



# PROMAT®

2015

McCormick Place South | Chicago  
March 23-26, 2015  
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# *Do You Know How Much Your Lift Truck Fleet is Really Costing You?*

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## Fleet Management Essentials

### Questions Your Company Might Be Asking?

- Are Fleet Costs Trending Upwards?
- What Are the Top Cost Drivers/Repairs?
- How Much is Spent on Avoidable Damage?
- How To Implement an Action Plan to Reduce Lift Truck Expenses?
- What is the Equipment Utilization for the Lift Truck Fleet?
- What is the Cost per Hour for the Lift Truck Fleet?
- How Data Analysis can Assist in Creating a Replacement/Rotation Strategy?



## Fleet Management Essentials

### Fleet Management Defined:

Not Just Report Generation

- Analyzing
  - Maintenance Costs
  - Utilization
  
- Implementing
  - Cost Savings Recommendations
  - Procedures to Optimize Your Existing Fleet
  - A Strategic Plan to Replace/Rotate Your Fleet



## Fleet Management Essentials

### Don't Know What Your Lift Truck Fleet Is Costing You – You Are Not Alone

- A DC Velocity Reader Survey Found That **75%** are NOT Using a Fleet Management Program, Nor Tracking Hours of Use and Repair Records for Each Vehicle, (*“Survey: Forklift Fleet Management Programs Still a Work in Progress.” DC Velocity, 2010*)
- And **94%** of Material Handling End-Users do NOT Know Their Real Maintenance Costs. Even More Do NOT Have Programs in Place to Reduce These Expenses. (*“Forklift-free plants: Considerations for success, article by K-TEC Inc., 2014*)





## Fleet Management Essentials

### Are Fleet Costs Trending Upward?

#### Example of a Truck Expense:



#### ➤ Electrical Repairs

Implementing Cost Savings Recommendations =  
Resulted in a Decrease in the First Year of Implementation of  
17% for Battery/Charger Repairs Alone

**What's Next? – How do I use this Information to Implement an Action Plan to Reduce Lift Truck Expenses?**

## Fleet Management Essentials

### What Are the Top Cost Drivers/Repairs?

#### Examples of 2 Top Lift Truck Expenses:

##### ➤ Wheel and Tire Repairs

Implementing Cost Savings Recommendations =  
10s of Thousands of Dollars in Savings and  
a Decrease of 35% Within First Few Years of Implementing

##### ➤ Scheduled Maintenance (SM's)

Implementing Cost Savings Recommendations =  
Thousands of Dollars in Savings and  
a Decrease of 54% Within Just the First 2 Quarters of  
Implementation



**What's Next? – How do I use This Information to Implement an Action Plan to Reduce Lift Truck Expenses?**



## Fleet Management Essentials

### How Much Is Spent on Avoidable Damage?

- **Avoidable Damage/Customer Damage?**
  - Non-normal Wear/Tear Repairs to Equipment.
  
- **Impact Damage – What Are The Operators Hitting?**
  - *Lift Truck Damage Accounts for 90% of Rack Damage per an Article by Material Handling Management on How “Broken Racks Can Break the Bank”.*

**What's Next? – How do I use This Information to Implement an Action Plan to Reduce Lift Truck Expenses?**



## Fleet Management Essentials

### What is the Equipment Utilization for the Lift Truck Fleet?

Under Utilized Equipment

Overage Fees – Short/Long Term Rentals

Over Utilized Equipment Or Reached its Economic Life







## Fleet Management Essentials

### What is the Cost Per Hour the Lift Truck Fleet?

*Total Cost of Equipment / Utilization Hours = Cost per Hour*  
{ i.e. \$4,555 / 1,150 hours = \$3.96 }

#### When Doing a CPH Analysis Things to Consider:

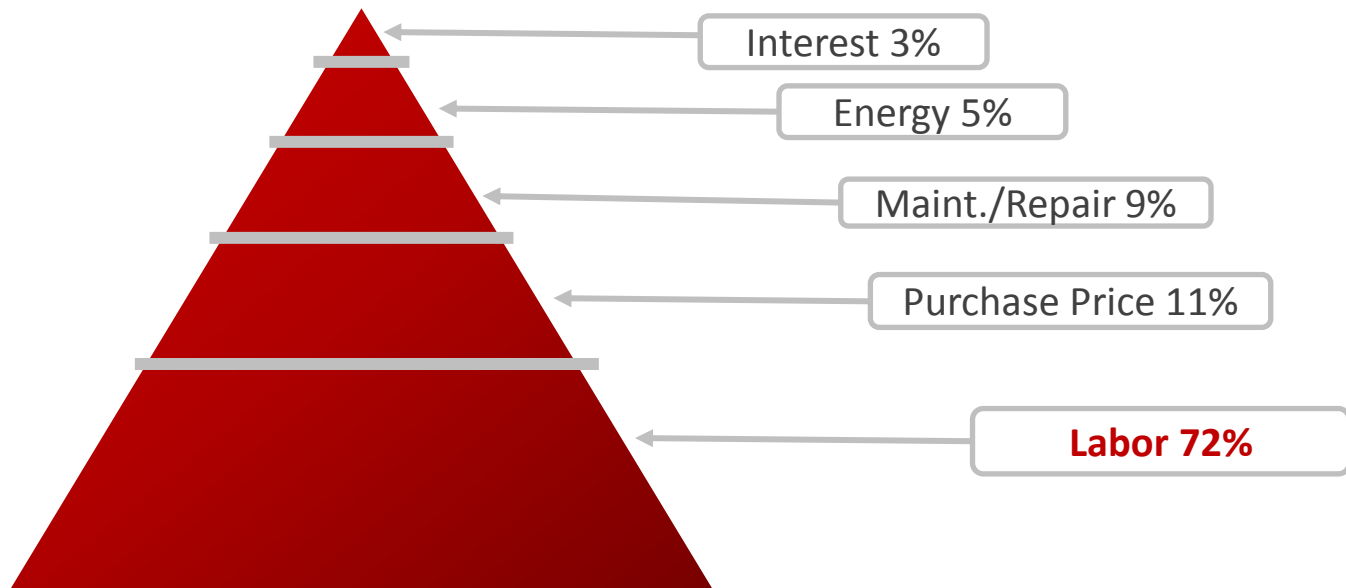
- Large Repair
- Under Utilized
- Data Integrity
- Industry Average vs Your Environment
- Fluctuations in Business Needs

#### Other Factors To Consider When Implementing a Rotation/Replacement Strategy



## Fleet Management Essentials

# Additional Cost Savings in Right Sizing Your Lift Truck Fleet



Forklift Operators are typically the highest paid hourly employee in the supply chain industry, when taking into account benefits, bonus, over time and if hiring temporary staff? And for facilities that run more than one shift that cost can triple. (per an article "On 5 ways to reduce costs of your industrial vehicle fleet"- A Supply Chain Industry Review published by ID Systems, Inc.)



## Fleet Management Essentials

### Where Do You Go From Here?

- **Optimizing Your Lift Truck Fleet by Formulating a Rotation Strategy.**
- **A Strategy for New Equipment Purchases Based on Key Factors.**
- **Utilizing Data to Implement Cost Savings Recommendations.**
- **Right Sizing the Fleet Assists in Reducing Maintenance and Labor Costs.**
- **Using Data to Validate Purchases to Procurement & Upper Management.**



*(in a eweek article on a study of Chief Procurement Officers, conducted by IBM Institute of Business Value it “showed that high performing procurement organizations are deploying advanced data-driven tools to make more informed procurement decisions”, an eweek article on an IBM Institute of Business Value Study on Chief Procurement Officers, posted 2014-12-14)*

**FIND WHAT'S  
NEXT.**



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