

Maximizing fleet management; Fleet managers in this economy have two options. Plan A: Sit on your capital until things get better; or Plan B: Get the most from your spend. With lift trucks, Plan B is the only viable one.

Tom Andel, Columnist

Smart lift truck fleet management helps you get the most out of your investment. This can entail a combination of maintenance and analysis tools applied in-house or outsourced through the equipment supplier or another service provider. I asked several leading lift truck suppliers how their clients are making use of fleet management services during these tough times. Their responses might help you ace your own Plan B.

Control costs

Companies whose business is down dramatically might have idle lift trucks. Joseph LaFergola, manager of business and information solutions at The Raymond Corporation (www.raymondcorp.com), notes that while lift trucks not in use do not accrue maintenance costs, their total cost of operation (TCO) will continue to increase due to continued lease payments. There is a way around this.

"By deferring the lease payment, facilities can maintain a static TCO until equipment is put back into service," LaFergola says. For example, Raymond's Assurance Program allows companies to make lower payments for up to 12 months while the units are parked. For each month the unit is parked, the lease term will be extended for one month. Once the equipment is put back into service, the user makes up the deferred payments.

Simplify Maintenance

John Russian, manager of fleet marketing for the Hyster Company (www.hyster.com), says sometimes it makes sense to pay a fixed maintenance cost per run time hour versus paying for a standard full maintenance plan. "A maintenance-by-the-hour plan can reduce the possibility of overpaying for maintenance if the truck does not meet its estimated annual usage," he adds.

Understand usage

While maintenance by the hour can help managers make costs more predictable, making lift truck activity more understandable is also important. "Fleet management needs to point out the peaks and valleys of use in a reporting format so retaining, replacing and retiring lift trucks isn't all about the cost per hour, but equally when, or how much, the lift truck is being used," says Michael McKean, manager of fleet management sales and marketing for Toyota Material Handling (www.toyotaforklift.com)

Cut paperwork

Raymond's LaFergola says consolidated invoicing can reduce overhead costs. "A company processing 1,000 invoices in a year can create \$50,000 in administrative overhead," he says. "By reducing the number of invoices for lift truck expenses to one per month, the company can save up to \$49,400 per year."

Share information

Lift truck fleet management is evolutionary. Scot Aitcheson, director of fleet management for Yale Materials Handling (www.yale.com), says it often starts with a simple fleet inventory and a baseline cost analysis. From there, a manager can look at cost savings. "Specifics include throughput, the path the forklifts take throughout the day, and improved operator efficiency," Aitcheson says. "We are isolating information at a much deeper level, so CFOs can understand why truck number 1234 is being used less but costing more."

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