



In the Mix; Assessing Current and Future Material Handling Equipment Needs

There will come a point when your existing forklifts have reached the end of their economic life and need to be replaced. Besides some of the obvious questions there are a few that could save you hundred, thousands, or tens of thousands of dollars.

Our experience has been clients with consistent operations can follow those previous buying processes. This process typically includes:

1. Analyze current operations
 - a. Will anything be changing?
 - b. Is the company planning expansion?
 - c. What type of expansion is expected?
 - d. When will we expand?
 - e. Where will we be expanding?
2. Assess current equipment
 - a. Is the current brand equipment meeting needs?
 - b. What is the trending reputation of the brand in use? (improving or declining quality)
 - c. Is the fleet mix and quantity appropriate for current and future operations? (type, capacity, quantity)
3. Competitive Evaluation
 - a. Entertain competitive quotes for comparable models
 - b. Compare/contrast features, advantages and benefits of each brand
 - c. Evaluate suppliers ability to properly maintain equipment or provide service when needed to maximize productivity
 - d. Evaluate contractual obligations for each supplier
4. Negotiation and Decision
 - a. Negotiate service/equipment combination

Give or take a few exercises (facility visits, customer inquiries etc...) this is the typical buying process for most forklift fleet managers. In complex organizations, or companies that are moving from a simple organization to a more complex environment (multiple facilities, processes and varying equipment needs), there are additional things to consider, questions to ask, and steps in the process. We have found that the following questions will help you make a better choice for equipment and supplier based on the following:

1. Is our current material handling operation efficient for current and changing business climate?
 - a. Do we need more space?
 - b. What options exist for space utilization?



- c. Can we reduce through-put and duty cycles with a different equipment / Warehouse structure combination?
2. What is current cost per hour for operating equipment? (forklifts and warehouse equipment)
3. What are the operating costs per hour of competing brands (including service/fuel/parts etc...)
4. What was our equipment rental expense and why? This is often a hidden expense of sub-par equipment or equipment that was operated past its economic life.
5. How can we reduce costs by reducing equipment damage due to abuse? This cost is also an often hidden cost and can be reduced with proper training and accountability for equipment damage or abuse.
6. Electric vs. internal combustion. If you have not compared the two in recent years, now might be the time to perform a cost analysis.

We hope this short list of additional considerations helps you select a forklift or material handling equipment combination that best fits your current operation and your operation of the future. Matthai Material Handling is a fully integrated supplier with experience and know-how in helping clients assess current material handling equipment combinations and help plan an appropriate mix for the future.

Give us a call to speak with one of our professionals. We have a feeling you will be glad you did.