It was delivered onsite within 23 minutes.

"Whether it's a home owner or a contractor, we'll take the time to educate the customer about how to set the equipment up, operate it and make sure it is working properly before we leave," says Sailer. "If it's on a long-term rental, we'll come back every month, service it and make sure the customer is satisfied. We never say 'no', it's not in our vocabulary. And sometimes it gets us in trouble!"

Sailer continues, "We've been in this business for a very long time. Not just Doug and I, but at least 40 per cent of our staff have been in this business for most of their lives and 80 per cent of our upper staff have been in the rental industry for over 15 years each. There are literally hundreds of years of combined experience. With all those people, you are bound to have connections. Not just work connections, but social connections too. A lot of personal friends are good customers of ours."

"A lot of our staff members are from the old school rentals where service to the customer comes first, instead of the paperwork," says Johnson. "When a customer comes in, instead of saying 'Just a minute sir!', they greet them right away and ask 'How can we help you?' Our staff are friendly and enjoy what they do. Our J.I.T. delivery service and our multiple locations help us serve the customer. One of the things we do all the time in our stores is share equipment with one another. Not one store owns one piece of equipment. All the stores own all the equipment. So we have a revolving inventory which is managed by our computer software. At any one time, if one of our locations has all of their trucks on the road and they need a rush delivery, they can phone another Star Rentals store to help them out. That's what makes us different."

Sailer further explains that "We also move employees from one store to another to fill in for a couple days to help load balancing or provide relief for holidays or sick staff."

"We use all our assets," Johnson adds. "Even the back office staff will jump and go when they're needed to. We have no problem throwing equipment into the back of our vehicles and delivering it. It's all one team."

"We have the 24 hour emergency number that anyone can call anytime we're closed", says Sailer. "And they will always get a person answering the phone. We have people on-call 24 hours a day and we can get people out very quickly if it's needed. It's used quite often."

The result of being a customer-centric company? Repeat business and loyal customers. "When clients try us out for the first time, we find they keep coming back," says Johnson.

In testimony to Star's commitment to service, while *Canadian Rental Service* magazine was visiting the Langley headquarters of Star Rentals, the company was providing a product knowledge seminar to a progressive landscaping customer. Doug Karr, who heads up Star Rentals' special projects division and is leader of the Emergency Response Team, is also Star's in-house trainer. Karr began his career in 1989 and is experienced at every level in the industry from driving to servicing to sales. "One of our customers was inquiring

about how he could get his 20 person crew trained up on the equipment. We're taking everything that Stihl makes and we're walking them through it. Not only is the seminar about learning how to use the products, it's about using them safely including what type of personal protective equipment they should be wearing. We also teach them some basic maintenance so when they are out in the field, they will be able to pick up any of the equipment and know what they are doing. We do it as it's needed and it works out really well."

"I also teach product knowledge seminars internally at Star as well. About once a month, we'll pick a product line relevant to the season and get all the maintenance crew and drivers together and we go through a full product orientation. A lot of us have 20 years a piece under our belts in the rental business and everyone has different experience with the equipment so we all contribute and share our knowledge. We draw on everyone's strengths. It is great because everyone is constantly upgrading their training and it's a way of maintaining quality control. It separates us from the corporate companies because a lot of them are only interested in getting product out the door. We want to make sure our customers understand that we really care that they are getting the right gear and that it's serviced properly."

"We have everything for the general contractor and home owner," says Sailer. "From pumps to scissor lifts to skidsteers. And we're not married to any particular brand, with the exception of being a full line dealer of Stihl in our Abbotsford location, we carry pretty much every line. If a customer is looking to buy, since we stock multiple manufacturers, we can provide the top three or so brands which we encourage customers to try before buying. That way they can decide which model they feel is the best at doing the job. If they want to buy it, we can sell them that machine or we can bring in a brand new one. It all depends on the customer and it really provides a customized fit as opposed to having just one product to sell to them, although it creates its own purchasing and warehousing challenges."

Johnson concedes there are a few exceptions, "There are certain products that are the industry standard and everyone wants that particular brand, so it may cost us a little more but we stick with that brand."

Star Rentals sells everything they rent, new or used. The business partners also state that a big part of their business is repairs and maintenance. "We feel strongly about how our equipment is serviced and maintained. We have factory trained techs. If we don't know how to do it, we'll send our guys to the factory to find out. We warranty our used equipment, and if we didn't feel that strongly about it, we wouldn't give out a warranty," says Sailer.

"When we started Star Rentals, we had some suppliers that wouldn't give us a whole lot of time," says Sailer. "They wanted cash up front and they wouldn't give us terms. One company did and that was Shawn Parks of Rentquip, formally P&M Sales. They gave us terms and actually got us going. They were very relaxed with payment schedules. They went over and above and really helped us out."



*Canadian Rental Service magazine visited the Langley headquarters of Star Rentals as the company was providing a product knowledge seminar for customers. Doug Karr is Star's in-house trainer.*

Johnson adds that Genie Industries also helped Star Rentals along the way as well. "They are a great company. We had a couple large projects that they really came to the table. In general, service from suppliers is pretty good.

Acknowledging the topic that has been on everyone's minds over the last 12 months, Johnson shares his experience of working through the recession, "In September 2008, the economic crisis kicked in and the phone stopped ringing. Thankfully, we had a good spring season this year. March came around and we had good weather so everyone started working on their gardens, which made us very happy. Like other rental companies, we find that most people take holidays in the summer and that the spring and fall are our busy times."

Sailer adds that "During the spring and fall, we rent a larger variety of equipment such as compaction, mixers, concrete blankets, pumps, and light towers. When the time changes in the spring and it starts to get light earlier, the light tower rentals pretty well cease. In 2008, we didn't have a spring. In February 2008 we ramped up and bought a whole bunch of new lawn and garden equipment. Then we only had a few Saturdays where it didn't rain all during March, April and May. We had banked on the returns but we didn't have any sunshine."

"It was rough," says Johnson. But the businessmen remain optimistic and recognize that economics are cyclical. "We had a big hit in the early '80s when I was with my family's rental business and I remember that very well. In the early '90s we had a slow-down and we're having a slow-down right now. Overall, the Lower Mainland has been growing for the last 25 or 30 years. It's had its ups and downs but it really hasn't stopped."

Johnson continues, "We feel like we're stabilizing. It could be that since we're the new kids on the block, customers are trying us out. It could also be that the economy in general has stabilized. I've been hearing and reading that Vancouver is going through a bit of a housing boom with people paying more than the asking price. It's difficult to say. But we are

## PROFILE

very optimistic once the 2010 Winter Olympics are done.

"We did a market analysis around 10 months ago and we found some of the communities in the area had record numbers of renovation building permits," says Sailer. "We're going to keep growing; it might be six stores or 16. We can do whatever we want to do and we can do it quickly. As fast as we can think up an idea and market it, we can do it."

Without missing a beat, Johnson sums up the entrepreneurial spirit of the company they have built, "There are no boundaries." ■

*\*Rich Porayko is a professional writer and founding partner of Construction Creative, a marketing and communications company located in Metro Vancouver, B.C. richp@constructioncreative.com*

## COMING EVENTS

### October 21

Canadian Rental Association,  
B.C., meeting at Star Diamond Tools.  
[www.crental.org](http://www.crental.org)

### October 21

Canadian Rental Association,  
Ontario, meeting and rental tour,  
Vulcan Demolition Tools,  
Mississauga, Ont.  
[www.crental.org](http://www.crental.org)  
[www.vulcandemo.com](http://www.vulcandemo.com)

### October 27

Canadian Rental Association,  
Quebec, special meeting, first-round  
vote for Supplier of the Year 2009.  
[www.crental.org](http://www.crental.org)

### 2010

#### February 7 - 10

American Rental Association,  
The Rental Show  
Orlando, Fla.  
[www.therentalshow.com](http://www.therentalshow.com)

#### March 9 - 10

The Canadian Rental Mart  
Toronto Congress Centre,  
Toronto, Ont.  
[www.canadianrentalservice.com](http://www.canadianrentalservice.com)

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