

WHITEPAPER

UNLOCKING EQUIPMENT ROI:

How Enterprise Construction Firms Are Generating Revenue Through External Rentals



Across the enterprise construction landscape, a growing number of firms are evolving their equipment operations beyond traditional job site support. An emerging strategy with transformative impact is external rentals. By renting idle equipment to subcontractors and trusted partners, forward-thinking companies are unlocking new revenue streams and repositioning their equipment groups as strategic business enablers.

This whitepaper dives into the real-world application of external rentals by enterprise contractors, featuring in-depth case studies from BAM Site Solutions and Messer Construction. It examines the financial and operational upside, the supporting technology stack, and the practical steps required to launch a successful external rental program.

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1. Introduction: The Evolution of Equipment Strategy

For decades, construction companies have viewed their fleets as overhead, a necessary but fixed cost to get work done. That mindset is now shifting. As pressures to improve margins and operate more efficiently grow, leading general contractors are reconsidering the value their equipment can deliver beyond basic availability.

Today, the most forward-thinking firms are repositioning their equipment groups as strategic business units. These units aren't just responsible for tracking assets; they are expected to generate revenue, support operational efficiency, and deliver measurable financial performance. This shift has created space for new ideas, including internal rentals, smarter rehire programs, and now, external rentals. This whitepaper explores how industry leaders are unlocking new ROI from owned assets, starting with those already sitting idle in their yards.



2. What Are External Rentals and Why Do They Matter?

External rentals refer to the practice of leasing company-owned equipment to outside parties, most commonly subcontractors working on the company's own job sites, though in some cases it can also include peer contractors, sister companies, or strategic project partners.

Rather than allowing valuable assets to sit idle in a yard between phases or projects, construction firms are launching structured rental programs to:

Provide subcontractors with vetted, well-maintained equipment

- Ensure consistency and safety standards across job sites
- Gain revenue from assets that would otherwise generate zero return
- Reduce reliance on costly third-party rental houses
- Increase internal control over logistics, billing, maintenance, and compliance

"If you have idle equipment that's sitting in a yard, and there's a subcontractor that needs it, you should be making money on that."

Brandon Van Zeeland

Vice President of Six Side Supply

This isn't just about making money. It's about rethinking how equipment is managed. By offering a curated catalog of equipment to subcontractors, sometimes with different tiers of availability or rate, companies improve job site operations while also driving new revenue from equipment that's already been paid for. Increased utilization also means

equipment cycles through its useful life faster, allowing companies to reinvest sooner and maintain a newer, more reliable fleet across all projects.

The external rental model also aligns with other enterprise priorities: improving sustainability by reducing redundant deliveries, consolidating vendor lists, and providing better visibility into fleet usage.

In practice, this model works especially well for:

- Yellow iron like excavators, loaders, dozers, and telehandlers, which carry high capital costs and depreciate quickly when idle
- Interior equipment like scissor lifts, which are low-risk and high-rotation

The return isn't just financial. Companies that run their own internal rental programs with external rental options often see improved:

- Subcontractor satisfaction and loyalty
- Job site coordination and scheduling
- On-time performance and cost predictability

It transforms the equipment division from a cost center into a strategic business unit with real influence over safety, logistics, and project margins.

This is the new model for enterprise construction firms with large fleets. It's no longer just about tracking equipment; it's about getting the most value from every piece, every day.



3. Real-World Examples: BAM Site Solutions and Messer Construction in Action

At BAM UK & Ireland, the internal plant operations were consolidated and rebranded into BAM Site Solutions, forming a centralized business unit responsible for supplying equipment to all BAM projects. This structure gave BAM tighter control over how and where equipment was deployed, supporting both internal job sites and external partners.

BAM's model blends internally owned assets with a controlled list of trusted rehire vendors. This approach ensures they can scale to meet demand while maintaining quality and cost controls. Rental-Result plays a key role in this setup, enabling BAM to manage over £70 million annually in internal and external rental transactions. Their goal is not only to centralize spend and gain visibility but to "reduce leakage and convert that into self-delivery," as described by Jason Reed from BAM Site Solutions.

He explains, "What we'll gain is improved visibility of hired assets across all projects, centralized spend data enabling smarter procurement, and better tracking of underutilized or excess kit. Crucially, it helps us reduce external hire spend by identifying leakage and converting it into self-delivery."

BAM views its rental group as more than a logistical operation. "We're not just a logistics service," Reed emphasizes. "We're a strategic enabler. With our people, systems, and model, we're ready to scale and adapt as BAM evolves."

Messer Construction's internal rental division manages a fleet valued at \$40 million and generates \$32 million in annual rental revenue. While originally launched to improve project safety by reducing third-party traffic and enhancing equipment quality and reliability, the division has since expanded its role.

A key area of growth has been providing equipment to subcontractors working on Messer-led projects. This initiative not only locks in rental rates for own-

ers on long-duration projects but also increases returns on Messer's equipment investments. As of their current fiscal year, Messer is forecasting \$8 million in rental revenue from subcontractor usage alone, now accounting for about a third of the division's total rental revenue. The external rental program is active on approximately 30 projects and supports more than 75 subcontractor partners. According to Michael Hann, Vice President, Building Systems Group at Messer Construction, the program has grown steadily, adding around \$2.5 million in revenue year over year over the past three years.

"This started as a safety initiative, but we saw the financial opportunity. Our subcontractor program lets us grow rental revenue, increase fleet utilization, and control job site logistics," shared Michael Hann, reflecting on how the program has evolved over time.

The benefits, however, go beyond logistics and revenue. Hann emphasized the bigger-picture impact, noting, "The expected outcome is increased customer satisfaction... and the slowing of the growth of our overhead-to-revenue ratio. More revenue, less overhead, that's what I'm shooting for."

Messer has also modified its internal control center to improve how equipment is dispatched. Before an item is sent from a third-party vendor, the system highlights if the equipment is already available internally, helping them prioritize owned assets and reduce unnecessary rehires.

These two examples illustrate the different forms an external rental program can take. While BAM emphasizes vendor consolidation and high-volume internal fulfillment, Messer leans into job site control and subcontractor service. Both prove that external rentals can drive real value, but require tailored models based on each company's goals and capabilities.

4. Building a Business Case: Financial, Operational & Safety Benefits

External rentals offer a triple benefit: financial, operational, and safety-related.

FINANCIAL BENEFITS

Firms can monetize idle assets and boost ROI by putting underutilized equipment back to work. By offering this equipment to subcontractors rather than letting it sit idle, companies are creating a new revenue stream. Additionally, external rentals can reduce overall spending on third-party vendors by consolidating usage and negotiating better rates through preferred vendor relationships.

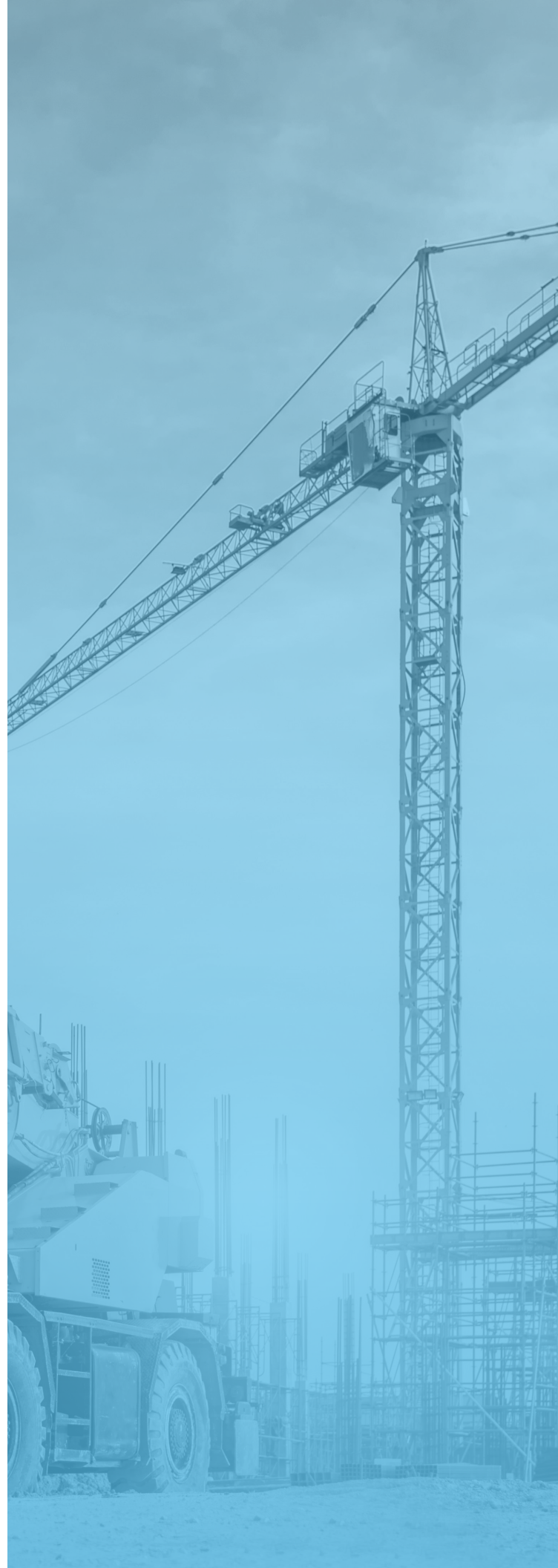
OPERATIONAL BENEFITS

From an administrative perspective, external rentals help simplify invoice processing by minimizing the number of outside vendors a company must deal with. With fewer formats and more predictable processes, accounts payable teams become more efficient. At the same time, rental programs offer better visibility into where equipment is, who's using it, and for how long, enabling more strategic planning and coordination. Centralized dispatching also helps streamline delivery and pickup workflows across job sites.

SAFETY & COMPLIANCE BENEFITS

Job sites benefit from having tighter control over what equipment is being brought onsite and by whom. By managing rentals internally, companies ensure all equipment meets internal maintenance and certification standards, reducing exposure to safety risks and compliance violations that can arise from unknown third-party equipment.

As Hann explains, “We wanted to enhance project safety, improve the quality of equipment, and increase reliability of service because we’re doing it ourselves.”



5. Key Considerations Before Launching an External Rental Program

Launching an external rental program requires more than just a shift in mindset. It demands operational readiness, legal foresight, and buy-in across departments. There are several core factors firms must evaluate before offering equipment to outside parties:

FLEET READINESS

Is your equipment maintained to a standard that's safe and suitable for third-party use? A robust preventive maintenance program, safety certifications, and clean documentation are critical to avoid liability and ensure confidence among subcontractor partners.

PRICING STRUCTURE

Have you established a clear and competitive rate card for external rentals? External pricing should consider market comparables, utilization targets, depreciation, and cost recovery. Companies must also account for value-added services such as delivery, fueling, and on-site support.

INTERNAL ALIGNMENT

Is your organization aligned on the strategy? Field teams, procurement, legal, and finance must all support the initiative. Resistance often comes from unfamiliarity, so early education and clear communication are essential to earn trust and ensure adoption.

SCHEDULING AND DISPATCH

Can your operations handle real-time equipment availability, movement, and return workflows? External rentals increase asset velocity. Companies need centralized dispatch systems and strong coordination between shops and job sites to avoid double-booking and bottlenecks.

RISK, INSURANCE, AND LEGAL CONTRACTS

Have you addressed liability, terms of use, and insurance coverage? Clear rental agreements, damage clauses, and liability waivers protect the company and create transparency for subcontractors. This legal framework is critical for external-facing operations.

VENDOR STRATEGY AND RE-RENT CONTROLS

Will you be integrating external rentals alongside traditional re-rent partners? If so, it's vital to structure vendor relationships strategically. Many firms, like BAM and Messer, have consolidated down to a small, controlled list of vendors to improve procurement leverage and invoice accuracy.

As Casey Becker, Director of Equipment Solutions at Mortenson noted, "Be careful on rebates if you're doing any kind of public work. There are sophisticated owners out there that'll get the rebate from you."

External rental programs require rigor and structure. But for those prepared to commit, the payoff in financial return, job site control, and operational maturity is substantial.



6. The Role of Technology: Why Systems Like RentalResult Matter

External rentals add complexity to equipment operations, especially at scale. Without the right systems in place, it becomes difficult to know which assets are available, where they are, how they're performing, and whether they should be rented internally, externally, or re-rented from a third party. That's where purpose-built technology plays a pivotal role.

Platforms like RentalResult enable enterprise contractors to manage both internal and external rentals within one system, bringing together logistics, dispatch, billing, and asset tracking in real time. This unified visibility is critical for making smart decisions about when to rent out, when to recall, and when to rehire.

For example, RentalResult allows BAM Site Solutions to process over £70 million annually in equipment transactions, supporting full traceability from request to return. Jason Reed noted, "The system gives us complete visibility of the hire lifecycle... right from request to return including the logistics, billing, and reporting."

Likewise, Messer Construction uses RentalResult's visual availability indicators to ensure internal assets are prioritized before third-party equipment is ordered. Michael Hann shared, "We've modified the control center so before you dispatch equipment, it shows you if something's available internally first. We've got visual indicators for that now."

Key capabilities that enable external rentals to function effectively include:

- Real-time asset availability and location tracking
- Centralized dashboards for internal and external billing workflows
- Subcontractor portals for simplified ordering and invoicing

- Custom pricing logic by project, duration, or asset type
- Consolidated rehire vendor data for audit and negotiation leverage
- Built-in compliance tools for insurance documentation, certifications, and safety records

Without these capabilities, external rental programs can unravel fast, leading to missed revenue, uncontrolled liability, and inconsistent job site operations. Equipment might sit idle, subcontractors could default to outside vendors, and accounting teams are left chasing fragmented paperwork.

With the right system, however, enterprise contractors gain full control over every asset movement, every contract term, and every dollar earned. It creates the operational backbone for scaling external rentals in a way that's profitable, trackable, and compliant.

Technology doesn't just enable external rentals; it's the infrastructure that transforms a decentralized fleet into a high-performing, revenue-generating business unit. The platform is the differentiator between ad hoc renting and a disciplined, scalable program that boosts margins and earns trust across job sites.



7. The Full Picture: Internal and External Rentals Working Together

The most successful rental programs are not siloed into “internal” or “external” lanes. Instead, they operate on a single continuum of fleet strategy, one that prioritizes internal use first, then opens up equipment for external rentals when it makes sense.

This model ensures that owned assets are always working toward their highest value. By leveraging systems like RentalResult, companies can automate this decision-making process. For example, when a piece of equipment is requested for a job site, the system first checks internal availability. If it's not available, it suggests re-renting from an approved vendor. If it's available and not needed internally, it can be offered to subcontractors for external rental.

This type of flow keeps equipment moving and maximizes utilization. It also ensures that internal needs are met before monetizing assets externally, maintaining operational continuity while still driving revenue.



At BAM Site Solutions, the model is similarly dynamic. The system not only manages internal fulfillment and re-hires but also flags underutilized equipment that can be made available externally. This helps them move from reactive rentals to proactive asset optimization. To make this hybrid model work, companies need:

- Unified systems that surface real-time availability across internal and external channels
- Dispatch teams trained to prioritize internal assets without delay
- Vendor relationships formalized through rehire agreements
- Clear governance policies for when to rent internally vs. externally

The integration of internal and external rentals isn't just operationally efficient, it's financially strategic. When every asset is tracked, every request is evaluated against real-time availability, and every rental is logged and invoiced accurately, the fleet becomes a business engine, not just a cost center.

This full-picture approach transforms how enterprise contractors manage equipment: less waste, more revenue, and a smarter use of every asset under management.

8. Conclusion: Turning Idle Time into Revenue

External rentals aren't a one-size-fits-all strategy, and they shouldn't be. As demonstrated by BAM Site Solutions and Messer Construction, each company's approach reflects their own goals, fleet mix, and operational structure. The strategy you adopt should align with your risk tolerance, operational maturity, and project mix.

What's consistent across all successful programs is the strategic shift: treating equipment as a revenue generator, not just a cost of doing business. Whether you choose to centralize equipment into a standalone business unit or build a hybrid internal/external model, the opportunity is the same, create control, improve safety, reduce third-party spend, and unlock new revenue streams.

With purpose-built systems like RentalResult, contractors don't have to guess. They can scale external rentals in a way that's profitable, auditable, and purpose driven.

If your company is ready to explore how external rentals can fit into your broader fleet strategy, now is the time to evaluate the tools and models that make it work.

Learn how RentalResult supports contractors in building scalable, compliant, and profitable external rental programs at wynnesystems.com.