



Tracking Material Handling Equipment Repair & Maintenance Expense



International Association of
Refrigerated Warehouses



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The 5 key elements of a successful management programs.

Centralized Dispatch Service

24/7 Call Center with Service call Triage

Service Event Management

Timely repair tracking / coordination

Work Order Oversight

Audit Preferred Labor Rates and Fleet Pricing

Consolidated Invoicing and Administration

Budgetary Forecast

Program Support and Management

Performance Reporting

Online Service Request

Repair Quote Management

Consolidated Invoicing

Avoidable damage & spend analysis

Customer System Service Request Interface

Lifecycle cost & equipment disposition

Dedicated Program Management

Equipment recommendations and Lease-end collaboration

Continuous Improvement Recommendations





Typical Customer Objectives

Generally, when a company looks to begin tracking their maintenance spend, the primary reasons are one or more of the following;

- Optimize / extend life of MHE fleet
- Improve fleet productivity
- Manage end of lease process
- Control / reduce cost
- Plan equipment replacement
- Access to data
- Leverage spend
- Safety Compliance





The correct maintenance option

Every situation is different and you should always consider the best option by location

Time & Material

- Work orders audited and reviewed
- Labor rates and parts pricing reviewed
- Review of travel times
- Manage threshold repair levels for corporate visibility
- Review claims for possible coverage under warranty
- Coding of claims for reporting and analysis purposes
 - Maintenance Type
 - Problem Code

Full Maintenance

- Reduces opportunity for unbudgeted repair costs
- Allows for controlled monthly costs – fixed monthly payments
- Eliminates the need for full time truck staff
- Redirects resources into core business
- Reduces administrative costs and paperwork
- Eliminates any parts inventory
- Increases utilization and productivity

Maintenance Assurance

- Receiving Full PM Services plus additional coverage protection with a low monthly payment
- Level of comfort that certain major assemblies/components are covered
 - Fixed, monthly cost for length of agreement for known expenses
- Zero dollar deductible

Hourly Based





True Maintenance Cost Tracking

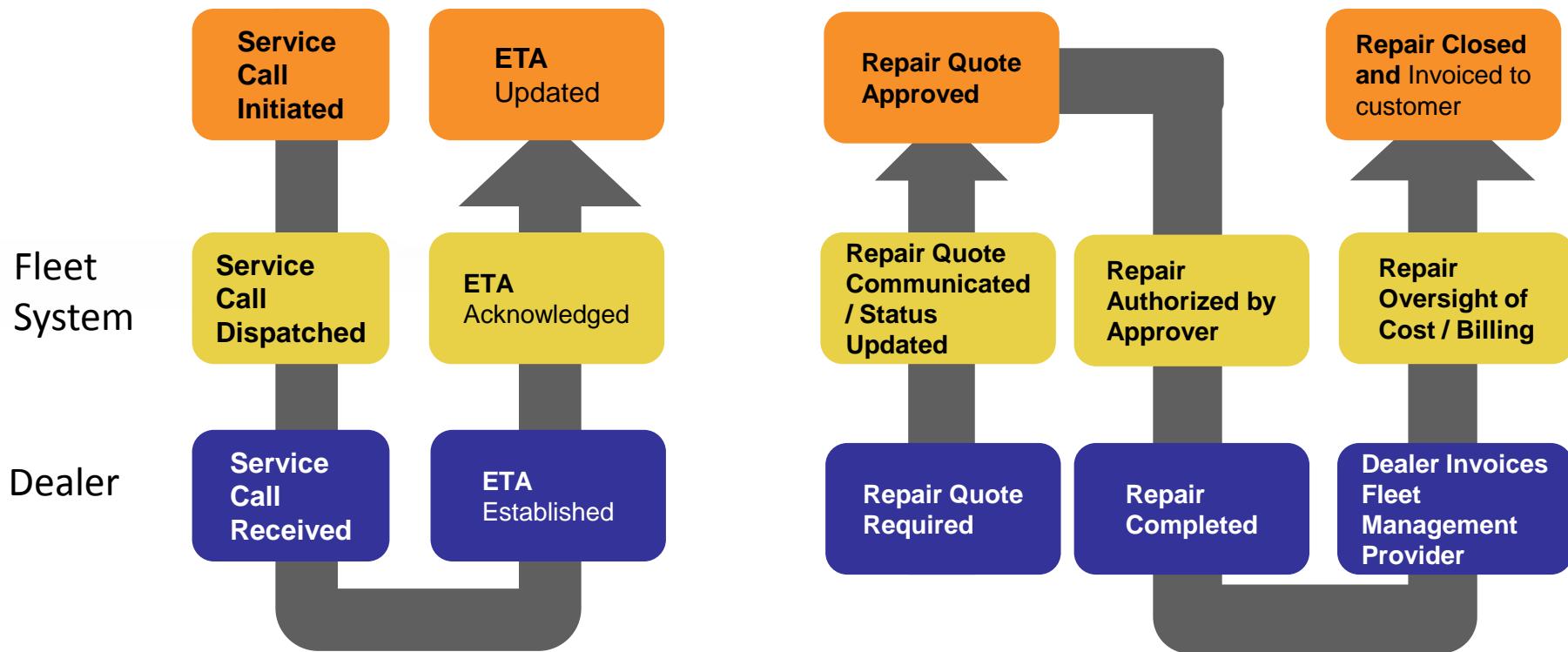
Must include

- Type of maintenance/service
- Labor: Hours/Amount
- Travel: Time/Amount
- Parts Detail: (quantity, part number, cost)
- Miscellaneous Expense
- Freight/Drayage
- Hour Meter Reading
- Repair Start/End Dates
- Repair description/comments
- Repairs directly tied to the asset



Next is the need to manage service events efficiently and effectively...

Improved consistency, responsiveness and timeliness





Minimize Administrative Burden

Now that you're tracking your costs, you should move to consolidate/centralize your invoices.

Working to consolidate your invoicing method accomplishes significant and often overlooked savings;

1. Better budgetary management as all invoices go to one contact for rationalization and processing.

Soft savings due to increased efficiency.

- Costs for processing invoices can range from \$50 to \$70 per transaction...
- *On average a lift truck could have 10 work orders per year...*

For a fleet of 100 units this could equate to annual costs of \$50,000-\$70,000

A woman in a professional business suit and a headset with a microphone is smiling at the camera. Overlaid on the image are several business-related forms and documents. At the top left, there is a large, bold, black text 'ould move' and 'hod' on the left, and 'ked' on the right. To the right of the woman is a detailed 'INVOICE' form with sections for 'BILL TO', 'DESCRIPTION', 'HOURS', 'RATE', and 'AMOUNT'. Below the invoice is a 'SUBTOTAL' section with tax and other details. To the right of the invoice is a 'PAYMENT SLIP' with fields for 'AMOUNT', 'METHOD', 'DESCRIPTION', 'UNIT PRICE', and 'AMOUNT'. At the bottom left is a 'COMPANY NAME' section with address and phone information, and a large 'Order By' field. At the bottom right is a 'QUANTITY' and 'DESCRIPTION' table for a purchase order. The background is a light, textured surface.





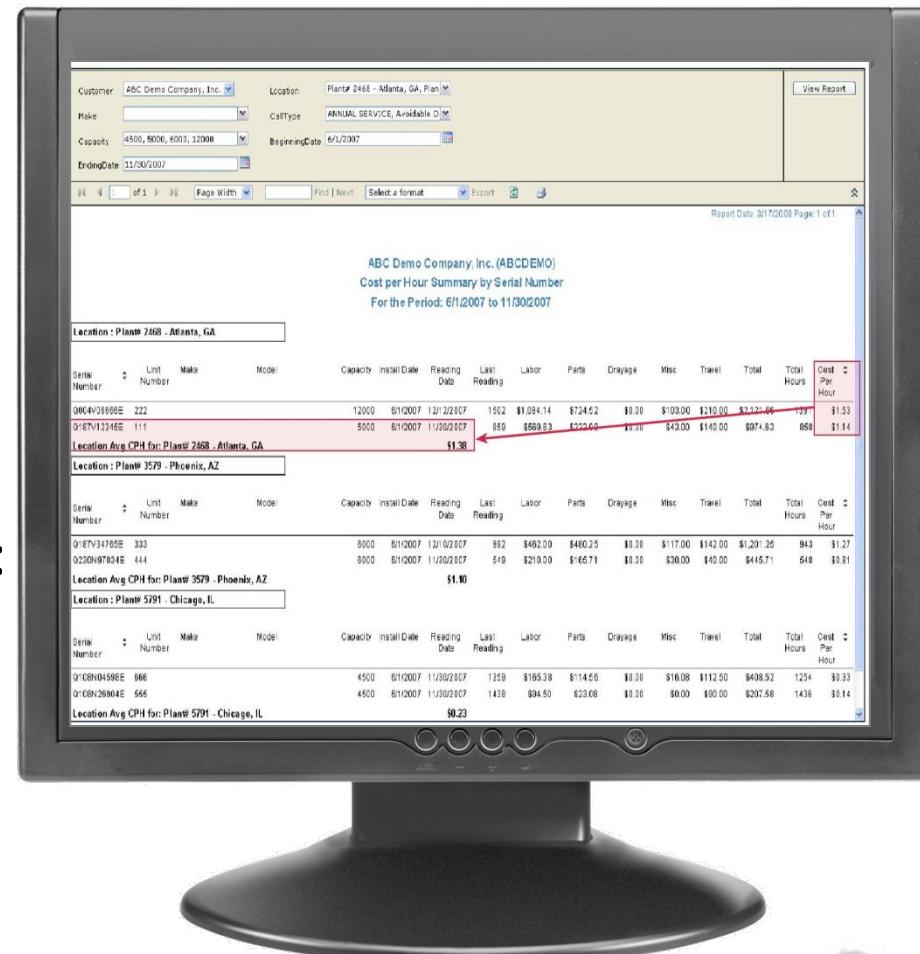
Your Fleet Management supplier should supply an online Customer Portal.

Online Tracking to:

- Manage equipment data
- Manage service events
- Track maintenance costs
- Collect critical data
- Generate reports

Reports help fleet managers:

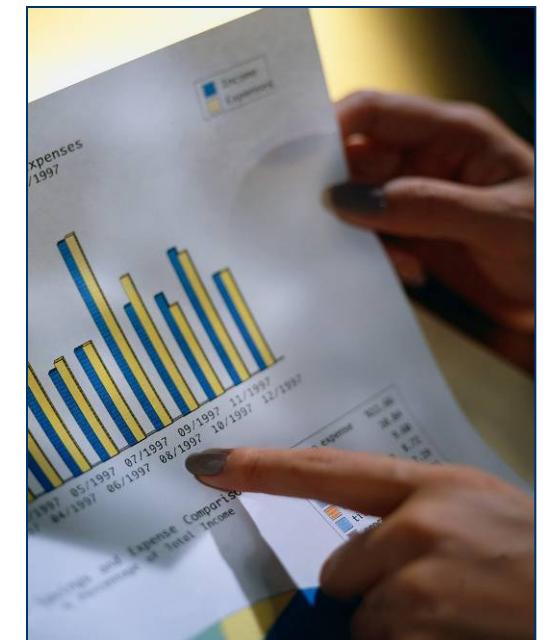
- Analyze trends
- Project costs
- Identify areas for improvement





Web Reporting Advantages

- Determine Fleet Operating Costs
- Breakout Parts and Labor Costs
- Monitor Fleet Utilization
- Develop Fleet Benchmarking
 - Cost Per Hour
 - Utilization
- Compare Maintenance Alternatives
- Identify Savings Opportunities
 - Avoidable Damage
 - Rental Expense
 - Tire Expense



What is Fleet Optimization?

Ensure that the customer has the **RIGHT** quantity of the **RIGHT** equipment in the **RIGHT** place for your operation to perform as cost-effectively as possible

R

Replacement

R

Right-sizing

R

Redeployment





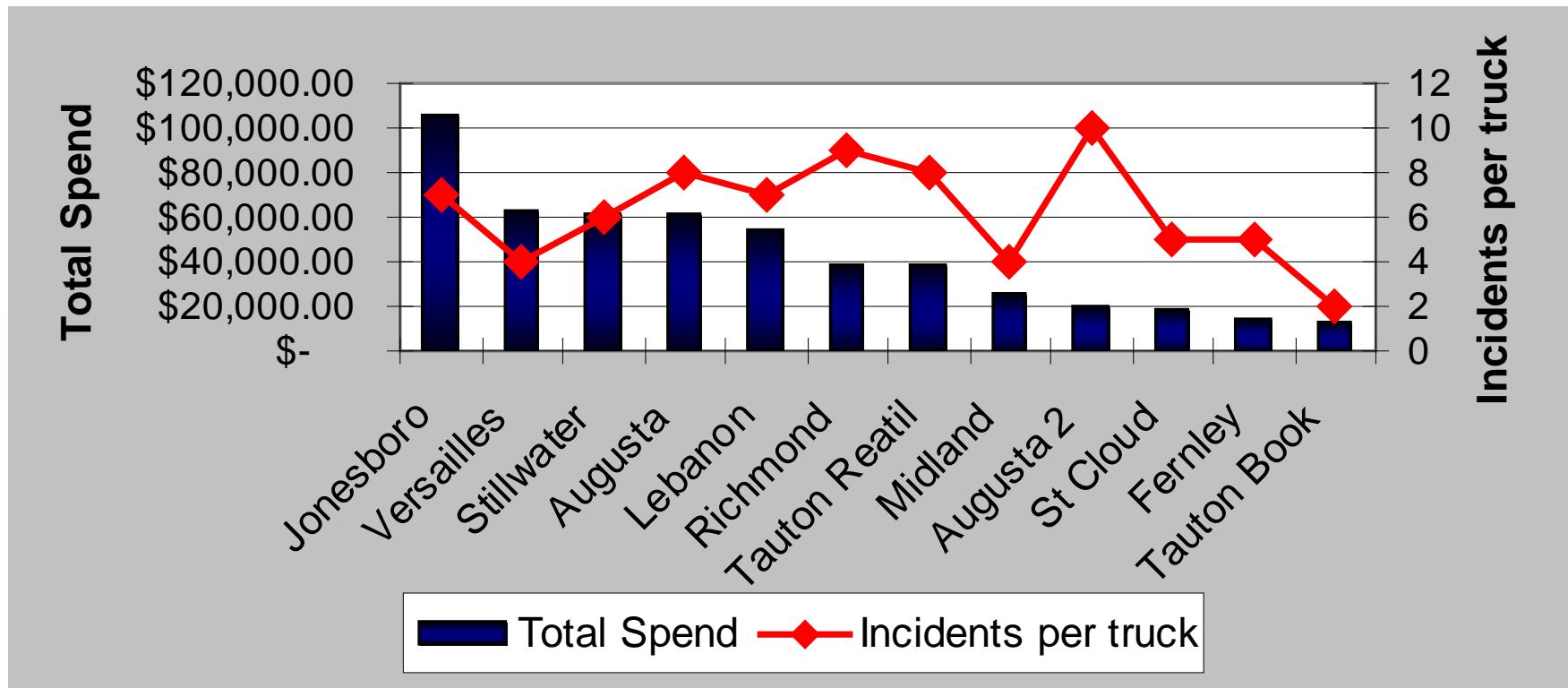
Sample - Fleet Optimization Study

Current Fleet - 13 Units

Proposed Fleet - 13 Units

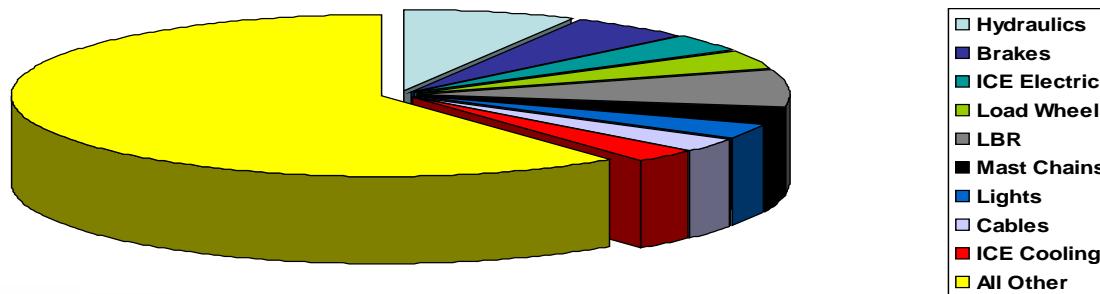
Truck Number	Department	Model	Attach	RT%	Age (Yrs.)	Annual Hours	Util %	Age (Yrs.)	Recommendation	Annual Hours
1-2	Baler	lift truck	Forks	142%	5	1,388	23.0%	0	Retire (11,804 hrs)-repl w/New trk	1,383
2-3	Corrugated	lift truck	clamp	52%	4	1,578	26.3%	4	Keep	1,578
3-3	Corrugated	lift truck	clamp	16%	3	1,405	23.4%	3	Keep	1,405
98-3	Corrugated	lift truck	clamp	17%	8	158	2.6%	8	Keep	158
98-6	Corrugated	lift truck	clamp	99%	8	1,525	25.4%	0	Rotate to Maint-repl w/New trk	1,525
98-1	Maint/Baler	lift truck	Sideshift	38%	8	500	8.3%	4	Retire-repl w/2-1 (Shipping)	500
8	Maintenance	lift truck	Forks	55%	15	56	0.9%	8	Retire (poor condition)-repl w/#98-6	56
2-1	Shipping	lift truck	Forks	162%	4	1,873	31.2%	0	Rotate to Maint/Baler-repl w/New trk	2,577
2-2	Shipping	lift truck	Forks	91%	4	802	13.4%	4	Keep	802
3-1	Shipping	lift truck	Forks	80%	3	2,341	39.0%	3	Keep	2,341
3-2	Shipping	lift truck	Forks	91%	3	2,577	43.0%	3	Keep (reduce utilization)	1,873
1-1	Warehouse	lift truck	Forks	79%	5	1,507	25.1%	5	Keep (9,951 hours)	1,507
98-2	Warehouse	lift truck	Sideshift	116%	8	1,687	28.1%	0	Retire (11,054 hrs)-repl w/New trk	1,687
Average				6.0	1,388		3.2			1,388
Total					17,392	22.3				17,392

Avoidable Damage should be measured by incident and dollar.





A strong Fleet Management company should provide Component Code reporting that allows for identifying key areas of spend so they can be examined.



System \ Area	Cost to Date	Possible Cause/Solution
Hydraulic lines and fittings	\$338,058	Stretch or wear on hoses. Daily inspection. Flat face O-rings and TC hoses
Brakes	\$237,203	Regenerative Braking and Auto De-accelerate consider wet disc brake option
ICE Electric	\$162,849	Dust and low voltage.
Load / Caster Wheels	\$162,602	Floor condition and flat spotting.



TECHNICIAN CERTIFICATION

Be sure that your technicians are armed with what they need...

BENEFIT

Timely, accurate, cost effective service and increased uptime

- Understanding of fault codes and access to troubleshooting information
- Diagnose and fix actual problem opposed to being a "parts changer"
- 1st time repair completion resulting in higher equipment uptime
- Understand truck settings to optimize productivity and reduce potential damage to forklift equipment

PROPER TOOLS

BENEFIT

Faster, more accurate problem resolution and increased uptime / productivity

- Access to serial number specific parts and service manuals to speed diagnosis and ensure that correct parts are ordered to perform necessary service
- Laptops and diagnostic equipment
- Access to Aftermarket Parts



Periodic Rentals need to be managed!

- A standardized Rental Program provides additional lift truck assets on a short term basis.
- Allows you to add or shed equipment for peak or seasonal needs
- Scheduled delivery and pick up
- Consolidated in your monthly invoice
- Approval process to manage rental extensions
- Having a standardized Rental Program provides significant reduction in administrative burden - sourcing, rates, invoicing and overall management

Consistent
National
Rental Rate

Equipment for
Peak or Seasonal
Needs

Reduction in
Administrative
Burden

Dealer
Rental Fleets
provide flexibility to
meet your needs





In Summary...

A true Fleet Management program should be consultative based and provide you the following:

1. Maintenance scheduling/cost tracking
2. Lease tracking/termination planning
 - Including advanced notification
3. Fleet analysis and optimization
4. Usage tracking and reporting
5. Consolidated billing and event oversight
6. Superior Service support
7. Periodic reviews
8. Continuous improvement

