

NDT Equipment Rental Practice

Helen HU, Daibin HE

GE Inspection Technologies, Shanghai, China

Tel: +86-21-34144620, Fax +86-21-64857255

E-mail: Helen.Hu@geahk.ge.com, daibin.he@ge.com

Web: <http://www.geinspectiontechnologies.com>

Abstract:

The object of this paper is to introduce GE Inspection Technologies (Hereafter GEIT) rental program practice. As one of the leading companies in the NDT industry, GEIT draws upon many technologies and resources to provide customers with the highest quality of services for installation, commissioning, training and maintenance by highly trained and skilled service engineers. Most importantly, rental service has become a win-win model as the fast growing demands caused by globalization of economy and change of the manufacturing layout around the world. The rental service from GEIT supplies the best solution for critical demands on NDT in the shortest time.

Keywords: NDT equipment rental program, net promoter score (NPS), debt-to-equity ratios, quality control (QC)

1. Introduction

Now the global economic instability is a fact, Doing budget and cash control is getting more complex to quality control organizations. On the other hand, owning the equipments is costly because of the increasing price and maintenance expense. Some of the Q.C organizations were seeking a cost-effective way to acquire a piece of equipment without incurring all the hidden costs that are attached to the purchase of equipment. Base on that, GEIT introduced NDT Equipment Rental Program to our customers in 2006. The rental program was proved to be a win&win model to both parties. Now more and more organizations are switching to renting because of its benefits.

2. Rental Scenarios Analysis

Here list out 6 possibilities why customer intent to rent a NDT equipment.

- Short-term workload peaks in business
- Special measurement demand which does not justify purchasing a new unit
- Test and compare a unit before purchasing
- Only budget approved for maintenance and Services but no money for investments

- Existing unit break downs and under repair, can't afford outage of the equipment
- Missing knowledge - Man and Machine

3. Benefits to customer

3.1 Common advantages: Renting versus owning equipment

- Renting is in line with the worldwide trend toward outsourcing, allowing the resources to be dedicated to core activities.
- Rentals free up cash tied up in owning hard assets, converting fixed costs into variable costs
- Customer suffers no maintenance or calibration costs
- Lessor look after the storage of the equipment
- Rental gives customer access to the widest range and most up-to-date technology
- Renting allows customer to limit its costs to the duration of any given project
- Rental allows customer to meet unexpected changes in project requirements
- Rental ensures expertise in the selection of the rented equipment
- Renting equipment for a remote project save money and time than shipping from further away.
- Rentals allow better debt-to-equity ratios
- Rental ensures that no money is tied up in equipment not being used

3.2 Special benefits from GEIT.

- Accessible Technical Support: GEIT employ factory-trained technicians, with someone always available to customer for telephone troubleshooting and assistance. Customers can count on reaching a technician when they need to.
- Instruments Availability: GEIT invest a lot to build rental service capability, When and Where You Want Them, they will be there.
- Renting is a major part of business: When rent from GEIT, customers are assured of up-to-date, reliable technology, out-of-the-box performance and an inventory that's been carefully selected and maintained.
- Smart People to Talk to: GEIT service representatives are some of the most technically savvy people in the industry. They understand not only what an instrument is supposed to do, but how and why it works in the real world. They help customer select the instrument that will work best for the Application.
- Everything Ships Ready to Operate: Every instrument in GEIT inventory is meticulously maintained and then performance checked before send out
- 24-hour technical back up is guaranteed in most locations worldwide

4, Benefits to GEIT

Referring to Fig-1, it shows how Rental Program impacts the GEIT operation positively. For instance, a customer's portable X-Ray machine is broken, Customer ship the unit to GEIT service department for in-house repair, normally it takes 5 days in total (Including time ship from and to customer) to recover their production line. But if we run rental program, the downtime could be reduced to 2 days. Customer is happy with this result, at the same time GEIT win the higher Net Promoter Score (NPS), It is a virtuous circle.

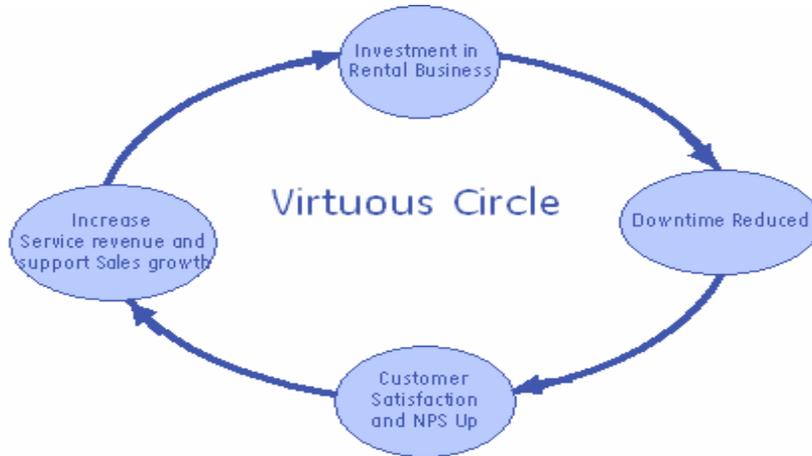


Fig.1,

5. GEIT products to rent

GEIT provide wide range of products to rent. Fig.2 list some of the portable products in GEIT NDT products portfolio. Testing machine and stationary products may be available as per customer's demands.



Fig.2

6. Rental Procedure details

Fig.3 shows the rental procedure

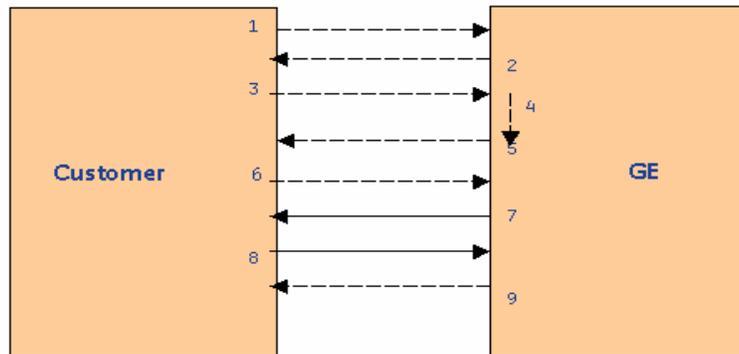


Fig.3

Explanation:

- 1). Customer is interested and contacts the Sales person.
- 2). Sales Person sends the quotation to the customer and explains process
- 3). Customer discusses details about application with Sales person, when he needs the units and length of Rental period
- 4). Sales person checks with service department availability of the unit
- 5). Customer receives a Quote from service department with the rental condition sheet
- 6). Customer sends order together with the signed Rental condition sheet
- 7). If Order is received and signed Rental conditions are received and Financial is OK then service department sends the Rental units direct to the customer.
- 8). After rental Period the customer returns the unit direct to GEIT
- 9). GEIT send out final invoice to customer.

7. Conclusion

Based on the practice in past two years, we believe the NDT equipment rental service will be growing stronger.

Reference:

- [1]. Volker Lübcke, 'EMEA Rental Program – GEIT' June 2007