Operational Excellence

Helge Jacobsen – Vice President, Operational Excellence
Introduction

Helge Jacobsen
Vice President, Operational Excellence

- Joined the company as VP of Internal Audit in 2012
- Prior to joining, Helge accumulated 16 years of experience in global sales and manufacturing operations in Avaya, Cerberus and GE
- Leading 30 person team focused on:
  - Operational Excellence – LEAN Transformation
  - Telematics and innovative technologies
  - Applying supply-chain analytics
LEAN transformation roadmap

**Engage – initial pilots**

**Build conviction through impact**

**Scale-up through line management**

**Reinforce and accelerate**

Transformation On Track
Updated run-rate chart

Annualized EBITDA impact ($MM yearly run-rate)

End-market weakness

Hard cost actions

Delivering on promises…
...but large variance between locations

Next phase: Consistent adoption across network:

- Leverage best practice roll-out kits and training
- Continue to embed execution in operating management structure
- Developing “connected operations” - mobile technology to enable and reinforce best practices

Project XL focus to drive consistent adoption
Each implementation multiplied by 890 branches

- Dispatches: 3,290,330
- Rental invoices: 4,559,447
- Active charge accounts: 182,496
Ops excellence embedded in operating structure

Field resources

- Dedicated Regional Ops Excellence Directors
- 100% District Managers trained and incentivized
- Results owned through normal operational cadence (monthly/quarterly operating reviews)
- 4,000 employees formally trained

Corporate resources

- Developed training relationship with Georgia Tech
- Oversees the development and validation of best practices
- Conduit to other corporate departments and ensures alignment
- Develop toolkits
  - Best Practice Roll-Out (B-PRO)
  - Process Improvement Team (PIT)
Project XL: Roll out “connected operations”

Standard process + analytics + integrated systems = XL Benefits
Metro 2.0: Inter-connected operations

Simulated fleet consolidation shows stocking models must account for cat class and geography

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<thead>
<tr>
<th>Time Ut Benefit</th>
<th>Cat-Class A</th>
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<th>Cat-Class B</th>
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<tbody>
<tr>
<td>Before</td>
<td>After</td>
<td></td>
<td>Before</td>
<td>After</td>
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<tr>
<td>+14%</td>
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Financial Benefit

<table>
<thead>
<tr>
<th>Pooling Benefit</th>
<th>Add’l Cost</th>
<th>Net Benefit</th>
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<tbody>
<tr>
<td>Net Benefit, Consolidate</td>
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Next iteration of Metro model guided by analytics
Summary

• Operationalized ops excellence – $100MM on track
• Consistent adoption with “connected operations” will continue to deliver results
• Next frontier: Inter-connected operations leveraging analytics