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TAKEAWAYS ON THE STATE OF MHE COSTS

Many warehouses don't understand the hidden costs behind implementing an MHE service. Don't let poor maintenance and a lack of visibility take a bite out of your profit margin.

▲ BE AWARE OF THESE SIX AREAS YOUR MHE EQUIPMENT MAY BE COSTING YOU...

01

ISSUES AFFECTING MHE COSTS

- ✗ Non-uniform MHE fleet
- ✗ Being unaware of equipment in other locations
- ✗ Patterns of inconsistent equipment usage
Fleet optimization can help you figure out why some equipment is at 50% utilization and others are at 150% utilization—and then help you reallocate your equipment to help you save money in the long run.
- ✗ Poor equipment service levels
Many times, people focus on a quick fix, instead of identifying the full problem. But by using the visibility of maintenance data, you can analyze the costs incurred for each piece of equipment and fully restore the equipment to its full potential.
- ✗ Inconsistent expense within the overall MHE fleet in both manufacturing and distribution

02

WHERE DO CUSTOMERS HAVE THE LEAST AMOUNT OF VISIBILITY INTO THEIR FLEET SERVICES?

- ✓ Lack of data reporting/visibility on their fleet—reporting that shows cost per hour, annual utilization, number of work orders, etc.
- ✓ Recurring maintenance issues or abuse issues
- ✓ The total cost of ownership—lease + maintenance
- ✓ End of lease dates—when lease returns aren't managed properly, it results in unnecessary spend

03

WHERE DO CUSTOMERS THINK THEY'RE SPENDING THE MOST VS. WHERE ARE CUSTOMERS ACTUALLY SPENDING THE MOST?

- ✓ You may think you're spending the most on lease payments, but you're probably spending a lot more on maintenance and rental equipment.
Renting is the most expensive acquisition method for MHE equipment. It's also quite common for maintenance spend to surpass the cost of a lease as equipment ages.
- ✓ Another typical situation — many times, old equipment isn't replaced with new because the belief is that it's paid for and not a cost burden; however, oftentimes parts and maintenance far surpass the cost of a new equipment lease.

04

WHAT QUESTIONS MUST BE ASKED TO IMPROVE MHE COSTS?

- ✓ Do you know how much you are spending?
- ✓ Do you know how much equipment you have?
- ✓ Do you understand your rental system or buying plan?

05

WHICH RELATIONSHIPS SHOULD BE MANAGED?

- ✓ Equipment manufacturers utilized by the company
- ✓ The company's 3PL partners
- ✓ The transactions with the company's leasing partners
- ✓ Product damage reduction
Once employees are aware that damages and abuse are being tracked and that there will be repercussions for repeat offenses, they naturally begin to take better care of the equipment and make more conscious and safe decisions.
- ✓ Reduced power consumption
Examples of wasteful power consumption:
 - ⊗ Batteries not being properly watered
 - ⊗ PMs not being performed as they should be
 - ⊗ Aging batteries that have reached the end of their effective usable lifespan having to be charged far more often than they should
 - ⊗ Opportunity charging with chargers not designed to be used in that way
 - ⊗ Overcharging (thus further deteriorating the batteries) due to aging batteries not accurately sensing when they're fully charged

06

HOW MUCH CAN CUSTOMERS SAVE ON AVERAGE IF THEY WERE TO HAVE MORE VISIBILITY?



INTERESTED IN DISCOVERING COST SAVINGS IN YOUR WAREHOUSE?

LET KENCO REVIEW YOUR CURRENT EQUIPMENT AND UPKEEP COSTS.

You may be surprised at how much you're spending versus how much you could be saving with an experienced partner like Kenco.

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