

Why Fleet Management?

A TYPICAL CASE STUDY

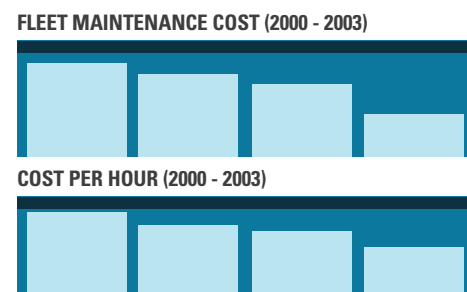
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No Fleet Program (2000-2003)

Know when it's time to correct direction

Most managers cite limited time as the main obstacle to running their fleet at optimum efficiency. Other managers say they do not have a true financial picture of overall fleet costs and no formal tracking system. Additional barriers include proper training, personnel and interdepartmental communication. In this example, costs were inching downward, but the effort did not result in significant savings. Total maintenance cost and operating cost per hour are still well above industry average.

MAINTENANCE EXPENSE HISTORY		
YEAR	MAINTENANCE COST	COST PER HOUR
2000	\$1,779,884	\$9.91
2001	\$1,541,337	\$8.28
2002	\$1,358,084	\$7.56
2003	\$1,085,748	\$6.04

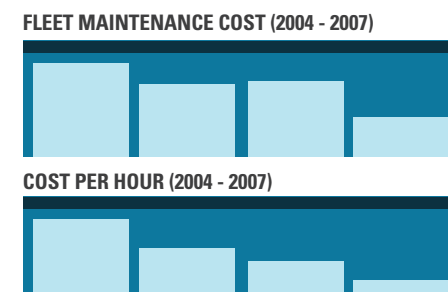


Transition (2004-2007)

Develop a consistent roadmap

Conducting a comprehensive Fleet Analysis is Andersen's first priority in reducing maintenance expenses. We establish a cost baseline, identifying both true and hidden costs, for the entire fleet. We identify cost drivers and trouble areas by analyzing optimal equipment mix, size of fleet, age of fleet, current wear/tear data, maintenance cost and accurate equipment deployment.

MAINTENANCE EXPENSE HISTORY		
YEAR	MAINTENANCE COST	COST PER HOUR
2004	\$772,098	\$4.56
2005	\$615,439	\$3.45
2006	\$623,641	\$3.01
2007	\$576,792	\$2.24

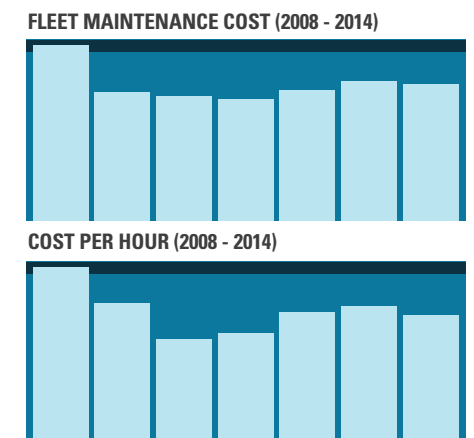


Running Lean (2008-2014)

Deliver Sustainable Performance

Continuous improvement is the name of our game—consistent reporting, consolidated billing, strong partners, digging deep. Your entire company benefits from our extensive insight into operations and profit. We constantly seek to gain efficiencies, lower costs and increase utilization. That's our job.

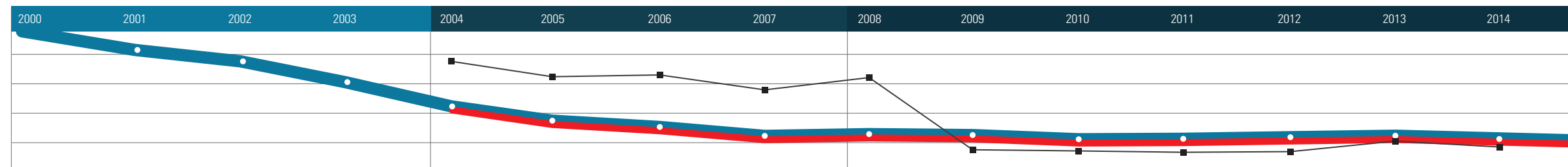
MAINTENANCE EXPENSE HISTORY		
YEAR	MAINTENANCE COST	COST PER HOUR
2008	\$644,098	\$2.56
2009	\$482,484	\$2.32
2010	\$471,847	\$2.12
2011	\$468,194	\$2.15
2012	\$487,109	\$2.27
2013	\$505,622	\$2.31
2014	\$494,908	\$2.25



\$5,765,053 ← COMPARE 4 YEAR TOTAL COST → \$2,587,970

4 YEAR AVERAGE	AVG MAINTENANCE COST	AVG CPH	4 YEAR AVERAGE	AVG MAINTENANCE COST	AVG CPH	7 YEAR AVERAGE	AVG MAINTENANCE COST	AVG CPH
	\$1,441,263	\$7.95		\$646,993	\$3.32		\$507,752	\$2.28

COST PER HOUR MAINTENANCE COST



77% REDUCTION

LIFETIME STATS (15 YEARS)

AVG FLEET COST: **\$793,819**

AVG COST PER HOUR: **\$4.07**

51% REDUCTION

ANDERSEN RESULTS (11 YEARS)

AVG FLEET COST: **\$558,385**

AVG COST PER HOUR: **\$2.66**

Did You Know?

Managers who employ some type of data collection (repair cost, maintenance logs, hours used) rarely use these records when making vehicle replacement decisions.*

Most managers assume they run at **70-80%** utilization. The real average is **25%****

If a lift truck exceeds its economic life, **it costs more to own and maintain** than it would to purchase and maintain a new one.**

Managers cite lack of training & diagnostic tools to do the job right as the **#1 reason** to turn over Fleet Management responsibility to a 3rd party.***

In the U.S. alone over **500,000** forklifts have exceeded their **economic life**.†

In a 3-shift operation, you can statistically eliminate one battery change on an AC truck and eliminate the need for multiple batteries which cost about \$3,000 each.††

Some facilities actually keep excess or **standby equipment** to handle temporary breakdowns.

Most common causes of forklift accidents are: **inadequate operator training, malfunction and poor operator habits**.

Equipment abuse contributes up to **30% of spending**. Warehouse conditions are the leading cause of premature wear (floor conditions, driver habits, poorly positioned racking, etc.).‡

86% of employees cite **lack of collaboration** for workplace failures.‡‡

94% of material handling businesses **do not have** an accurate record of their total forklift fleet costs.‡‡‡

On average, a warehouse with 25 trucks will receive approximately 60 invoices per month. Consolidated billing offers **1 invoice per month**, saving significant time and headaches.

*2010 DC Velocity reader survey **Raymond Corporation ***Josh Bond, Modern Materials Handling, senior editor, May 2012

† Raymond Corporation †† Joseph Lafergola, manager, Raymond Corporation

‡ Nick Adams, Mitsubishi Caterpillar Forklift America †† Fierce, Inc. 2011 survey ‡‡‡ Raymond Corporation