



Utilization Strategy

* Use the RW Elephant Inventory Utilization Report to find the rental revenue generated by individual items and by your collection as a whole.

- 1 Calculate your Dollar Utilization by dividing 12 months of rental revenue* (only rentals; do not include styling fees, retail, delivery, installation, etc.) by the Original Acquisition Cost** (including upgrades but not repairs)

$$\text{Dollar Utilization} = 12 \text{ Months Rental Revenue} \div \text{Original Acquisition Cost}$$

- 2 Divide This Year's Goal by Last Year's Dollar Utilization and multiply by 100 to get the percentage change (aka Margin Increase)

$$\text{Margin Increase} = (\text{This Year's Goal} \div \text{Last Year's Dollar Utilization}) \times 100$$

** Use the RW Elephant Cost for Inventory Report to determine the current value of your collection based on the Original Acquisition Cost. Be sure to be consistent with using a First-in-first-out or Last-in-last-out model (consult your accountant for advice) when determining value of items that have decreased in quantity.

whole collection
DOLLAR UTILIZATION
 LAST YEAR: _____ THIS YEAR'S GOAL: _____ MARGIN INCREASE: _____

- 3 Repeat for each Category*** within your Collection.

CATEGORY	LAST YEAR	THIS YEAR'S GOAL	MARGIN INCREASE
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
8. _____	_____	_____	_____
9. _____	_____	_____	_____
10. _____	_____	_____	_____
11. _____	_____	_____	_____
12. _____	_____	_____	_____
13. _____	_____	_____	_____
14. _____	_____	_____	_____
15. _____	_____	_____	_____

- 4 Calculate your Dollar Utilization for key individual items within your collection. We suggest you use a spreadsheet for this not a manual worksheet.

*** Use the RW Elephant Utilization by Category Report to find the rental revenue for each category.



Liquidation Strategy

- 1 Once you've set goals for Utilization, set a schedule for evaluation.

EVALUATE EVERY
(circle one)
30 60 90 120 180 365
DAYS

NEXT EVALUATION DATE:

- 2 If an Item doesn't meet its Utilization goal, it should be put on "probation." That means it has 90 days to meet its goals or it will be liquidated. During probation, you don't just leave it to its own devices, you give it some help.
- 3 Make a list of actions you'll take for each Item on probation (use the list below if you need ideas). We suggest you do at least 3 and no more than 5 changes.

PROBATION ACTION STEPS

1. _____
2. _____
3. _____
4. _____
5. _____

- 4 If it hasn't shaped up after all that intervention, it is time to cut the cord. Liquidate it! Sell it on Craigslist. Have a warehouse sale. Do an Insta-sale. Advertise to your past clients. Get rid of it!
- 5 Make sure whatever you purchase to replace it has the potential to have higher Utilization numbers. Buy with intention and set high expectations for your Items. They should be working for you. If they aren't, they don't deserve a spot in your collection!

If you're struggling to come up with action steps for your probation items, steal some of our ideas:

- ▶ Change the Item's name
- ▶ Take new pictures
- ▶ Change the price
- ▶ Suggest new uses (guestbook table, altar, dessert display, nametag station, welcome table, etc. rather than just a bar)
- ▶ Feature the Item on Instagram 3 times
- ▶ Feature the Item in an email newsletter
- ▶ Change the description on your website
- ▶ Tell the back story (in the description, email newsletter, or Instagram)
- ▶ Write to 10 potential referral sources about the piece (not related to a specific event on the books)
- ▶ Write to 10 existing clients suggesting they use it in a specific way that their upcoming event
- ▶ Offer a special or package including the piece to entice existing clients to add it on to their orders