

# Z CONSTRUCTION MACHINERY RENTAL

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## ABSTRACT

Combing 2021 China's construction machinery leasing industry development status and pattern analysis, construction machinery leasing industry has a very large future development potential.

Under the premise that the market has strong demand, the company launched a construction machinery leasing company with the main direction of the plate buckle scaffolding, tower crane and construction hoist leasing segment, and at the same time provide the corresponding operators, named "Z Construction Machinery Rental" Limited Liability Company.

According to the industry and its own development, the company is initially set up in the vicinity of Zhongguancun in Haidian District, Beijing, as the company's business interface, the company's rental plant can be set up in the outskirts of Beijing. The Company expects to develop into a group company locally in Beijing within 7-8 years, or go to other cities to open branches or subsidiaries, and focus on building a leading brand of construction machinery leasing theme chain.

## EXECUTIVE SUMMARY

The purpose of the company "Z Construction Machinery Rental" is "customer's demand is God", and "Z" refers to the collection of major construction machinery items and the provision of rental services to the public. With the further development of society, industrial machinery and equipment has been used in large numbers, plus various engineering projects have sprung up all over the world, and the need for construction machinery and equipment has increased. Therefore, on this basis, we aim to build a construction machinery leasing enterprise to provide leasing services for machinery including coiled scaffolding, tower cranes, construction hoists and so on.

"Z Construction Machinery Rental" is a construction machinery rental company that is in the process of raising funds. In the construction industry, the provision of equipment leasing services for construction is generally referred to as equipment leasing, where the provision of construction equipment services for construction projects with operators is referred to as wet leasing and the provision of construction equipment services without operators is referred to as dry leasing. The provision of construction equipment services can be divided into six main categories according to the type of equipment, namely the provision of lifting equipment, earth moving and road building machinery, piling machinery, concrete machinery, roadheading machinery and other construction machinery services, with the provision of lifting equipment and other services being the main focus. For this enterprise, it mainly focuses on providing corresponding machinery and equipment for building construction projects, etc., and providing corresponding operators, depending on the needs of leasing units and individuals.

Combing 2021 China construction machinery leasing industry development status and pattern analysis, construction machinery leasing industry has a very large future development potential. Under the premise of this market demand, the Company has launched a construction machinery leasing company with the main direction of coil buckle scaffolding, tower crane and construction hoist leasing segment, and also provides the corresponding operators. The Company expects to develop into a group company locally in Beijing within 7-8 years, or go to other cities to open branches or subsidiaries, and focus on building a leading brand of construction machinery leasing theme chain.

The initial location of "Zhongneng Construction Machinery Rental" is near Zhongguancun in Haidian District, Beijing, because there are many construction companies in this area, and there is often a demand for large-scale construction in the surrounding area, and many projects are negotiated in this area. The company's rental premises can be located outside of Beijing.

It is expected that "Zhongneng Construction Machinery Rental" will cover an area of 50 square metres in the city and will be able to accommodate more than ten people at the same time, while 20,000 square metres of space will be available for rent in the outskirts of the city, and the company will prepare the latest company presentation materials for customers in-house.

### **1: Company Description**

The company chose the start-up machinery and equipment leasing industry as its initial introduction under a preliminary market survey, with a registered capital estimated at 20 million and a paid-up of 20 million.

The company is named "Z Construction Machinery Rental", aiming to provide customers with professional integrated rental services, and to build its own brand by virtue of the excellent quality and price of rental equipment and services provided.

The supply equipment required by the company is relatively simple, mainly in the three mentioned above, i.e. coil buckle scaffolding, tower cranes and construction hoist rental plates.

Pricing of leasing products that have been made so far (partial)

Product standards, installation, maintenance, use control

For construction machinery leasing company, should make the company the equipment management and operation into one, the implementation of management, use, maintenance, repair, rent, count comprehensive management and operation, which can change the current project construction unit machinery and equipment management is not in place.

First, there must be a smooth information channel to achieve a balance between supply and demand

Second, to set up a scientific management system

Third, to strengthen the signing of machinery and equipment leasing contracts

Fourth, the performance phase of the contract

Five, to establish a high-quality equipment management team

Six, do a good job in the maintenance of machinery and equipment

Seven, strengthen cost management timely settlement

Leasing of storage space for transport.

1. Storage environment

2. Warehouse location

3. Site safety aspects

### **3: Market Analysis and Marketing Plan**

In order to get a true and detailed understanding of the construction machinery rental market near Haidian District in Beijing, a site visit was made to the construction project market and rental market around the area. According to the results of the inspection, there is no company specializing in construction machinery rental near Haidian District in Beijing. It is for this reason that we have finalised this area, as a major location for our company's business matchmaking. Given that our company is one of the few companies in the Haidian District in Beijing that specialises in the leasing of machinery and engineering works, our company has a strong vitality and competitiveness around this area, which has a huge clientele of various high-tech enterprises and engineering project contractors.

Our company "Z Construction Machinery Rental" has set its rental targets as construction project contracting, energy engineering, technical equipment engineering, etc., supplemented by individual equipment rental. Our construction machinery and equipment leasing company operates in two main categories: "dry leasing" and "wet leasing". The "wet lease" provides "operators + equipment", while the "dry lease" only provides "equipment". "Wet leasing" serves professional subcontractors and service providers, whose source of return is the "service", and the equipment is only a necessary means of production for the service provided. "Dry leasing" focuses on equipment suppliers, and its source of return is the improvement of the efficiency of the use of equipment.

SWOT analytical method

### **Strength**

1) Clear positioning. The product is Our company "Z Construction Machinery Rental" has set its rental targets as construction project contracting, energy engineering, technical equipment engineering, etc., supplemented by individual equipment rental. Our construction machinery and equipment leasing company operates in two main categories: "dry leasing" and "wet leasing". The "wet lease" provides "operators + equipment", while the "dry lease" only provides "equipment". "Wet leasing" serves professional subcontractors and service providers, whose source of return is the "service", and the equipment is only a necessary means of production for the service provided. "Dry leasing" focuses on equipment suppliers, and its source of return is the improvement of the efficiency of the use of equipment.

Based on the results of our market research, we have found that there is a lack of separate construction machinery rental companies in the vicinity of Haidian District in Beijing, which makes our shop less competitive among its peers. Moreover, as a general equipment urgently needed in the construction machinery leasing industry, the plate buckle scaffolding, tower crane and construction hoist leasing segment has a very large degree of demand in the market.

At the same time, our company is mainly launched to provide professional and safe equipment, plus a full range of tracking after-sales service, including regular maintenance of equipment, targeted major inspections, production safety training and so on. After investigation, our project rental prices are all within the acceptable range of the enterprise. Therefore, it is appropriate to choose our corporate target.

suitable for engineering project enterprises, mainly focusing on small and medium-sized construction projects in the early stage, with a very large number of project enterprises around the main opening place, which can form a fixed source of customers.

(2) Huge business opportunities. A wide range of diversified product types, broad market prospects.

3) Easy to consume, moderate price and remarkable professional service capability.

4) Independent innovation. Strive to break the situation of Beijing engineering leasing enterprise monolithic suburban leasing office enterprise, provide more professional services, layout tower crane, construction hoist radiation range, save the site unnecessary space waste and material payment.

### **Weakness**

1) Lack of operational experience. As it is just starting out, it has to gradually explore operational methods and approaches, which will be less efficient in business operation and more tedious in management and other aspects, causing some unnecessary troubles.

(2) Need to raise sufficient funds for operation and market development, and do not have much start-up capital.

(3) has not yet established a brand image, although similar to the head of the construction machinery leasing companies are not many, the formation of products can not be too large-scale positive competition impact, but there are many small and medium-sized competitors.

### **Opportunity**

(1) Nowadays, with the improvement of people's quality of life, plus the urgent need of the market for construction projects, the professional demand for mechanical engineering leasing is also becoming increasingly diversified and high-grade. We are located under the operation mode of providing professional equipment, good service and integration, effectively following up the construction of the project after-sales work, the company's professional brand to build out, so that customers in the lease at the same time, know that its access is not a lease equipment to provide, but a professional tracking type of service and guidance.

(2) as a newly opened construction machinery rental enterprises, as long as the preliminary advertising and publicity to do a good job, improve the quality of service, will attract fixed consumers.

(3) Beijing Haidian major enterprises have a wide range of consumer resources, compared to the rental enterprises in the suburbs is difficult to directly dock, the company can directly reach the construction project to undertake the enterprise, there is huge room for development.

### **Treat**

(1) Due to the low threshold of the industry, there may be threats such as strong new competitors entering the market, substitutes taking over sales and declining market growth rates for key products.

(2) If you want to operate mainly in Beijing, you will not be able to avoid the impact of the neighboring rental companies that are already established and large in scale, so it is not easy to secure a long-term customer base.

## **4: Management Team and Company Structure**

The first phase was mainly to lay the foundation for the development of the company. In order to serve everyone better and to be able to run the company's main site better, and to minimise manpower expenses, three departments were set up, namely the finance department, the administration department and the sales department.

### **Finance Department**

To be responsible for the day-to-day financial accounting of the company and to participate in the management of the company's operations. Reasonable deployment of funds according to the company's capital operation to ensure the normal operation of the company's funds. Collecting information on the company's operating activities, capital dynamics, operating income and expenses and analyzing and making recommendations. Strict financial management, strengthen financial supervision and supervise financial personnel to strictly implement the financial system and financial brokerage laws. To be responsible for the registration, verification and transfer of the company's various properties on a random basis, to calculate depreciation expenses in accordance with regulations and to ensure the funding of assets. Participating in the signing of external economic contracts for the company and all departments. Income related documents audit and account processing; various expenses payment audit and account processing; accounts receivable, account processing. General ledger, diary and other accounts processing; financial statements and accounting account schedules.

### **Administration**

To complete the administrative work of the company and the daily work of the internal affairs of the department. Assisting in drafting and revising the various management rules and regulations of the company and organizing and managing the daily administrative work. Supervision and implementation of various rules and regulations. Participating in the company's performance management, attendance and other work. Meeting arrangements: preparing for meetings, taking minutes and organising content after meetings. Participating in the management of the company's administrative and office supplies procurement affairs. Being responsible for the management of front office positions. To do the work of material collection, drafting of instruments and formulation of official documents. To do the coordination work between the various departments of the company. Maintaining the environmental hygiene of the shop.

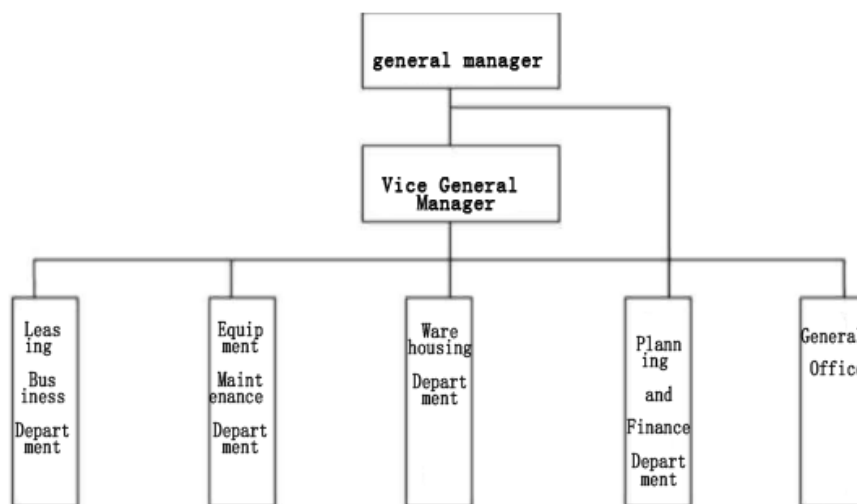
## Operations

Organising learning for personnel within the department, good materials management and improving stock turnover. Organizing the preparation and revision of rules and regulations in all aspects of planning, material control and lease management. Formulating annual and monthly plans, weekly plans, daily plans, project plans, production plans, material plans and supervising the implementation of the plans and preparing daily production plans according to leasing orders and organising and supervising production planners and material planners to prepare production plans and material requirement plans according to leasing orders. Develop monthly production value and material requirement budget. Keeping abreast of the production progress and work saturation of the production department and preparing for the placing of production orders. Develop appropriate leasing and customer maintenance strategies to expand and stabilize market share and ensure the successful completion of the enterprise's economic efficiency targets. Coordinating after-sales service work to ensure customer satisfaction. Market and customer information statistics, feedback and tracking.

On this basis, each department is obliged to perform other types of work.

In addition to this, in the outskirts of the countryside, where the mechanical engineering equipment is located, there is to be a corresponding department for the good management of this equipment. The specific diagram is described below.

Organisation of the suburban rental site and its functions



## 5: Operations Plan, Production Design and Development Plan

General construction machinery leasing company, either the head type of enterprise, leasing a very wide and complicated scope, professionalism is not enough, only to achieve the scale effect; or is a very small-scale enterprises, technical leasing does not know much, usually only as a business intermediary. Therefore, our company mainly focuses on the three major segments of construction projects, such as coiled scaffolding, tower crane and construction hoist leasing, occupying a professional place in the vast construction machinery leasing market, plus providing a full range of services that can quickly occupy a position and gain profits in the still vacant market.

The "Z Construction Machinery Leasing" company was chosen after members had researched the market and the companies and professionals involved, and was able to quickly meet the requirements and goals of development in the early stages of the company's establishment.

1. Initial strategy (two years)
  - Development core: small and medium-sized project undertaking
  - Publicity means: offline marketing and website construction
2. Medium-term strategy (three years)
  - Development core: provide leasing services for large construction projects
  - Further development: expand the recruitment of staff and expand the types of construction machinery leasing
    - Means of publicity: can be implemented by means of package deals, word-of-mouth influence, third-party referral deals, etc.
3. Later strategy
  - Development core: expand the scope of influence of the company's brand

## 6: Financial Projections (feasibility, Financial)

Rental Income Forecast Table Unit: million

Projects	2022.1	2022.2	2022.3	2022.4	2022.5	2022.6	2022.7	2022.8	2022.9	2022.10	2022.11	2022.12	Total
Revenue	325.2	148.5	176.7	78.2	68.5	107.28	57.21	31.8	97.34	126.65	25.12	71.8	1400.00
Share of	52.58%			18.14%			13.31%			15.97%			100%

Profit forecast table for the next five years Unit: million

Project Year	2022	2023	2024	2025	2026
I. Total operating revenue	1400.00	1505.28	1722.42	1947.69	1059.47
Of which: Revenue from main business	1400.00	1495.28	1711.31	1935.90	1050.92
Other business income	-	10.00	11.11	11.79	8.55
II. Total operating costs	1364.48	1457.26	1683.57	1891.53	981.87
Of which: Cost of main business	1067.79	1357.75	1526.75	1715.55	795.15
Cost of other business	93.45	3.39	3.45	5.40	4.29
Operating taxes and surcharges	7.14	8.10	8.90	9.51	10.11
Venue rental expenses	53.60	41.83	54.56	55.16	60.90
Other expenses	141.50	44.72	50.01	65.01	70.52
Finance costs	1.00	1.47	39.90	40.90	40.90
III. Operating profit	35.52	48.02	38.85	56.16	77.60
Add: Non-operating income	-	5.50	7.79	10.97	12.66
Less: Non-operating expenses	-	2.11	4.34	5.57	6.65
IV. Total profit	35.52	51.41	42.30	61.56	83.61
Less: Income tax	-	12.85	10.58	15.39	20.90
V. Net profit	-9.59	38.56	31.73	46.17	62.71

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