

Lowering Costs Through Effective Fleet Management Cost Control Basics

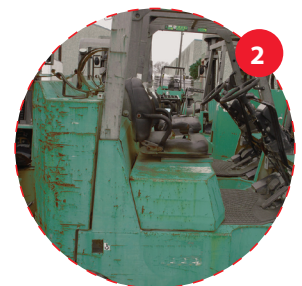
What Is Fleet Management?

Fleet Management is the process of financing and managing a fleet of equipment. When managed incorrectly, a material handling fleet can cost companies thousands of dollars in lost productivity and reduced profit. An effective Fleet Management strategy is more than cost control and data management, it is an integrated effort to improve operations, lower operating costs and increase profitability.

Signs of Inefficient Fleet Management

- 1 Retired Equipment.** Retired equipment that has not been disposed of is an eyesore and can be a safety hazard. Units are often retained because they have no trade-in value or because of the perception that parts can be used to repair other equipment.
- 2 High Percentage Of Equipment In Fleet Is "Aged".** Equipment that is very old has generally exceeded its "Economic Life," which means that it is more cost effective to replace it than to keep it. Aged equipment is generally less ergonomic for the operator, reducing productivity. It also requires more maintenance and may require replacement parts that are less easily available. Some estimates indicate that over 50% of forklift trucks in operation have exceeded their economic life.
- 3 Under-utilized Equipment.** Equipment can be under-utilized for a variety of reasons. "Back-up" equipment is often purchased to compensate for ineffective maintenance practices or because material handling requirements are not fully understood. Forklift trucks purchased to handle special loads may be used infrequently.
- 4 Disorganized Or Crowded Service Area.** A disorganized service area is a sure sign of inefficiency. Over-crowded service areas may not be sized right for the operation or may indicate that equipment is in need of frequent repair due to haphazard maintenance practices or operator abuse.
- 5 Frequent Unexpected Repair Bills.** Large, unexpected repair bills can be a symptom of many fleet management problems. Poor maintenance practices, operator abuse or having the improper equipment for the application can all increase material handling costs.



Examples



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Tools For Making Fleet Decisions

A variety of tools are available to help make fleet decisions that will improve equipment utilization, lower ownership costs and result in increased profit. Customized reports help evaluate overall fleet age and condition, utilization, repair costs, abusive practices and specific application requirements. Your local Mitsubishi forklift truck dealer is trained in all aspects of cost control, data management and fleet reporting, which may lead to worry-free ease of ownership. Owning and operating costs per hour and fleet utilization are two key factors that impact fleet decisions. Once these costs are determined, a value-analysis can help you decide which units should be replaced, retained, relocated or retired from your fleet.

Abuse Items	Product Or Service Solutions	Examples
<p>1 High Maintenance and Repair Costs. Unexpected maintenance and repair costs and associated downtime can significantly impact the profitability of your operation.</p>	<ul style="list-style-type: none"> Planned Maintenance or Full Maintenance Programs 	
<p>2 Equipment Security. A wide variety of products are available through your Mitsubishi forklift truck dealer that provide controlled access to your material handling equipment.</p>	<ul style="list-style-type: none"> Keyless Access Data Tracking Systems 	
<p>3 Improper Fleet Size or Mix. Equipment that doesn't meet the needs of your operation is a headache that may increase costs and keep productivity low. Many customers who choose to implement good fleet management practices find that they actually have more equipment than needed.</p>	<ul style="list-style-type: none"> Fleet Audit by Qualified Dealer Representative Customized Financing or Equipment Rental Solutions 	
<p>4 Damage to Product, Equipment or Facility. Damage is usually the result of careless or untrained operators or equipment that is improperly matched to the application.</p>	<ul style="list-style-type: none"> Operator Training Travel Speed Limiters Impact Monitors Forklift Side Rails 	

