6 TAKEAWAYS ON THE STATE OF MHE COSTS - BY KENCO GROUP

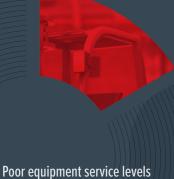
6 TAKEAWAYS ON THE STATE OF MHE COSTS - BY KENCO GROUF

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...**

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.



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

Many times, people focus on a quick fix, instead

both manufacturing and distribution



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

WHERE DO CUSTOMERS

- utilization, number of work orders, etc. Recurring maintenance issues or abuse issues



- End of lease dates—when lease returns aren't managed properly, it results in unnecessary spend



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

WHERE DO CUSTOMERS THINK THEY'RE SPENDING THE MOST

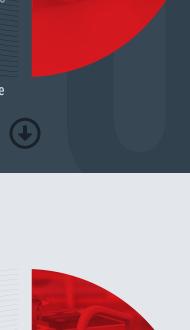
equipment. It's also quite common for maintenance spend to surpass the cost of a lease as equipment ages.

Renting is the most expensive acquisition method for MHE

and rental equipment.

- 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.



IMPROVE MHE COSTS? Do you know how much you are spending? Do you know how much equipment you have?

WHAT QUESTIONS

MUST BE ASKED TO

- Do you understand your rental system or buying plan?



The company's 3PL partners The transactions with the

WHICH RELATIONSHIPS SHOULD BE MANAGED?

Product damage reduction Once employees are aware that

company's leasing partners

Equipment manufacturers

utilized by the company

- tracked and that there will be repercussions for repeat offenses,
- care of the equipment and make more conscious and safe decisions.

CUSTOMERS



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

Reduced power consumption

Examples of wasteful power

 Batteries not being properly watered PMs not being performed as they

Aging batteries that have reached the end of their effective usable

consumption:

should be

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.