



LIFT TRUCK ACQUISITION & USAGE STUDY

2016

CONDUCTED BY:

PRG[®]
PEERLESS RESEARCH GROUP

MODERN
MATERIALS HANDLING



Methodology

❏ This study is the latest wave of this research conducted on behalf of *Modern Materials Handling* magazine to better understand how lift trucks are acquired and how fleets are being managed and maintained. Where available the report compares this year's findings to 2015 and 2014 results.

❏ Specifically, the study examines:

- ❏ Lift trucks in use and planned for acquisition
- ❏ Lift truck acquisition
- ❏ Impact the economy has on lift truck acquisitions
- ❏ Usage of approved vendor lists for lift trucks
- ❏ Lift truck maintenance arrangements and parts procurement
- ❏ Use of technology for managing lift truck fleet
- ❏ Respondent demographics

❏ Methodology:

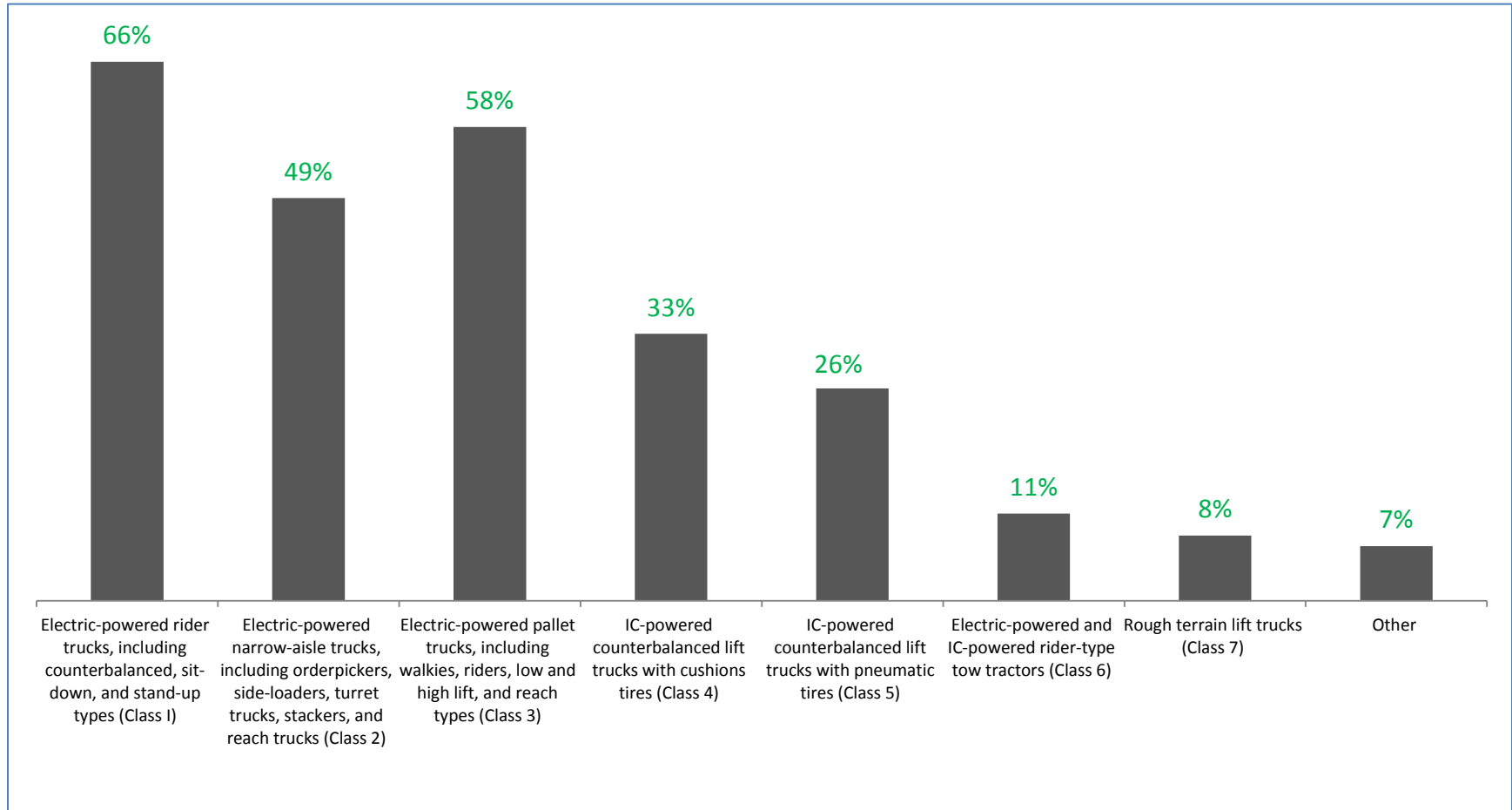
- ❏ Method: E-mail
- ❏ Sample: Subscribers to *Modern Materials Handling* magazine
- ❏ Respondent qualifications: Involvement in the evaluation and purchase of lift trucks for their facility
- ❏ Field & Response

	2016	2015	2014
Fieldwork	July	June	June
# of usable returns	151	205	310

❏ Margin of error: At a 95% confidence level, results are projectable at a margin of error of +/- 8.5%.



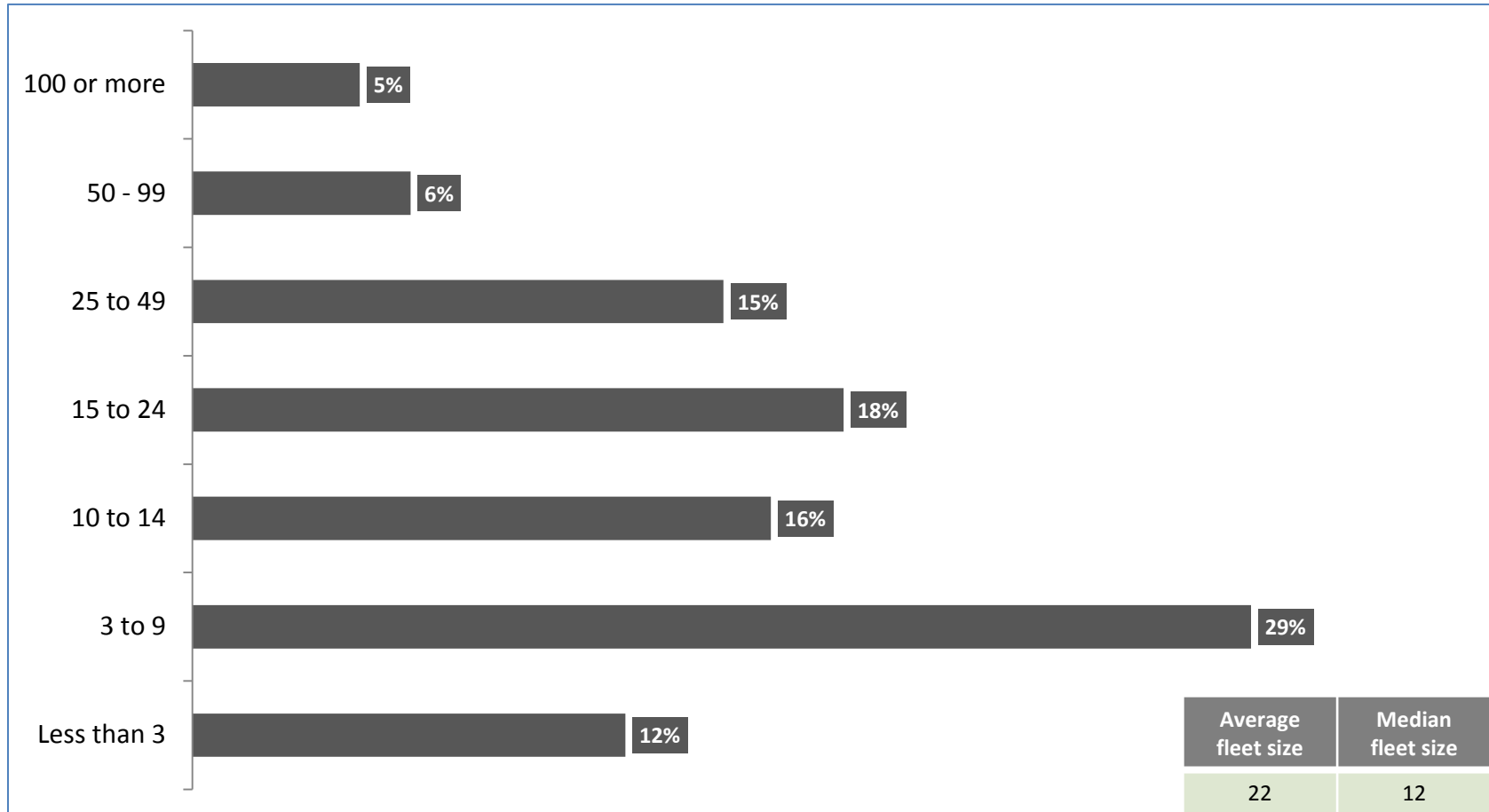
Types of lift trucks in use at facilities



What type(s) of lift trucks are in use at your facility?



Size of lift truck fleets

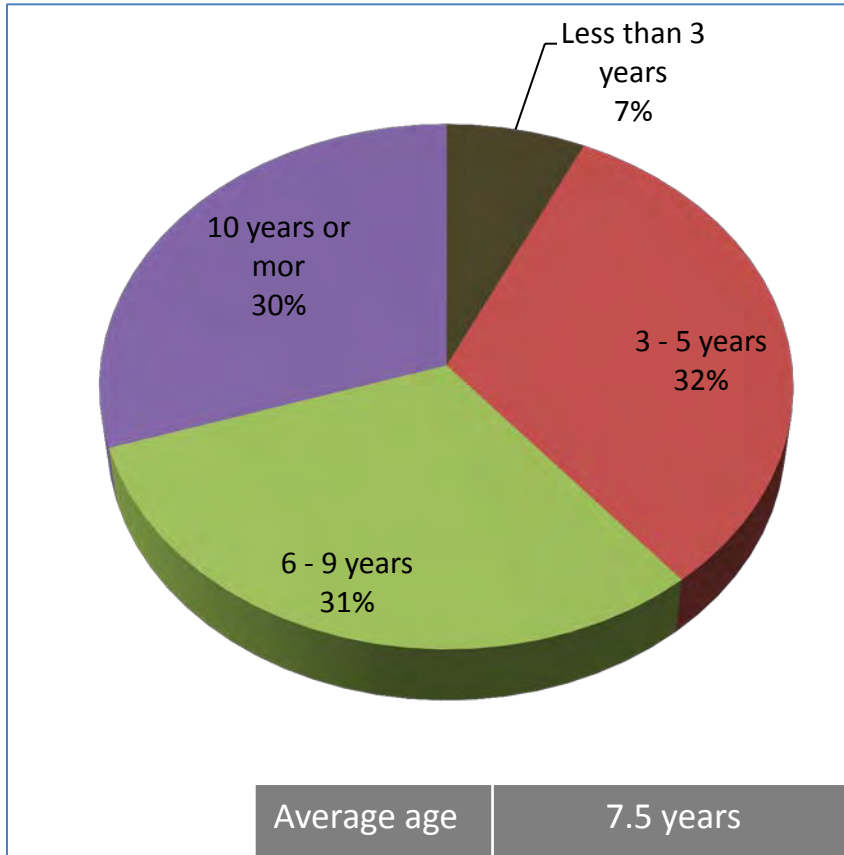


In total, approximately how many lift trucks are currently in use at your facility?



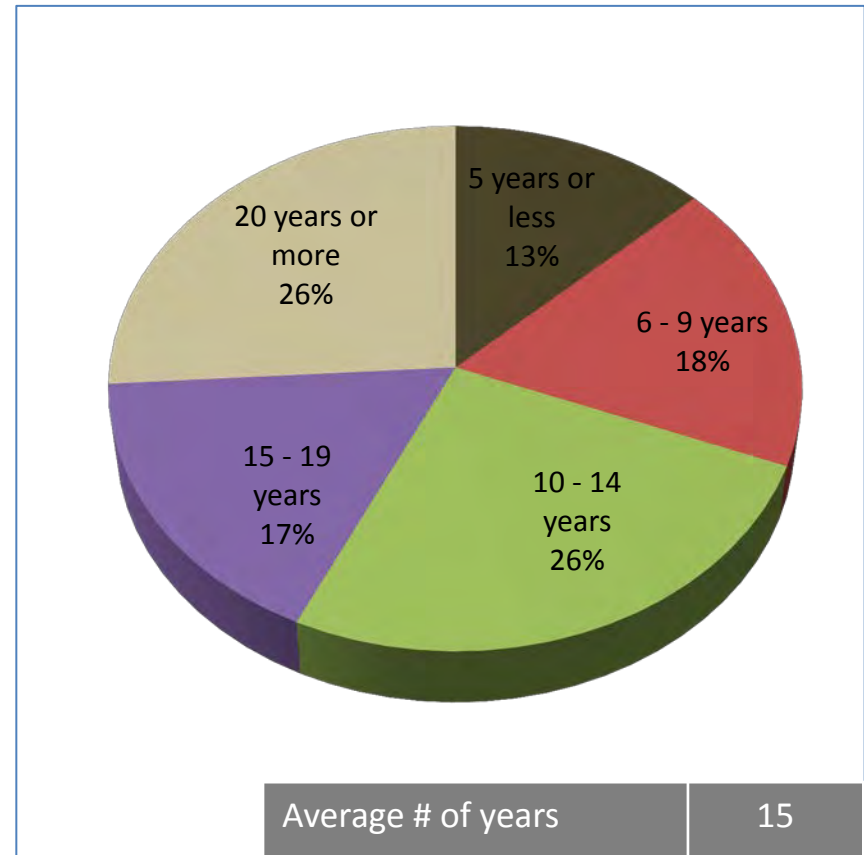
Current lift truck fleets

Average age of lift trucks



Approximately, what would you say is the average age of the lift trucks in your fleet?

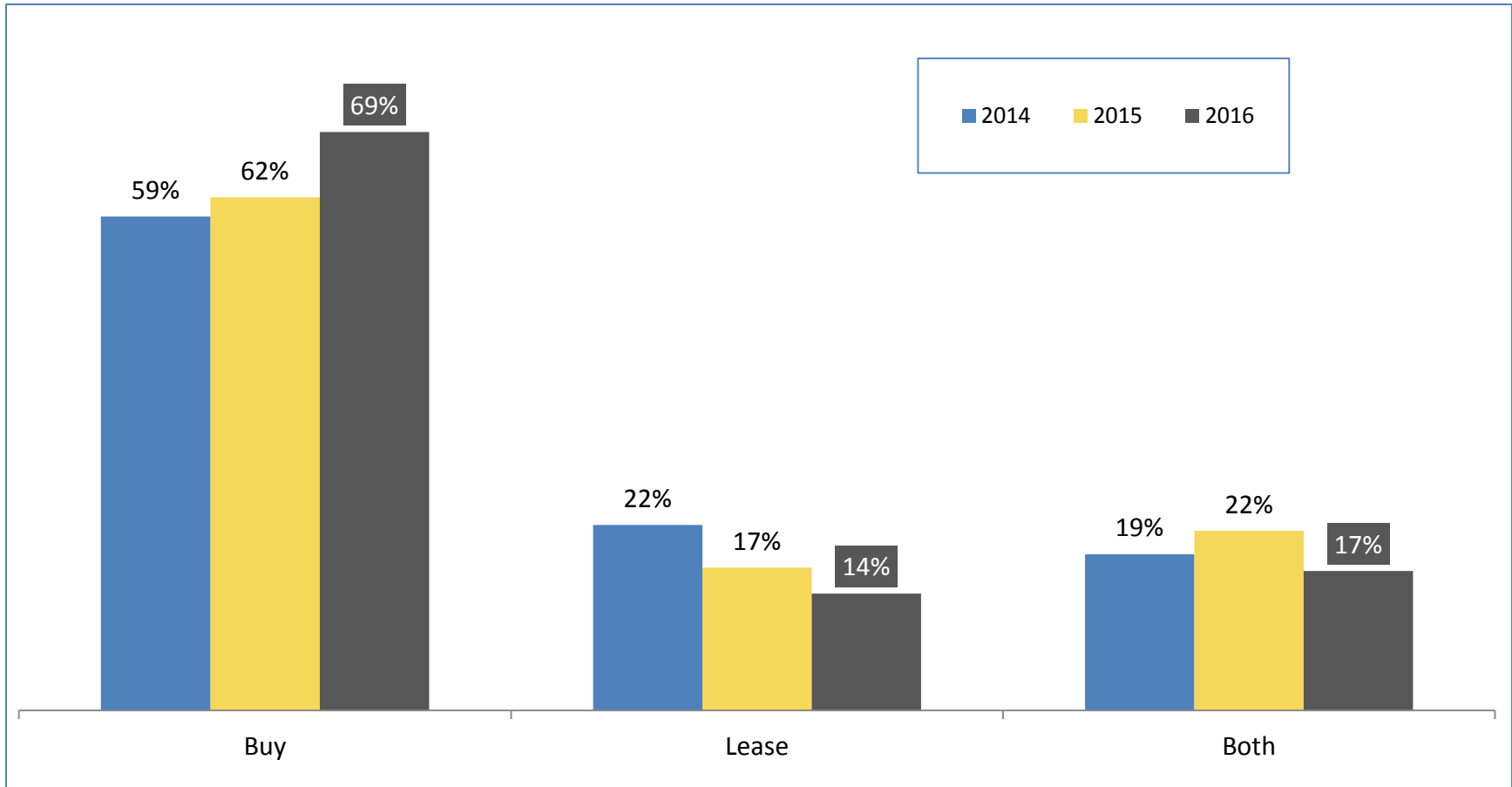
Oldest lift trucks



And, what would you estimate the age of your oldest lift truck currently in use to be??



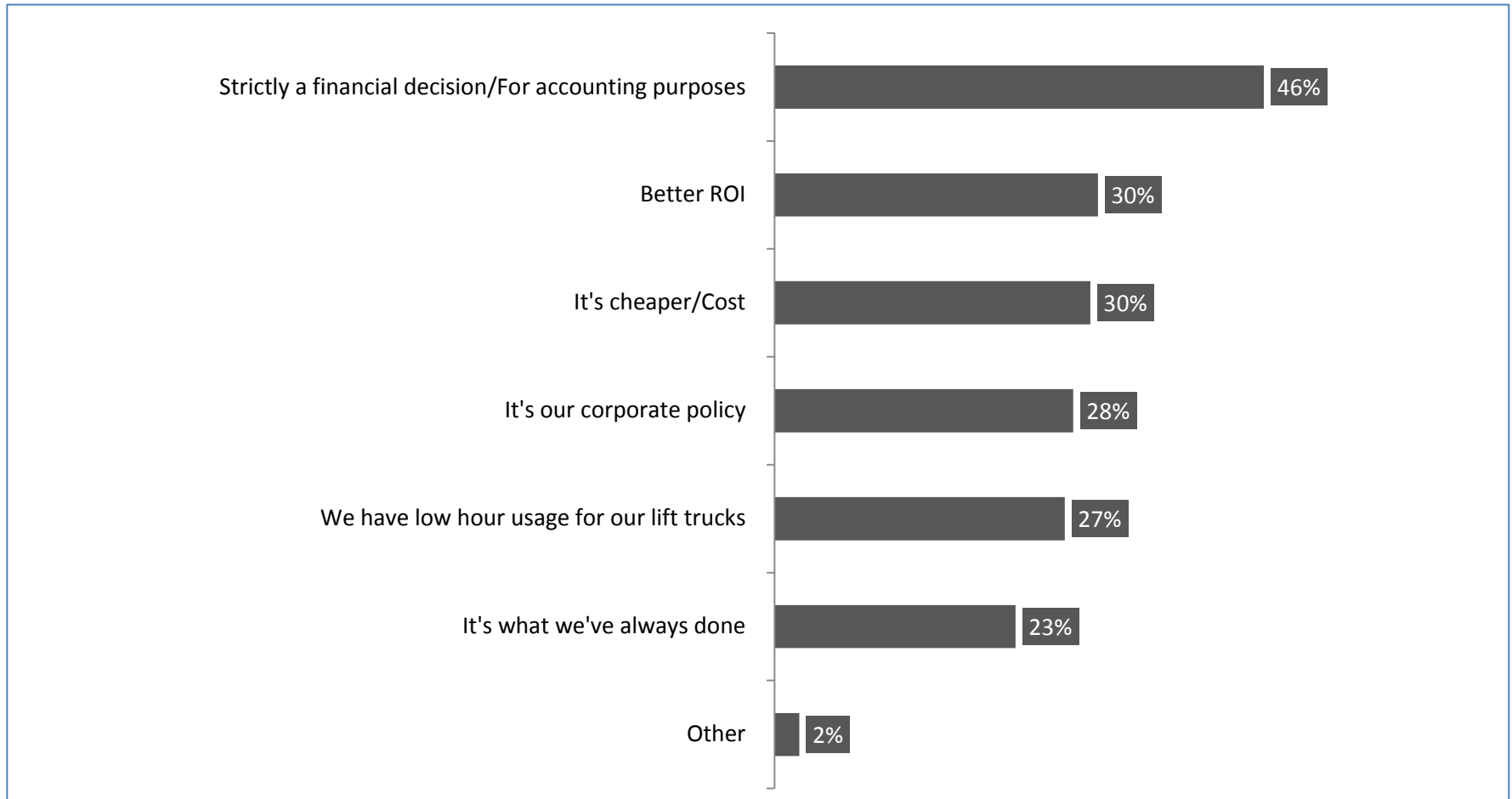
How lift trucks are acquired



Do you typically buy lift trucks, lease them or both?



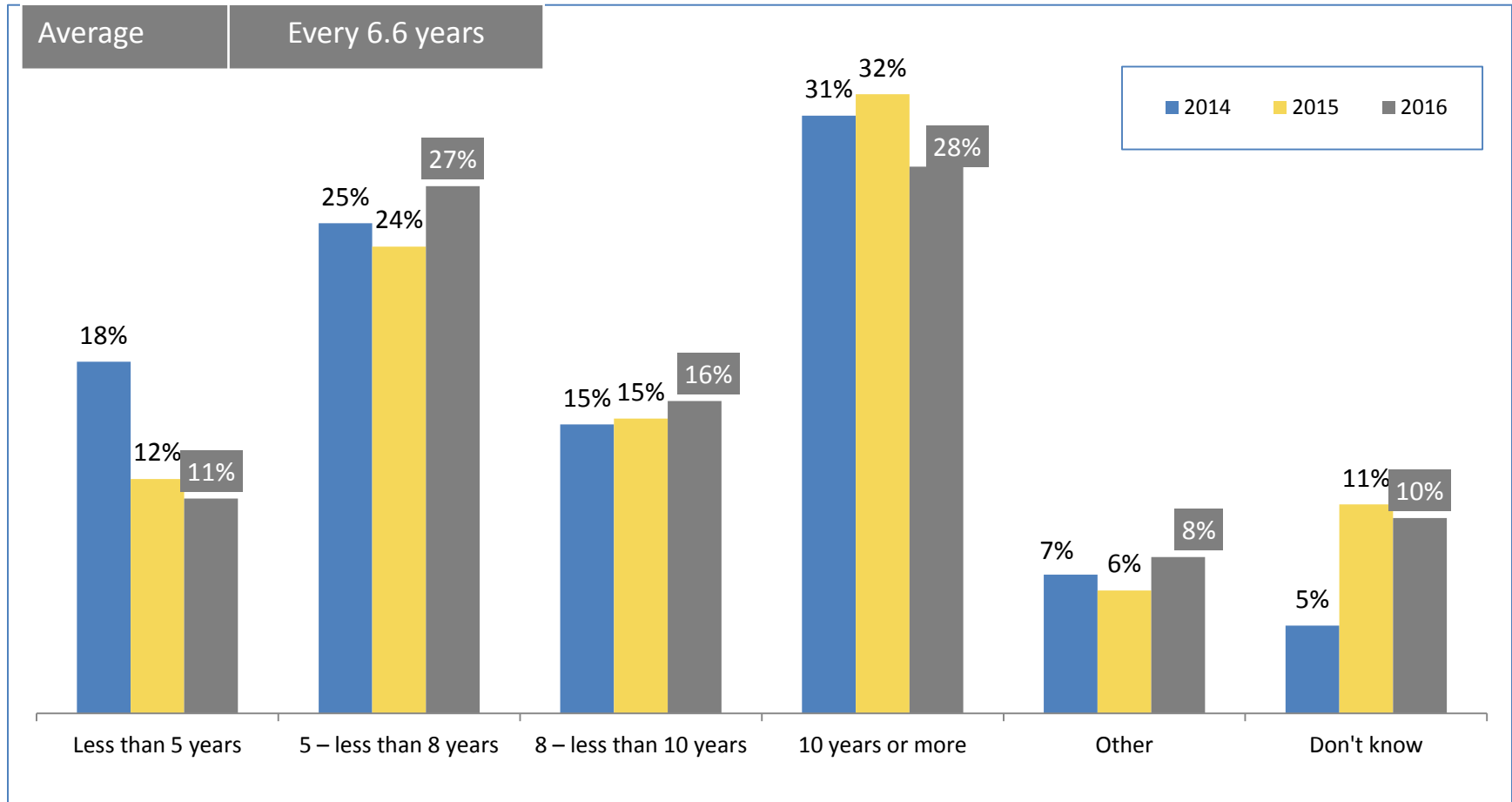
Reasons for buying lift trucks



Why do you typically buy lift trucks?



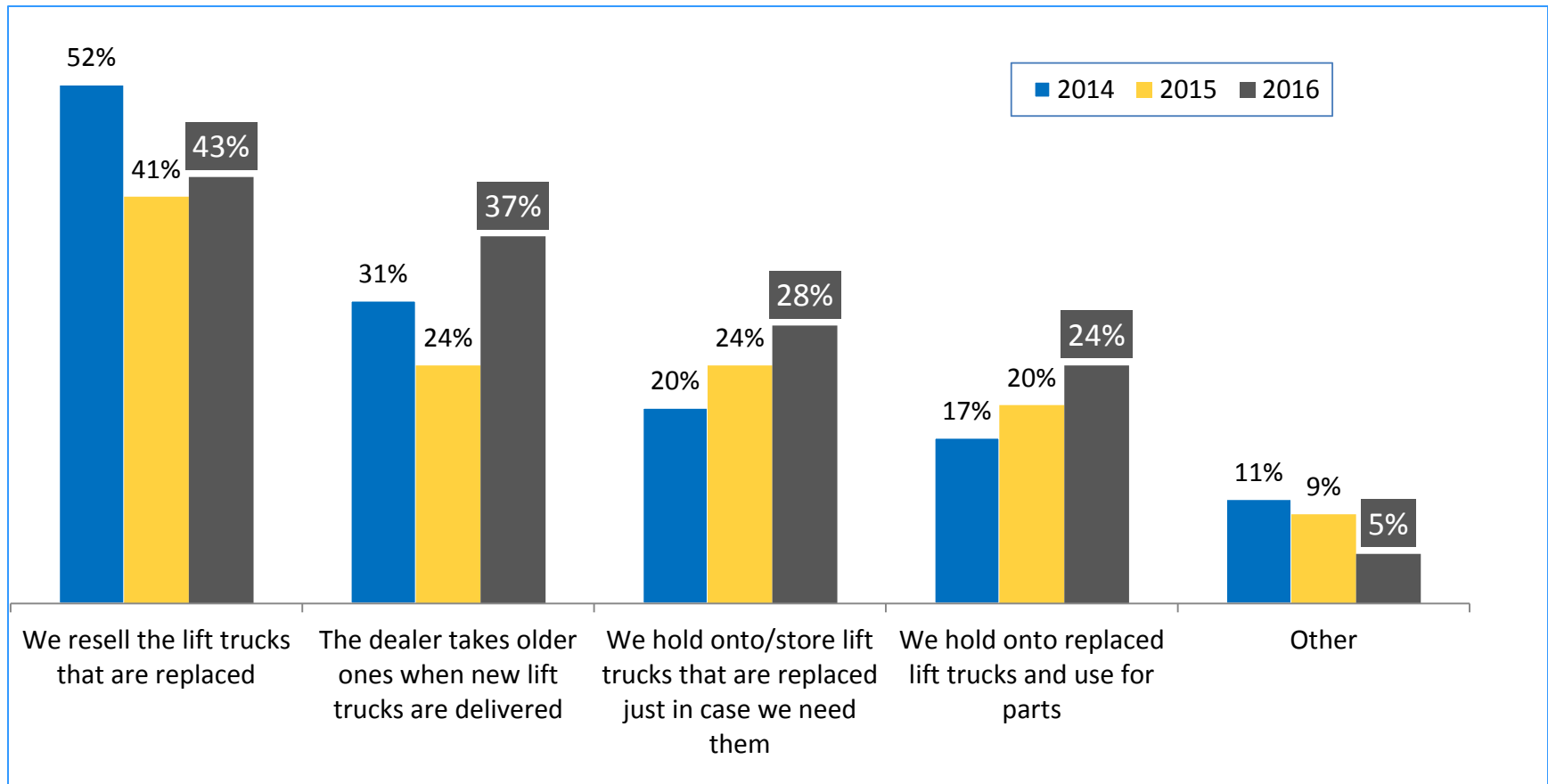
Replacement and retirement schedules



How often do you typically replace lift trucks?



How companies are handling rotation & disposal of lift trucks

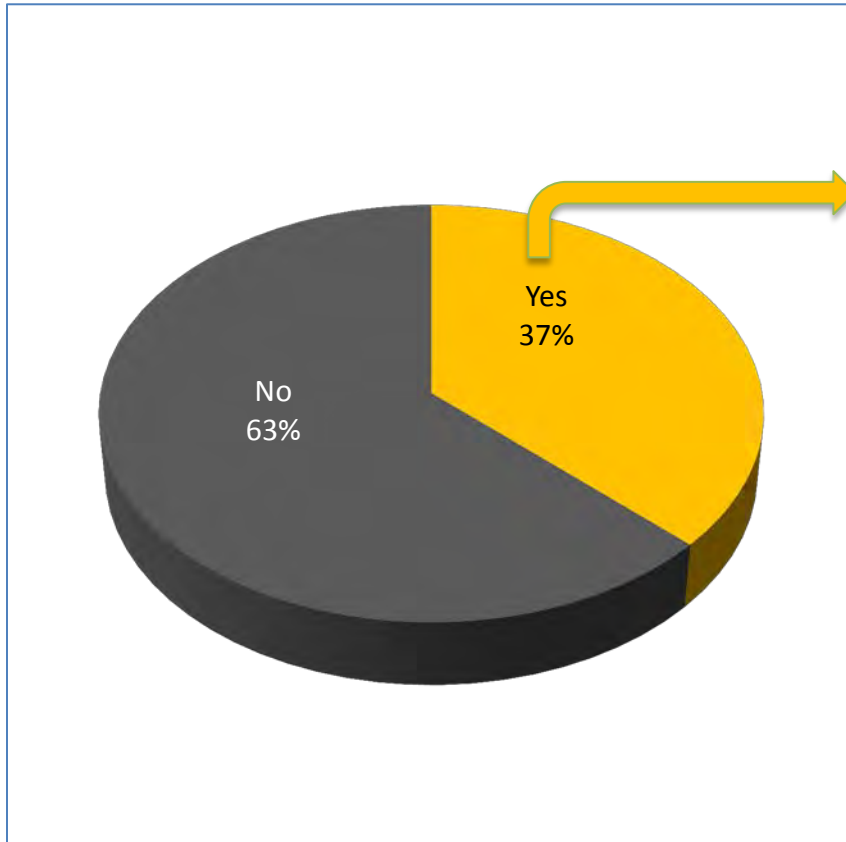


For the lift trucks you buy, what are your practices regarding lift truck rotation or disposal?



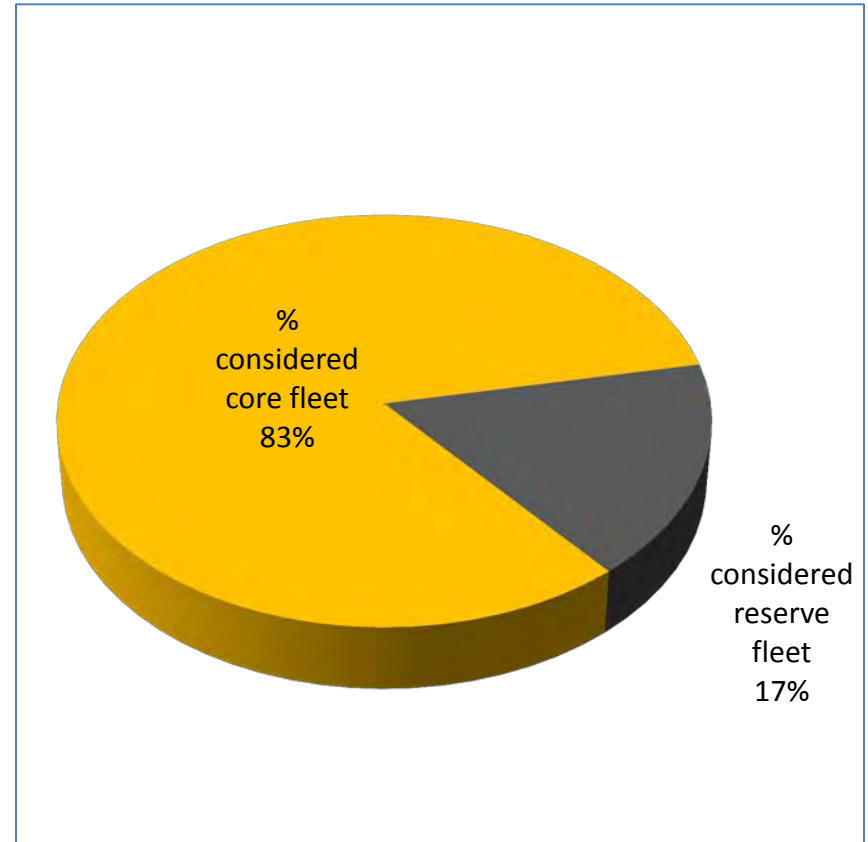
Future lift truck fleets

Companies operating a core fleet of lift truck



Do you operate a core fleet of lift truck?. In other words, a fleet of trucks you use regularly vs. a less-utilized reserve fleet.

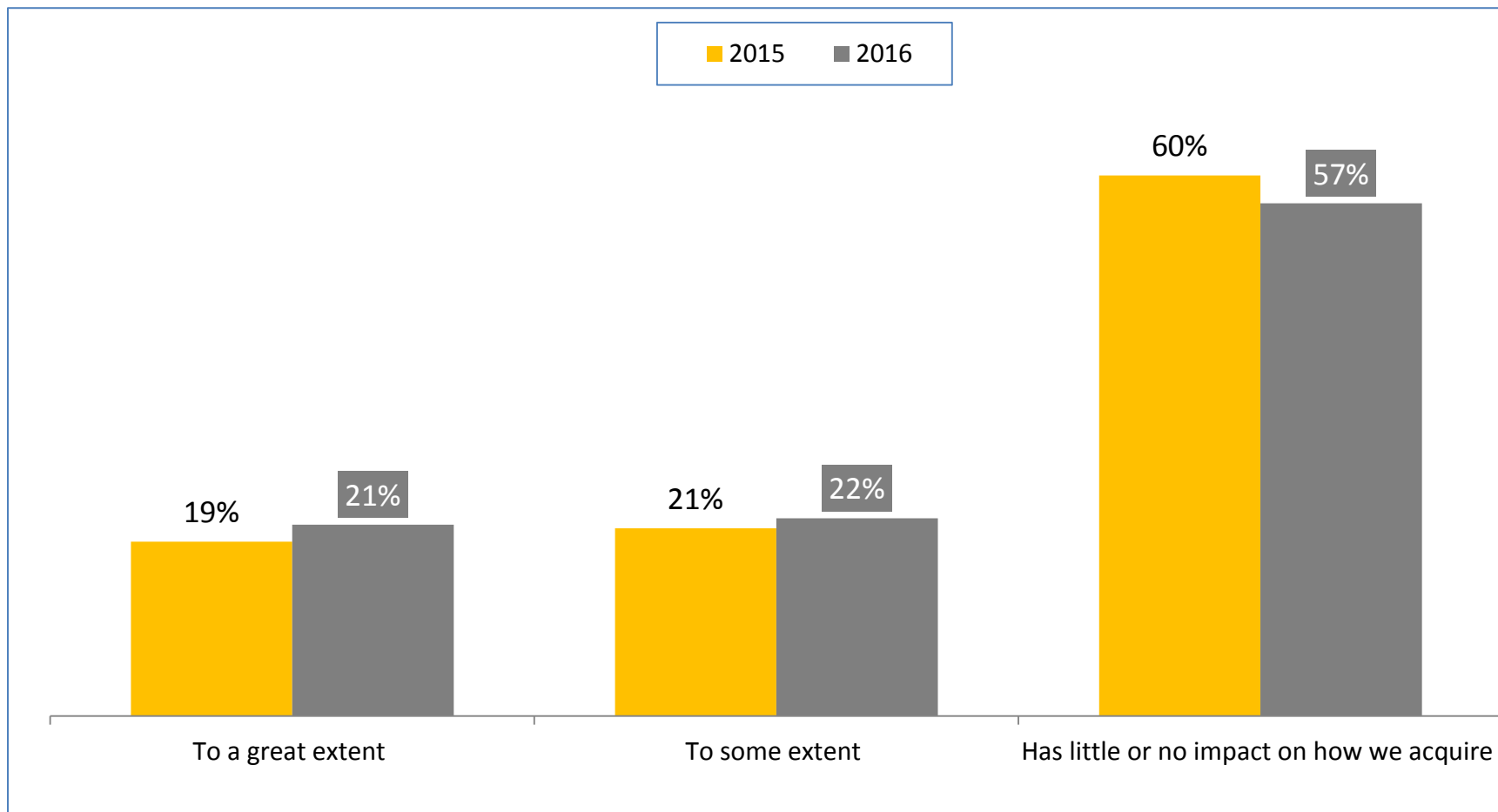
Composition of fleet: core fleet vs. reserves



Approximately what percent of your overall fleet comprise your core fleet vs. reserves?



Level of impact the economy or market factors have on lift truck acquisitions

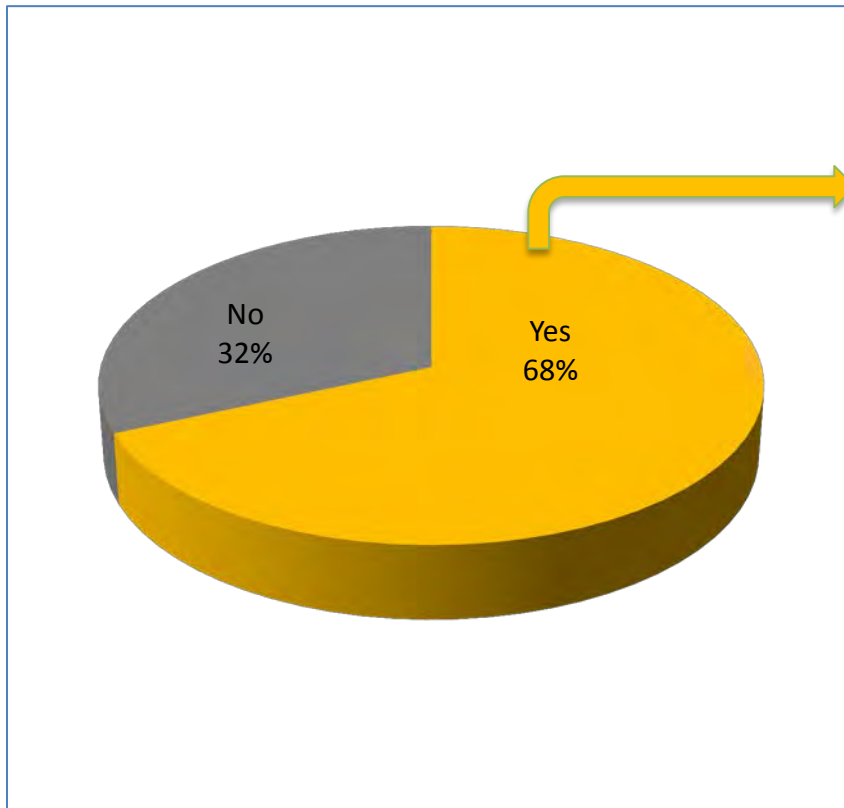


To what extent does the economy or market factors influence how you acquire lift trucks?



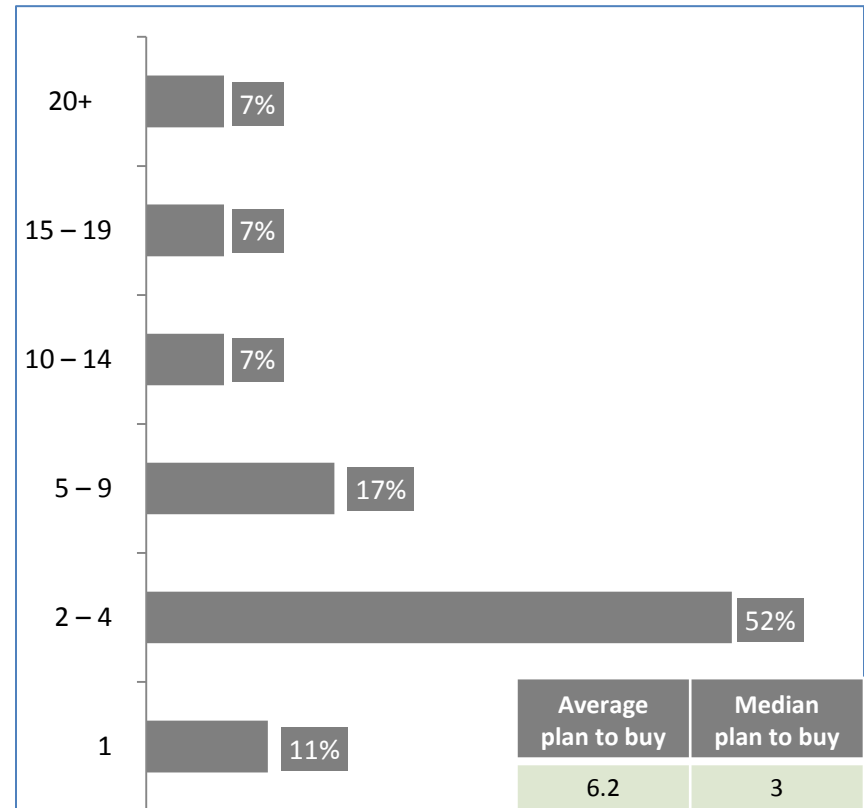
Future lift truck fleets

Likelihood of buying/leasing lift trucks within the next 24 months



Are you likely to buy or lease lift trucks within the next 12 - 24 months?

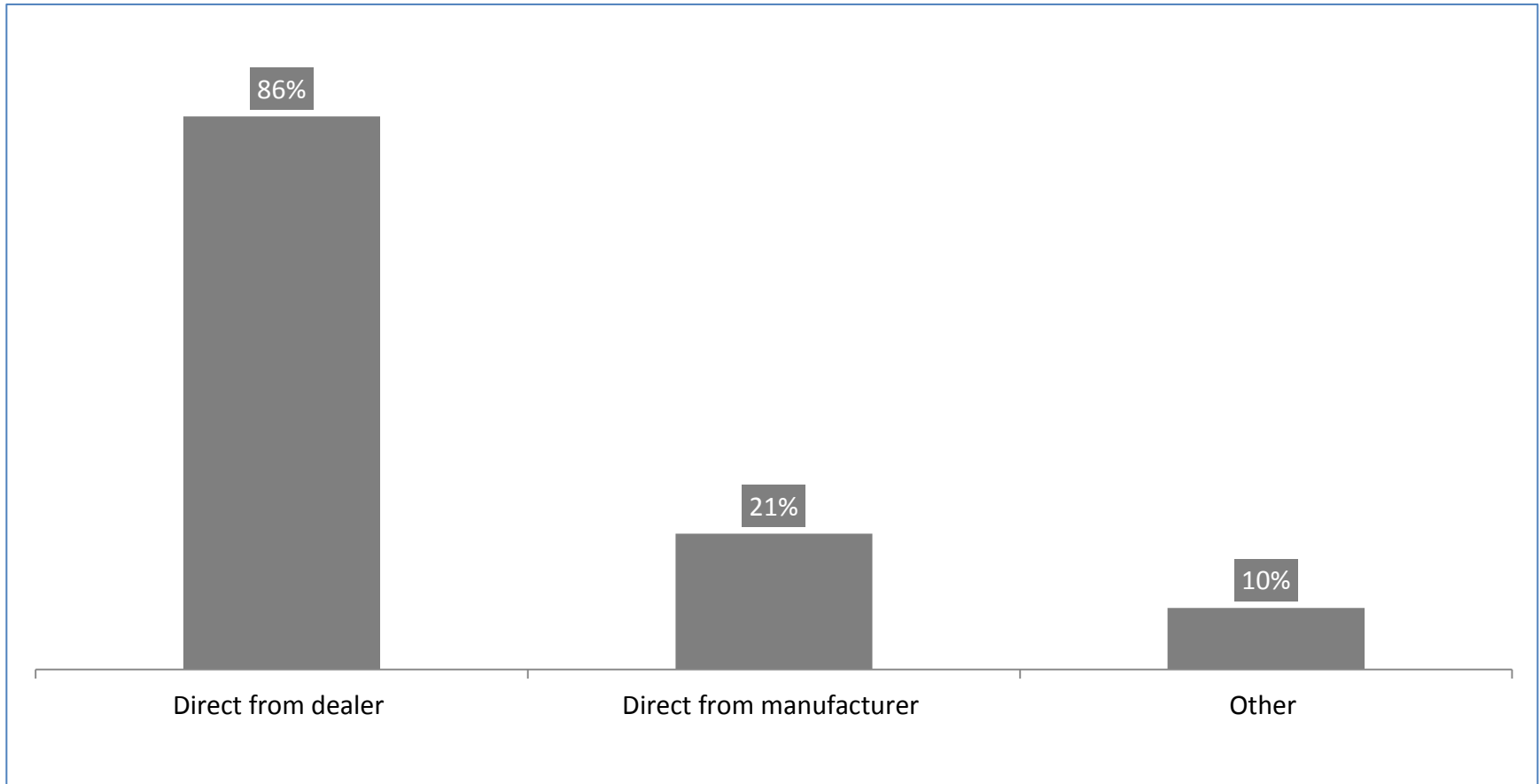
Number of lift trucks plan to buy/lease within the next 24 months



How many lift trucks do you plan to buy in the next 24 months?



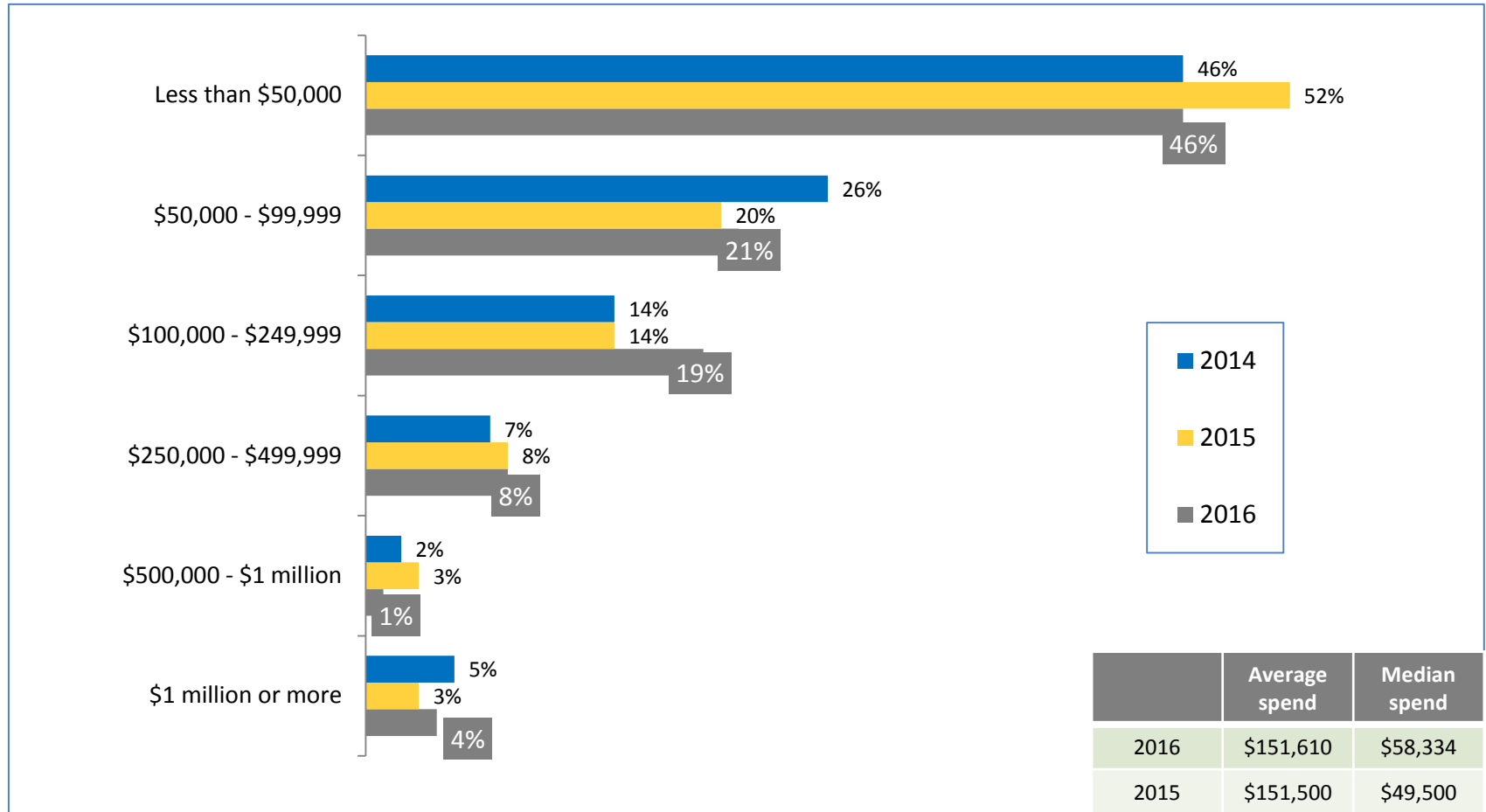
Sales channels



From which channel(s) do you commonly purchase lift trucks?



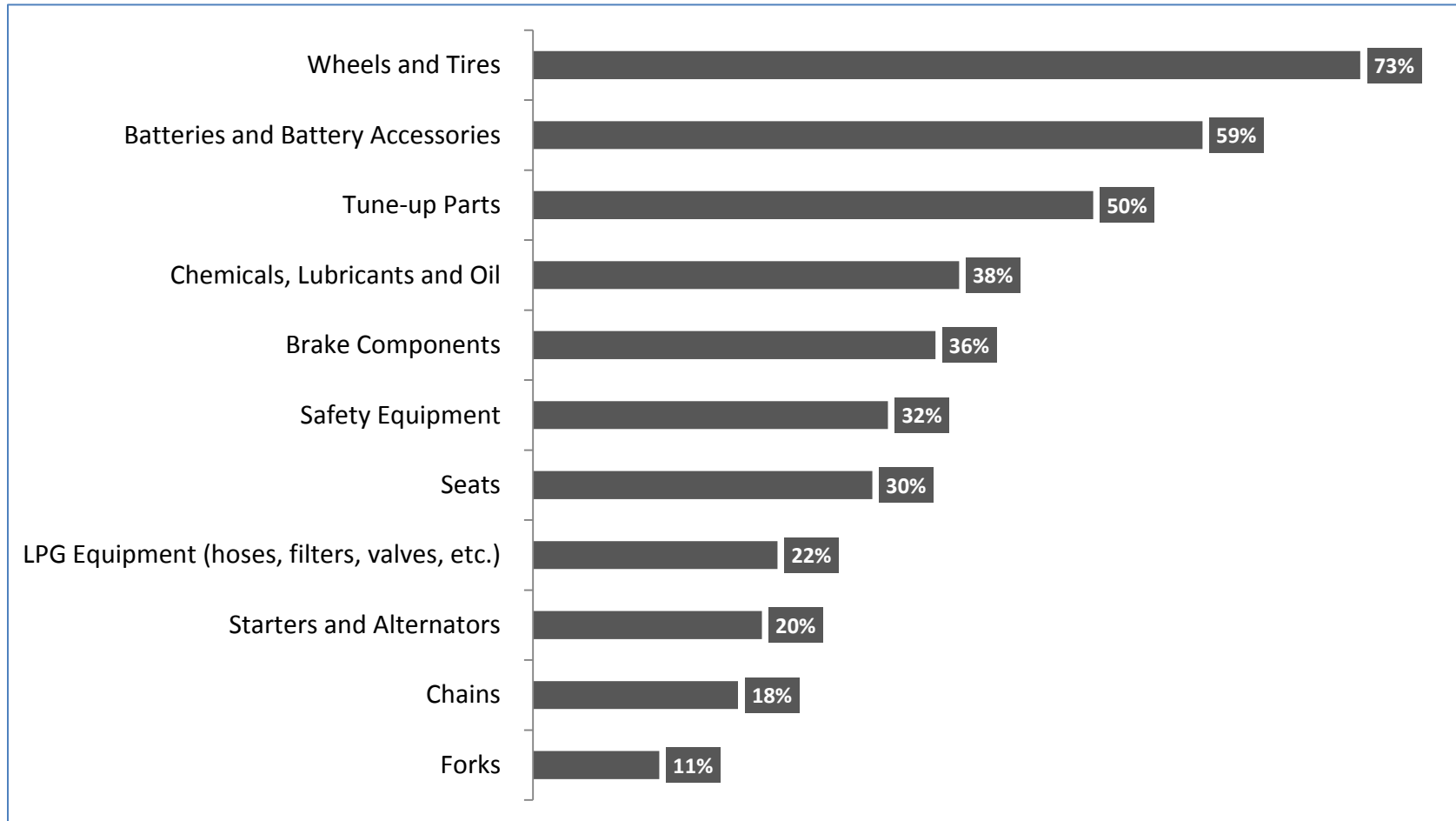
Spending plans for the coming 12 to 24 months



How much do you plan to spend on lift trucks this year?



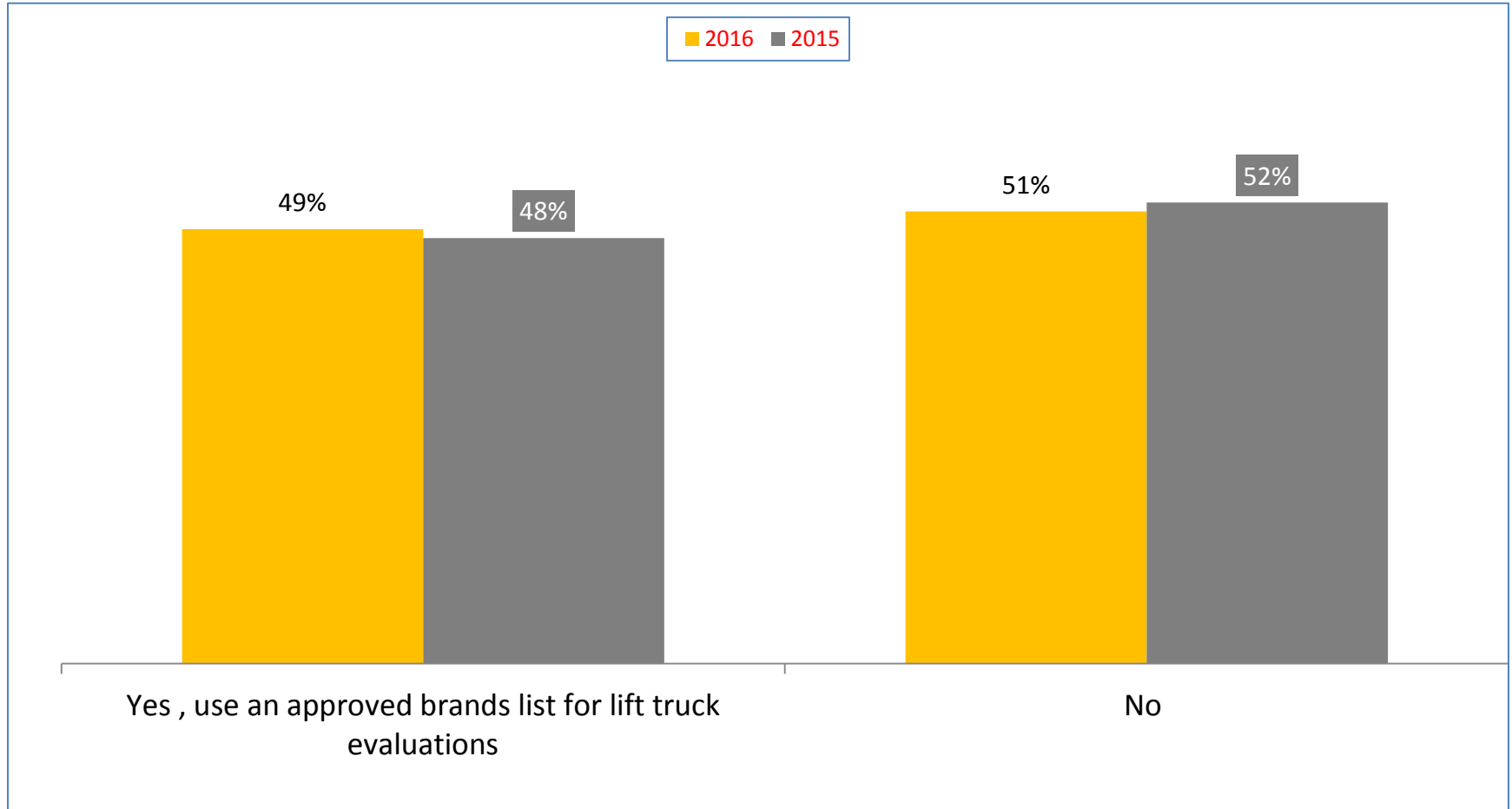
Parts likely to purchase or replace



Which lift truck parts are you likely to purchase/replace in the next 12 months?



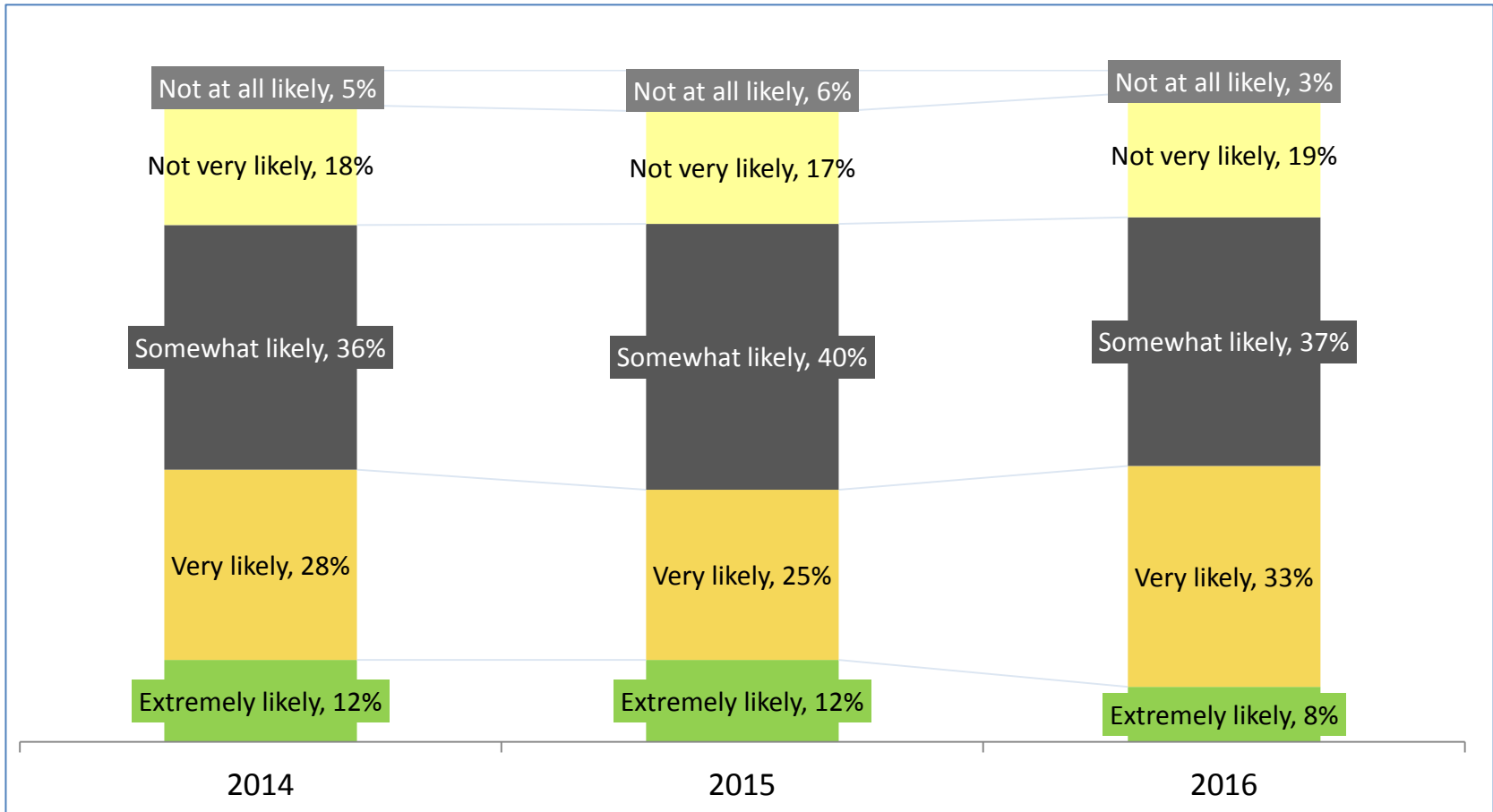
Approved brands list usage



Do you have an approved vendor list or 'short list' when purchasing lift trucks?



Brand loyalty solidifies



How likely are you to evaluate manufacturers whose lift trucks you do not currently use?



Ways a vendor can get on an approved brands list

Appoint us as a dealer
Be involved in our RFP process.
Brand and pricing
Caterpillar Mitsubishi Kalmar Nilfisk Ottawa
Company stability as well as reliability.
Corporate decision - attempting to get best national pricing
Cost World-wide support
Cost, reliability, maintenance agreement and cost of that agreement, evaluation of end users.
Demo machine...to see if we like
Demonstrate knowledge of products in the marketplace and how they fit that. Some ability to show track record with other customers
Ensure the trucks can be repaired in South Korea and that repair parts can be received in a timely manner.
Follow corporate guidelines
Good service, reasonable prices, good deals.
Great support, outstanding consistent performance
Have to be a customer
I am very happy with the vendor I use. Not interested in any other vendor.
It's all about service after the sale. Timely, value added, cost effective
lift truck options, reliability and operator preference
Location
Longevity, Reputation, Parts Availability, Dealer Network, Cost.
Must meet operational and financial requirements.
Need to prove service, dependability, and low cost.
NITCO would have to recommend them
Not sure there is a direct list of things which would improve the likely hood of being put on as an approved vendor
Not very easy to do as we trade services with our lift truck vendor.
Obtained through corp purchasing
Offer lower price and be able to perform PM and service at a lower price than current supplier.
On site trial.

How can a vendor get the opportunity to get on your approved list? What do they need to prove?



Ways a vendor can get on an approved brands list

Price

Price, service, dependability

Provide demonstrator model, have history of good service and cost

Quality price

Quality Product Service

Quality, price, service

Quality, service and price

Reliability

Reliability and parts availability

Reliability Performance Cost

Reply to RFP's, request to be added to bidders list.

Reputation and lowest cost of ownership.

We have to work with reliable companies

Send me their information and I would add them to my file of manufacturers that I would contact when a quote is required.

service ability 24 x 7, extended warrantee

Service and a quality brand

Service.

Show up for demo's

Stop by or call

TERMs quality service

They must bid for the contract

They need to contact our corporate purchasing.

They need to contact our main office.

Up time. Warranty. service warranty. Next-day availability.

We have a good relationship with our vender and we like to continue building it

We research

We usually do not allow sales calls from sales reps. If we wish to see a specific truck we will contact.

We usually look at Crown and Raymond

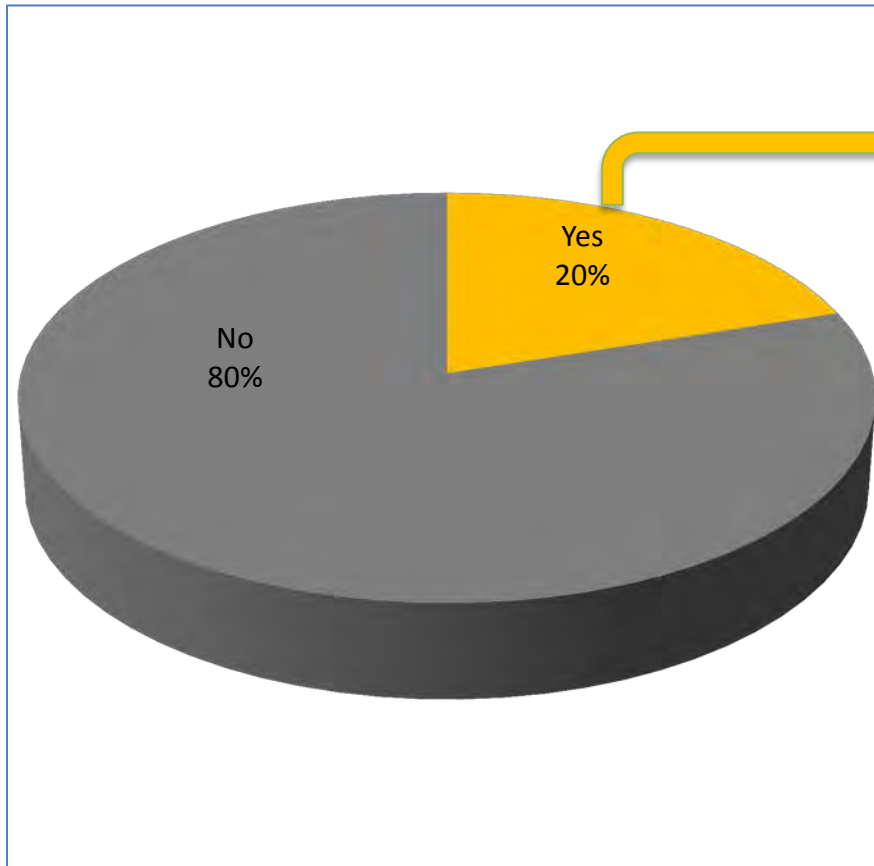
Well designed lift. Good track record. Excellent Service.

Work with Corporate Purchasing



Removal from a 'short list'

Not all vendors satisfy users



Have you had cause to remove a vendor from your 'short list' in the last 2 years?

What they did!!

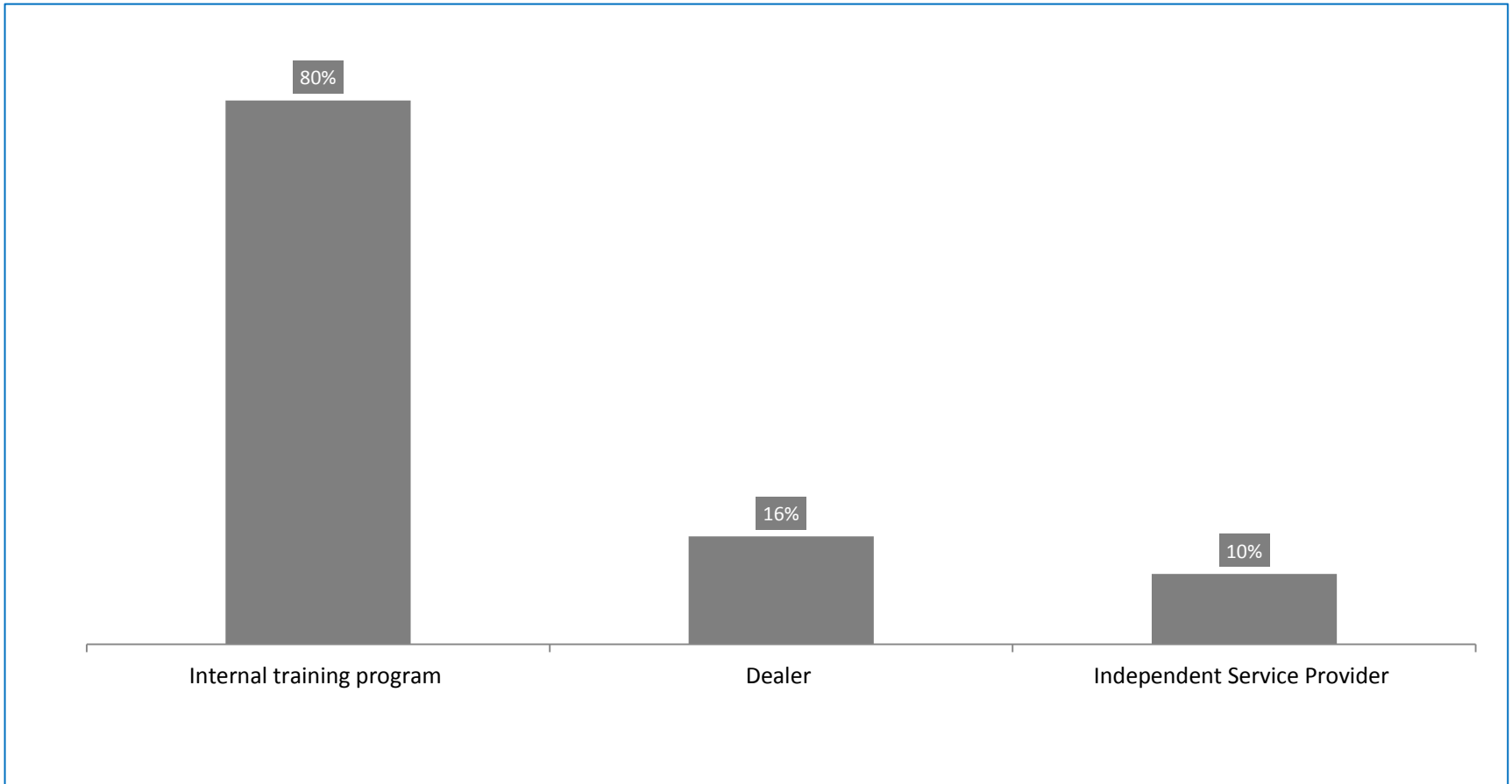
- Bad service and long times for delivery
- Been a good supplier and supporting all our operations
- Equipment availability
- Lack of customer service priority.
- Lack of reliable unscheduled service
- Lack of response.
- Overlap of territory
- Poor performance
- Poor service, poor reaction time, poor lift truck performance
- Poor service, price increase.
- Price.
- Reliability

Note: Responses are representative

What did they do to force this action?



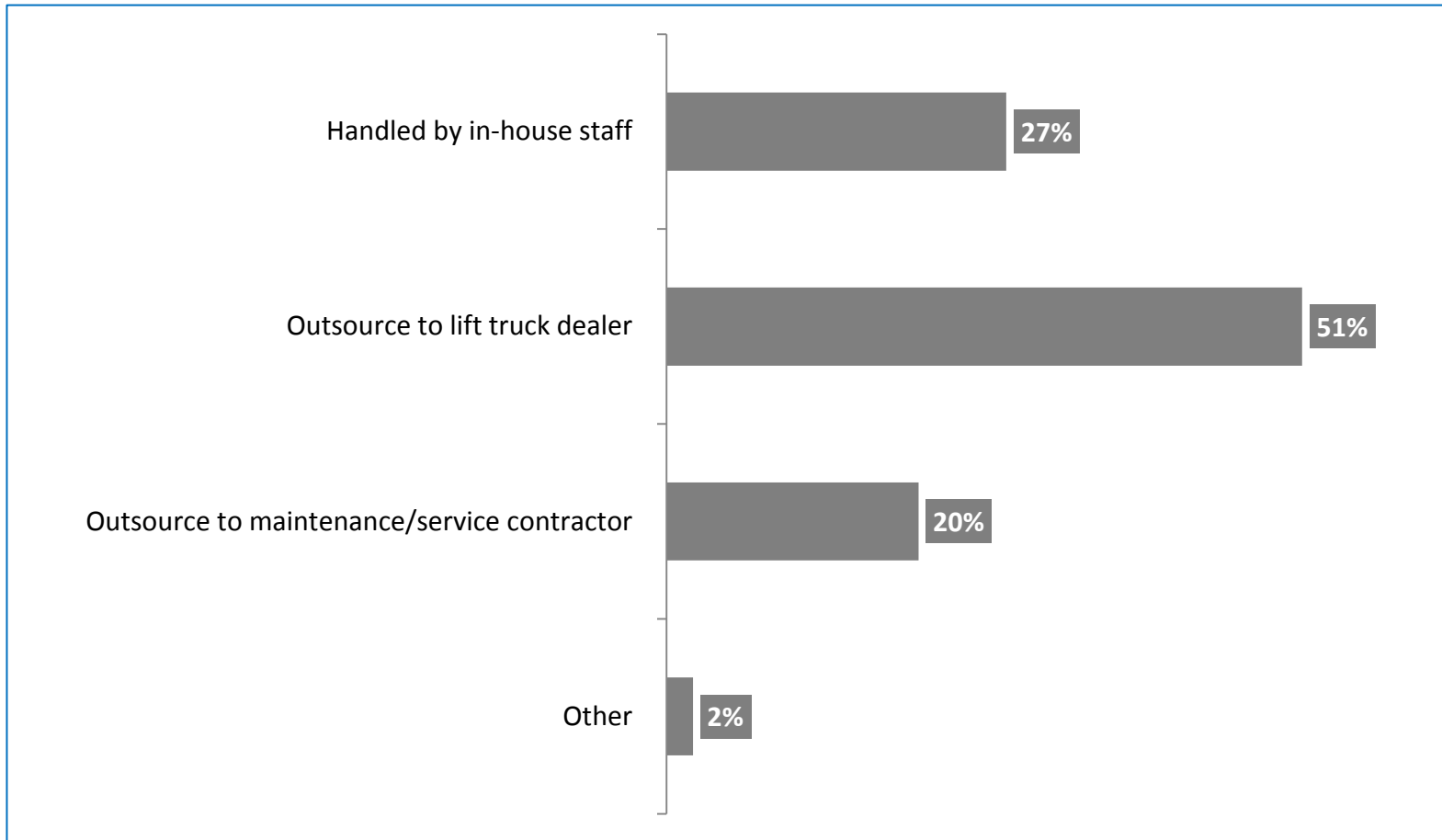
Companies train operators with in-house training programs



How are you training your lift truck operators?



Servicing and Maintaining lift trucks



How do you primarily service/maintain your lift trucks?



Reasons in-house staff is primarily used to service/maintain lift trucks

- Cheaper
- Cheaper
- Cost
- Cost
- Cost and convenience
- Cost and maximum uptime
- Cost control.
- Faster, familiarity with trucks
- Good knowledge of the equipment and less cost
- Handy
- Immediate action and knowledge of fleet by serviceman
- In house
- In House and several things with the dealer
- In house employees
- In-house
- in-house
- internal maintenance group
- It's done right
- It's typically routine maintenance that we can handle
- its what we do
- Less expensive
- Most cost effective approach
- Overall cheaper on cost to purchase parts and have our maintenance department handle repairs
- Own technicians
- Timely response
- Up time of equipment and cost
- We are a service company for 95 % of all work done at the location
- We are about 100 miles from the nearest service center so it is better for us to service and repair our trucks for the best turnaround time.
- We can do servicing when it suits our work load
- With both core and back up equipment we do repairs & maintenance as a maintenance dept. process, avoiding overtime or out of cycle work.

Why is this your preferred way to service/maintain your fleet?



LIFT TRUCK ACQUISITION & USAGE STUDY

CONDUCTED BY:

PRG
PEERLESS RESEARCH GROUP

MODERN
MATERIALS HANDLING

Reasons primarily outsource service/maintain to the lift truck dealer

- Best overall value
- Better contract labor costs
- Better knowledge of trucks than in-house maintenance.
- By authorized dealer for the brand
- Call dealer
- Consistent service and ease of doing business
- Control costs
- Convenience
- Corporate driven.
- Corporate Policy
- Cost
- Cost control/ Focus on the biz.
- Convenience
- Dealer contracts
- Dealer knows their machines...they have the parts too.
- Easiest way to get parts if needed
- Efficiency and control cost
- Experience
- Expertise
- Has always been this way.
- haven't had any problems with their service.
- It works well the way we operate
- Knowledge
- Knowledge.
- Lazy
- Lease includes maintenance
- Leased to own relationship
- Lift equipment knowledge
- Maintains relationship with dealer for the long term

Why is this your preferred way to service/maintain your fleet?



Reasons primarily outsource service/maintenance to the lift truck dealer

- Makes sure it gets done
- Master Maintenance Plan along with 60 Month Lease
- Most cost effective
- Not a core competency for us.
- OEM
- One stop shop concept, package deal.
- Our maintenance department is not qualified to work on forklifts
- People are qualified
- Purchased maintenance agreement
- Quality
- Reduces complexity
- Serviceman has the knowledge and tools
- Technical background and price
- They have parts and experience
- They have the experience to service trucks
- They have the specific training needed.
- They know the equipment and OE parts are readily available.
- They know the vehicles. Warranty issues.
- They usually have the parts
- To develop a partnership with our Dealer and bundle services
- Warranty, service contracts
- We don't have expertise
- We don't qualify our operators to perform maintenance.
- We have a small fleet and the cost are less.
- We trust our forklift dealer. We tried the independent service guys and their rates are much cheaper but the trucks were breaking down much more frequently and the independent guys had to make multiple trips because their equipment vans never had the parts they needed to make the repairs
- We want a certified tech to work on our lift trucks and that work be documented and under warranty.
- What we've always done
- Works for us.

Why is this your preferred way to service/maintain your fleet?



Reasons primarily outsource service/maintenance to a service/maintenance contractor

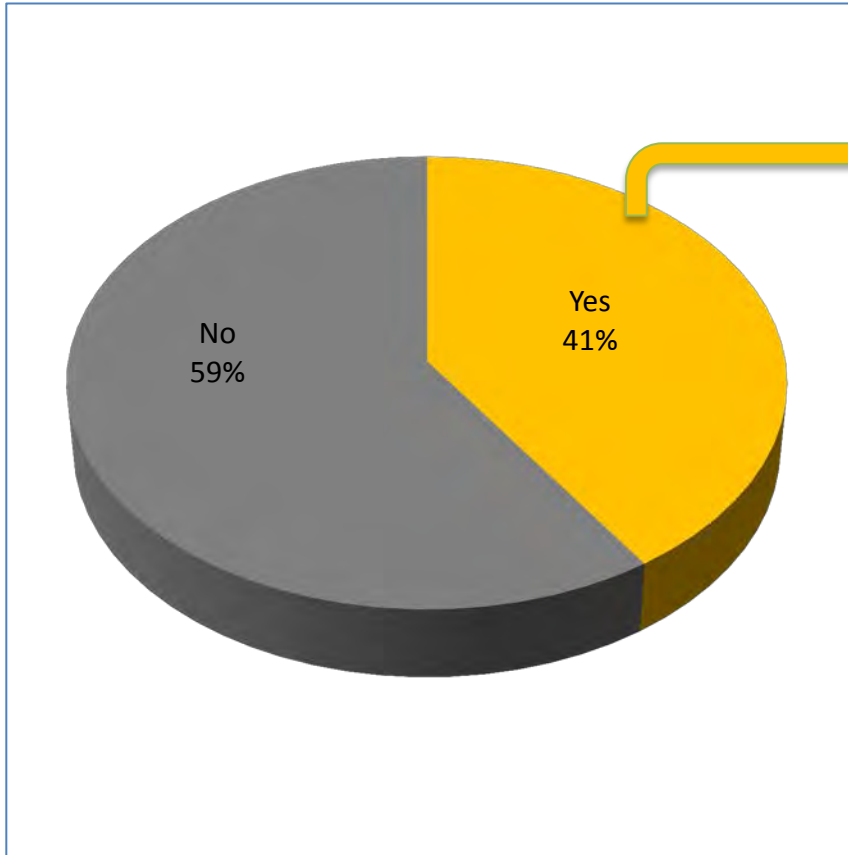
- Automatic 3 month servicing
- Better
- Better relationship with maintenance supplier
- Business decision. We are part of a larger fleet. Our area does not have the qualified staff to maintain the equipment.
- Cheaper
- Contract services
- Cost effective. Dealer came in priced too high for maintenance
- Easier
- Easy
- Fast response and reasonable pricing.
- Faster turn around
- Flexibility Cost
- Knowledge/safety
- Less costly
- Lower cost
- Mixed fleet we have
- More knowledgably and less likely to damage lifts due to negligence.
- Most cost effective method of maintaining control of both costs and maintenance of equipment from non-core function.
- Outsource
- Outsourcing
- PM service every lift 90 days / 200 hours
- Quicker response.
- Successful for years
- We do not have internal services for lift trucks.
- We don't have in-house mechanics and the lift truck providers are often not in the local area.
- We don't have qualified lift truck mechanics on staff
- We have our own service/maintenance division, but they primarily are available for our plant issues. This makes frees them up for the jobs we need them for.

Why is this your preferred way to service/maintain your fleet?

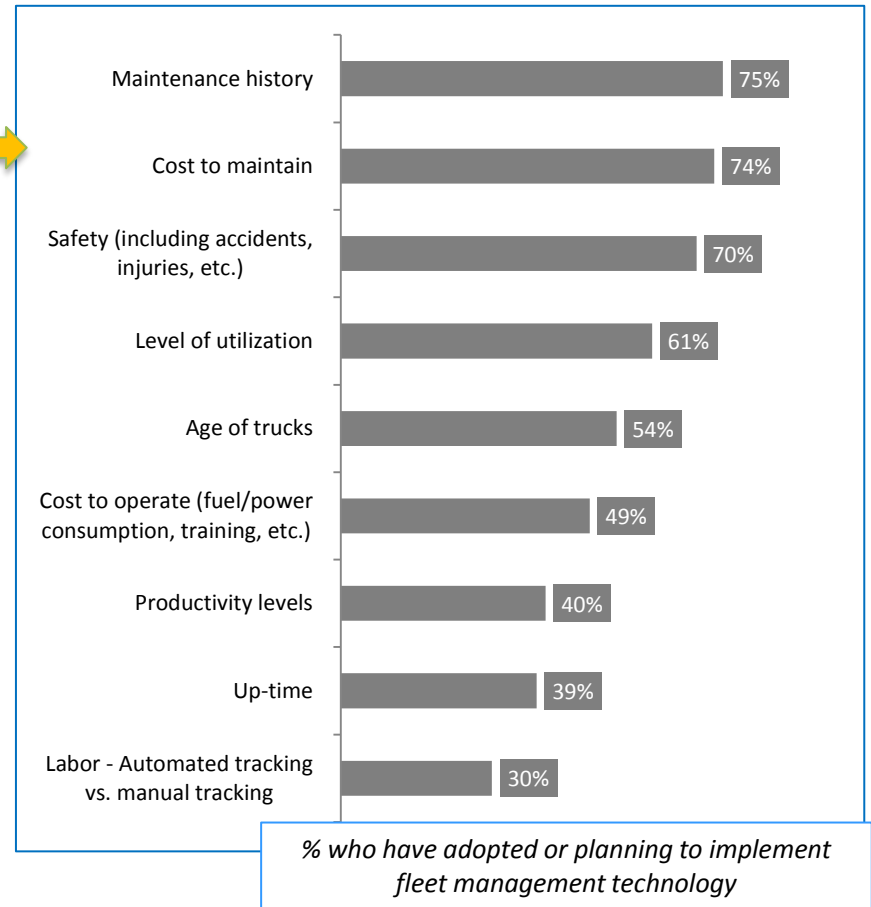


Fleet management technologies target maintenance, cost & safety

Adoption of fleet management software



Tracking usage with technology

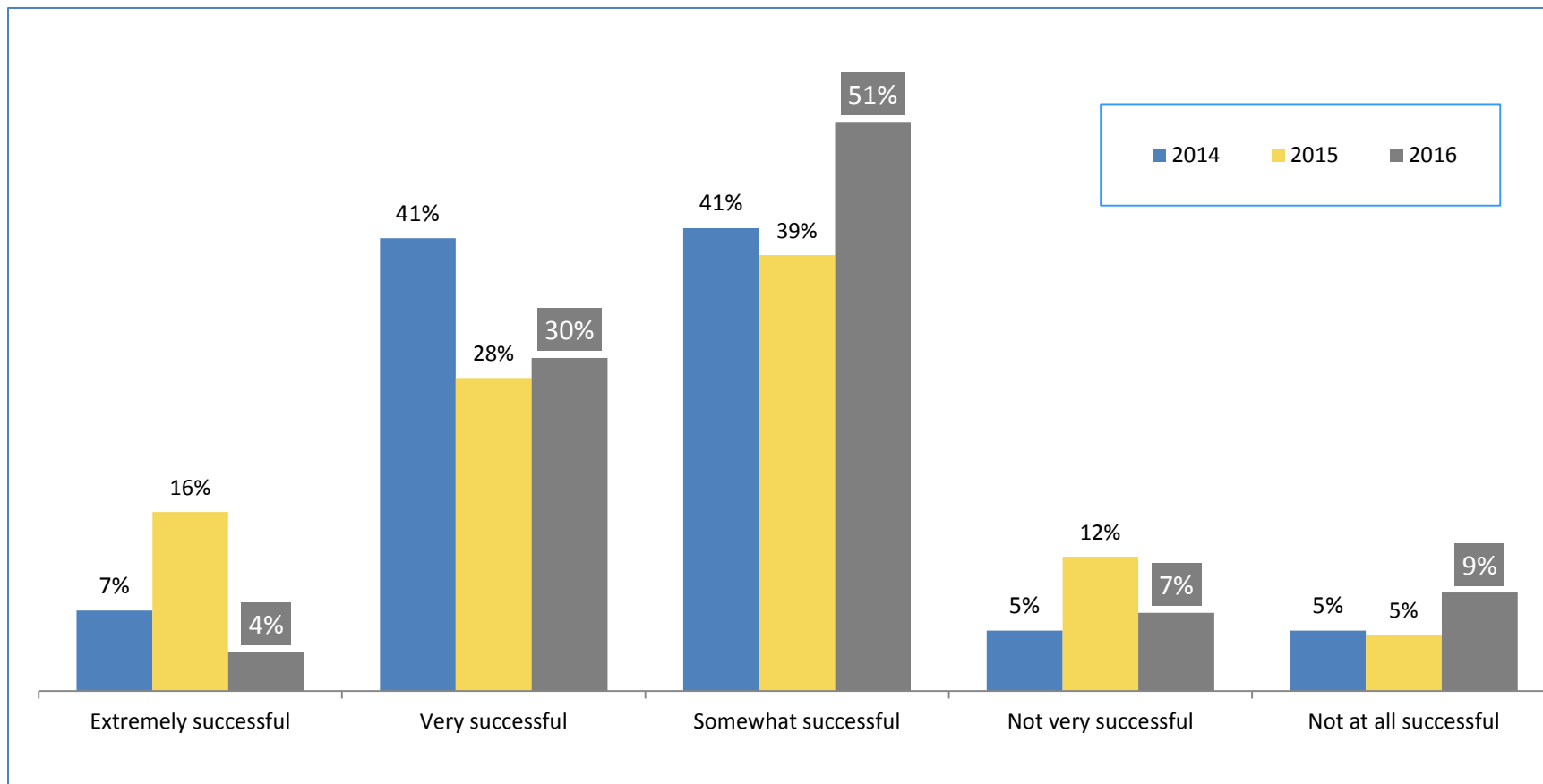


Have you adopted technology to help you manage your fleet?

If so, what are you tracking?



Mixed results for fleet management technologies continues



How successful is your fleet management technology implementation? Why not? If so, what challenges?



Reasons for neither using or having plans to implement a fleet management technology application

1. Cost	
2. Fleet is too small	
3. Not sure of the benefits	
2 forklifts	Just have not looked into it yet
60 Month Lease with Master Maintenance Plan	Low usage
As needed basis	Most solutions do not offer an acceptable ROI
Capital	no need at the moment
Cheaper	Not a big enough fleet
Cost / benefit issues	Not a priority
Cost of the equipment and then I need to pay Someone to just sit and monitor the reports.	not aware of any programs.
Currently doing it with available technology.	Not aware of one worth considering
dealer provides	Not economical due to size of fleet
Decision made by management	Not enough usage
do not need it. Can manage with out technology	not enough usage
does not fit our business plan	not here
Don't feel we have a need for it	Not in the plans
Don't need it, not enough usage	Not know. This is a question I will bring up to our Maintenance division. I would assume at this time is because we don't have the capabilities in our internal system.
Don't see the value.	not necessary at this time
Fleet is too small and is very highly utilized	not needed
Fleet is too small to bother with software	not nessary
Fleet not large enough	not relevant
I don't feel its required for two machines, used periodically.	Only have 2 machines
Implementation and cost.	Our current plans work fine
investigation of products	Part of maintenance contract

Why are you not using/don't have plans to implement a fleet management technology application?



Reasons for neither using or having plans to implement a fleet management technology application

Policy

Relatively small fleet.

Seems way to expensive for the value.

Small amount

Small fleet

Small fleet, manufacturing support use for lift trucks

Too expensive

Tried on (2) different systems and neither worked at all.

We handle everything in house ourselves

We have a small fleet of units and our usage is minimal.

We have low repair and maintenance needs.

We have one lift truck and we do monthly maintenance.

We only have 2 Lift Trucks a management plan would not be economically feasible.

Why are you not using/don't have plans to implement a fleet management technology application?



Cost, time and talent are roadblocks to technology adoption

- 1. Cost
- 2. Time
- 3. Personnel

Cost

Complete & Accurate information into the system from technicians

Consistent use of software

Cost and time

Cost and time consumption

Established system so we are beyond any challenges. It's just how we do business .

Have not found/discovered one that has all the necessary features needed to track and evaluate the fleet accurately.

Just in implementation phase

Learning to use it to its fullest extent

Making the time to learn/implement

Operators inspection form

Price

Talent to manage the data in real time or schedule.

Time

To get started, once going is all easy afterward.

Too busy to translate and use information

We have basically built our management system in house (custom process

We have not started yet

Getting on board with corporate HQ

It is presently being upgraded

Our business is not normal

Qualified computer personnel

Software complexity for the users

Systems knowledge

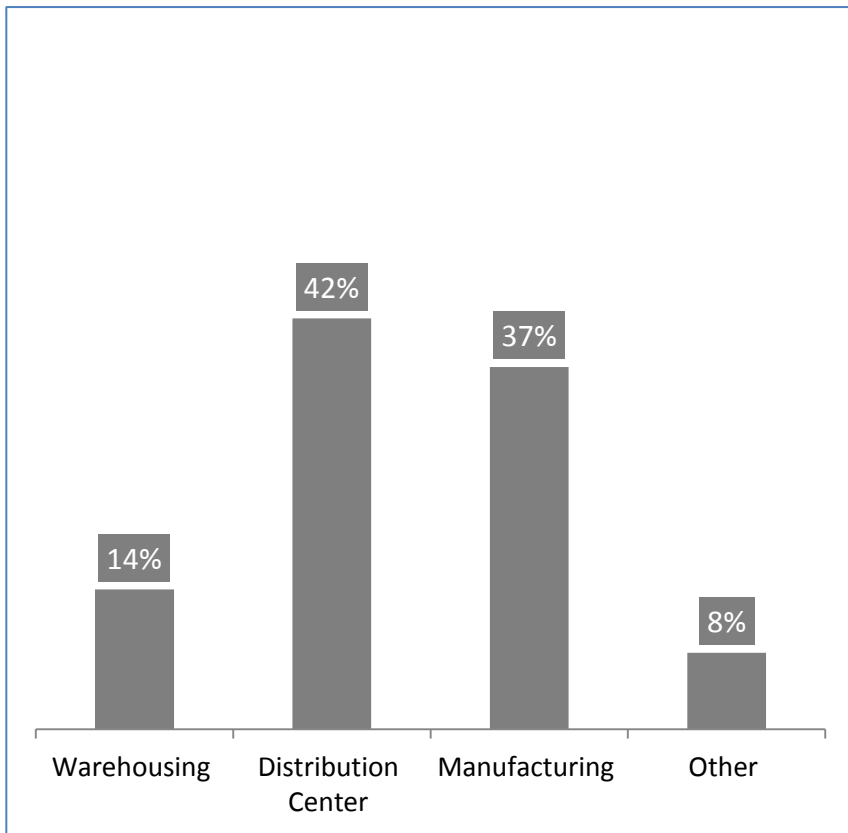
Time and communication

Training



Respondent Demographics

Primary activity at location



Industry

Food, Beverage & Tobacco	13%
Fabricated Metals	8%
Plastics & Rubber	6%
Textiles/Apparel	5%
Chemicals/Pharmaceuticals	5%
Industrial Machinery	5%
Paper/Printing	4%
Electrical Equipment	4%
Automotive & Transportation Equipment	3%
Furniture	3%
Primary Metals	2%
Computers & Electronics	1%
Aerospace	1%
Other Manufacturing	8%
Wholesale Trade	12%
Retail Trade	4%
3rd Party Logistics Provider	5%
Transportation/Warehousing Services	4%
Business/Consulting Services	1%
Other Non-Manufacturing	6%

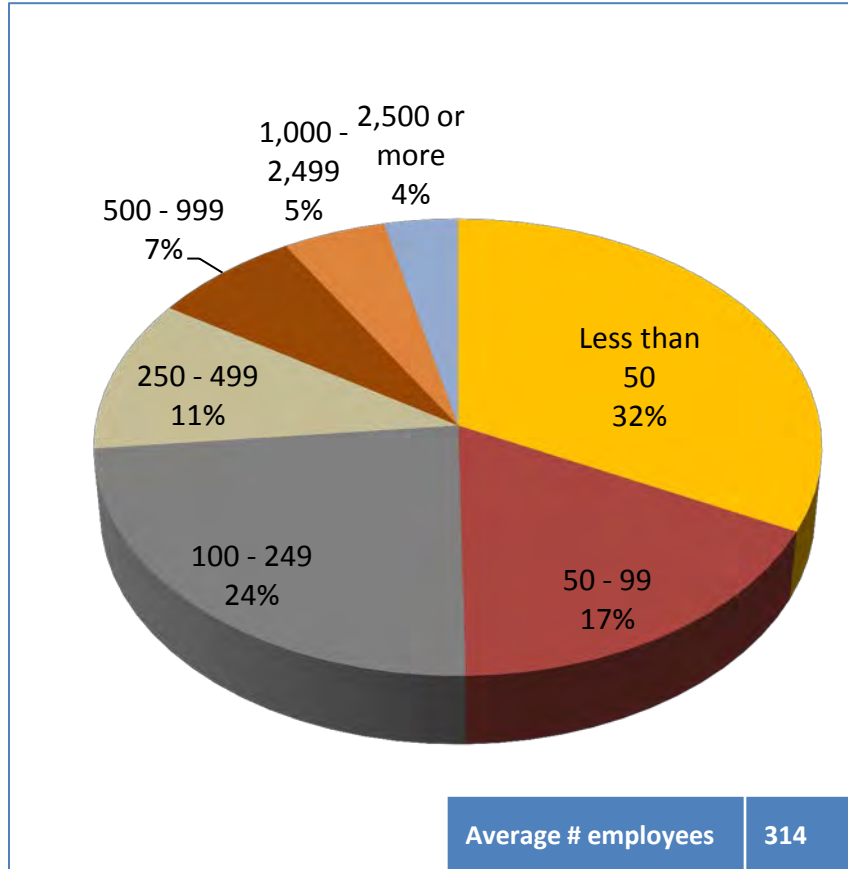
What is the primary activity at your location?

What is the primary product or service at your location?



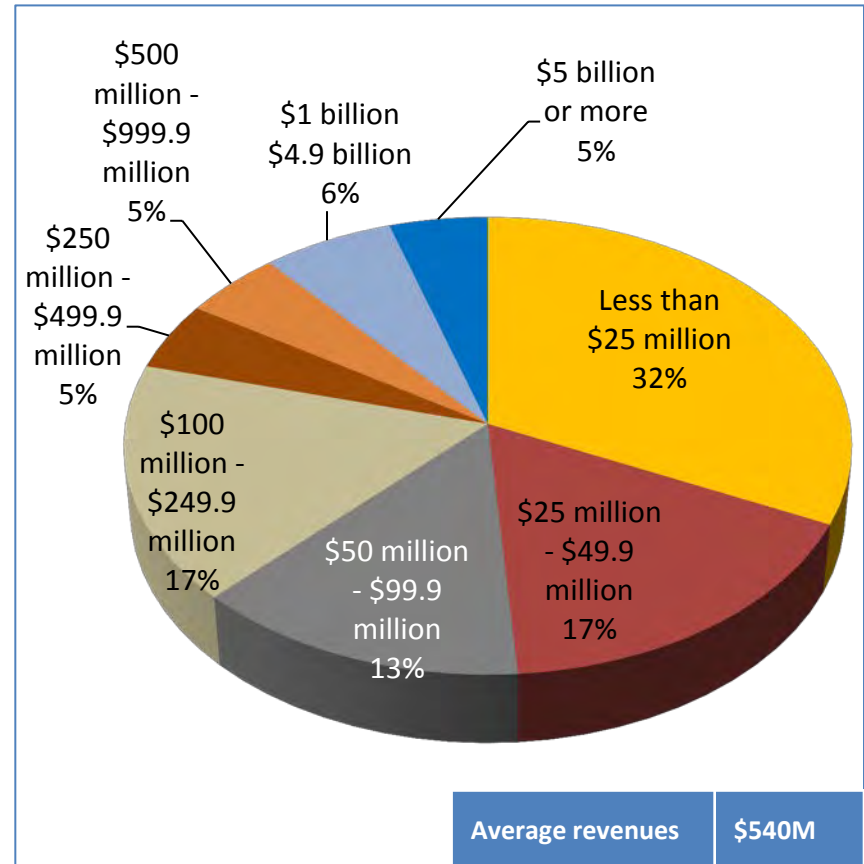
Respondent Demographics

Number of employees



How many employees are there at your facility?

Revenues in 2016



Which best projects your company's annual revenues for 2016?