LeakIQ

Where revenue leaks in plant and tool hire

Plant and tool hire revenue is built from moving parts: hire periods that run past their booked dates, off-hire calls logged late, recharges for damage, loss and consumables, and delivery, collection and cross-hire charges. Every one of those is a place where money the business has earned can slip between the depot and the ledger before it is ever billed.

WHERE IT LEAKS

Off-hire logged late, hire billed short

When an off-hire is recorded after the asset actually came back, or a long hire is closed below its run-rate, the invoice comes out lower than the hire period should support, which shows up as under-billing against the expected charge.

Recharges that never reach an invoice

Damage, loss, cleaning and consumables are agreed on the yard or the ticket but the corresponding charge is missing from the customer's billing, so earned recovery income simply never appears as an invoice.

Delivery and collection charges dropped

Transport, delivery and collection fees are quoted per movement but are easy to omit on the final bill, leaving short payments where the invoice total falls below what the movements should have carried.

Standing hire that quietly stopped

A long-term or contract hire billing on a regular cycle can cease charging while the equipment is still out, a missed or stopped recurring charge that keeps running as a cost with no matching revenue.

The same hire billed twice

Re-keyed contracts, split despatch notes and cross-hire passed between depots can produce duplicate invoices or duplicate charges, which distort the ledger and get written off when a customer disputes them.

Credit notes that outrun the dispute

A credit raised for a damage query or a billing correction can be duplicated, left unapplied, or exceed what was actually owed, so genuine revenue is cancelled out in the finance data without a clear reason.

THE SCALE

It is commonly estimated that around 1% to 3% of revenue leaks before it reaches the bank, and payment failure is part of that picture: GoCardless has observed that roughly 2.9% of Direct Debit payments fail, across about 55,000 businesses. As an illustration only, on a hire firm turning over £20m, 1% to 3% is roughly £200k to £600k a year.

HOW IT IS FOUND

It is found by reading your own finance data read-only, invoices, payments, credit notes and ledger entries from the systems you already use, with no change to any system and often within days.

COMMON QUESTIONS

How is this different from our depot or hire management system's own reports?

Hire system reports tell you what was contracted and despatched. This reads the finance data end to end, invoices, payments, credit notes and the ledger, to show where the money earned did not actually turn into cash, such as recharges never billed or a recurring hire charge that stopped.

We recharge damage and consumables manually. Can leakage really be spotted in the numbers?

Yes, because the leak shows up as a gap in the finance data itself: an invoice below the expected run-rate, a missing charge, a short payment or an unapplied credit note. It reads the money that moved, not the notes on a ticket, so manual recharge processes are exactly where it tends to find the most.

Does connecting this change anything in our billing or hire systems?

No. The review is strictly read-only. It looks at a copy of your finance data to flag where revenue is leaking, and it never writes back, alters an invoice or triggers a charge.

If it would help to see the figure for your own depots, you can get your own number for free, with nothing to install and no commitment.

Get your free number