YOUR GUIDE TO COMPREHENSIVE MATERIAL HANDLING





INTRODUCTION

Making The Case For Total Material Handling



Achieve up to 20% savings from greater uptime, better asset productivity, and smarter asset lifecycle decisions with total material handling services.



No one operating a lift truck or other material handling vehicle would operate the equipment with unnecessary obstructions blocking their view of the routes to take down aisles or when moving into a dock area.

Visibility for safe navigation—when it comes to the actual operation of material handling equipment—is paramount. Yet when it comes to an enterprise's understanding of the costs and asset lifecycle planning issues surrounding material handling fleets, there is often a lack of visibility into the full range of issues and costs involved. That lack of information is the main hinderance to optimal fleet operations.

The primary challenge for many companies today, is they don't have a complete idea of what their fleet costs are, how they use their fleet, and the ability to make educated lifecycle decisions.

IN THIS WHITE PAPER

The Basic Questions to Evaluate Your Current Fleet

Collecting Data at Every Level

Selecting a Partner to Drive Optimal Managment

Fleet Solutions Case Study



Material handling equipment (MHE) such as lift trucks, order pickers, aerial lifts, and light transport vehicles are essential assets for moving goods and people in industrial settings. After many years of sales booming, forklift trucks and other equipment remain in high demand but equipment manufacturers are struggling to keep up.

This precarious situation highlights the need for a solid data foundation around fleet management programs. When repairs are needed, companies are now limited in their ability to simply "buy more" to keep operations moving – visibility around fleets can provide another way.

Uptime is still essential to MHE fleets, but much can get overlooked when the focus is on patching up existing assets to keep them running, with only a rough, rear-view mirror idea of costs. Detailed insights often lacking include:

What equipment does the enterprise have by site, and what is the age and repair histories for all these assets?

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Cost per hour data and trends on specific vehicle assets or asset types/models.

Total cost of ownership data, especially when it comes to the costs of continuing to repair aging assets versus replacing them.

Types of repairs, asset downtime trends, and technician labor and work order trends.



Leasing and asset depreciation issues which play into replacement decisions.





Insights into whether the types of equipment the organization has on hand matches the material handling needs of specific sites (i.e., does each site have the ideal equipment for its processes). Site requirements may change, for example, as SKUs and inventory change, or rack configurations, pallet types, and aisle widths evolve.

Can a fleet be rightsized or updated with some newer or different equipment in a way that both reduces fleet costs while aligning with productivity needs?

This range of information involved in supporting comprehensive fleet management decisions can seem daunting, and it can be, without centralized access to information collected by experts.





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The data quality, accuracy and level of detail available about an MHE fleet matters. While some companies may eventually see a roll-up of fleet-related costs, many can't break down the trends by specific assets, by types of repairs, or look at fleet assets in terms of cost per hour to operate.

There are multiple factors driving optimal management of material handling equipment (MHE) fleets, from ensuring vehicle uptime through proper maintenance, to long-range asset planning and fleet right-sizing concerns. A host of other issues, like making sure you have the right equipment for specific applications, to managing safety/abuse incidents, to building knowledge through online repair history are also part of maximizing fleet performance. While cost reductions will vary by site and fleet health, the first step is to develop a fleet management data foundation to support decision-making.



KENCO GUIDE TO COMPREHENSIVE MATERIAL HANDLING

Collecting data at every level ensures valuable insights can be garnered and the best decisions made.

Worker Level Data

The most important data is collected at the worker level – those interacting with the fleet. Utilizing automated tools to collect worker data can provide real-time information on a wide range of metrics impacting your MHE operations.

Of these, safety may be the most crucial component. Enlisting an automated tool that can not only enforce OSHA standards but also flag any potential safety issues that can impact the worker will lower the chance of an accident occurring, increasing employee safety.

Machine Level Data

Collecting data at the machine level can prevent unnecessary accidents and downtime. Knowing how a machine is being worn allows for pro-active maintenance to be performed, eliminating surprise interruptions and extending the life of your machine.

Fleet Level Data

Piecing together worker and machine level data, to provide a comprehensive look at your location's fleet allows for strategic placements of machines and higher utilization rates, improving overall efficiency of the location.

Enterprise Level Data

At the highest level, gaining visibility of your entire fleet across locations, provides companies the ability to observe patterns, make educated global decisions, and move equipment between locations as needed.

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DONT' GO IT ALONE

On-site technical and maintenance experts & the software data repository yields an in-depth continuous improvement program for your fleet.



As a fully integrated third-party logistics provider (3PL), Kenco's Material Handling division has developed a best-in-class fleet management solution that benefits from its history with its own warehouse sites and fleets.



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In fact, the sticky issue with fleet management is that there are so many concerns involved that there isn't one single issue that's the key to fleet management success. But there is a single step that will ensure comprehensive fleet management: find a partner who can provide a total solution of services and fleet management information.

One of the biggest factors to keep in mind with fleet services is that it should be outsourced to a material handling expert—one who approaches fleet issues comprehensively, rather than just one aspect. By choosing the right partner, you can focus on shipping orders out the door and on other operational priorities, while being advised regularly by experts and accessing fleet information as needed.

Fleetcloud



The information repository is born from data at each level: worker, vehicle, fleet, and enterprise. It's gathering both entered and observed data to provide Kenco clients with the visibility to best manage their fleets.

In addition to automation software, technicians track repair details and parts used, which, over time, builds up a knowledge base on common vehicle repair problems and parts reliability. The detailed records and time spent on repairs and parts give Kenco and its client organizations in-depth knowledge on costs and insights into vehicle reliability trends. What's more, the technicians are typically assigned to specific customer sites, so they get to know the site's vehicles, operators, and material handling processes in depth.

Kenco marries this site-specific and vehicle-specific data with its knowledge of material handling vehicles, information from OEMs, and market knowledge of issues like leasing options and vehicle depreciation, to advise clients on issues including vehicle replacement, fleet rightsizing, and buy versus lease options. Via quarterly meetings with clients, decisions can be made that consider the cost per hour to operate specific vehicles, as well as the total cost of ownership for replacing older vehicles with new ones. When sitting down with clients to advise their team, Kenco looks at all the factors including total cost of ownership and the type of vehicles that meet their productivity and operational needs.

ACTIONABLE DATA

Using proprietary Fleetcloud technology, site technicians and MHE experts, Kenco gathers all pertinent data at every level. In turn, this feeds cloud-based reports and analytics that Kenco's clients use to gain insights on their fleets and drill down into tactical data.

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Kenco's MHE fleet management solution saves customer \$1.2 million in first year.



CHALLENGE: As a major packaging supplies manufacturer in the US, the client was spending \$4.5 million annually for maintenance on an aging forklift fleet. They had decentralized fleet management, with minimal corporate visibility and reporting. Kenco stepped in to reduce equipment and maintenance costs by using a combination of in-house and shared technicians, as well as the introduction of equipment leasing in place of purchase.

SOLUTION: Kenco initiated the process by centralizing the MHE management to increase overall spend visibility. Expanded data tracking also helped identify aging high-cost equipment to phase out and replace with newer units, lowering maintenance costs.

Kenco accomplished this by visiting the customer's facilities and performing inspections on all the existing material handling equipment. They then provided a detailed list of service items to be addressed to bring the equipment up to standards. Kenco proposed a variable technician labor solution to encompass the customer's diversified location profile. **OVERVIEW** - Kenco Fleet Services developed an integrated fleet management solution, resulting in overall savings and improvements to the fleet and maintenance programs. Kenco has been a trusted partner to Sealed Air since 2014, providing value-added warehousing services at two of their distribution facilities. That same year, Kenco extended its partnership with Sealed Air through a complete MHE fleet management solution across their manufacturing network.

RESULTS: Within the first year alone of fleet management with this customer, Kenco decreased MHE spend by \$1.2 million, or 26%. The combination of Kenco's industry expertise, replacement of the fleet, and a standardized maintenance program continue to provide tangible value for the customer.



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PERATORS STATS						Create report
BEST PERFORMERS OF MONTH	All ratings	ALARMS OF MONTH		All ratings	SAFETY COMPLIANCE	
Productivity Complian	ce	Ten Electroni		4	MONTH	YEAR TO DATE
Mile Petrie	100%	Lois Epoller		4		
Felicitas Vences	100%	Juan Concortes	1.0	3		
MONE WILSON	100%	ROLITON JEFFREY	1.0	1		
Michael Barnes	100%	Keith Tusher	1.1	3		
Charles Ethnidge	100%	DEANNA MILLOAP	1.1	3		
Eric Ramivez	100%	Chris Hodes		2		
Alex Villaloloss	100%	Dean McDritsch		2		
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When combined with Kenco's experts who regularly advise clients, the technician and maintenance experts on site, and Fleetcloud's software, partnering with Kenco for MHE fleet services amounts to a continuous improvement program for your fleet. For clients of Kenco's MHE fleet services, cloud-based access to fleet and asset lifecycle information is provided. Users can leverage a dashboard view or summary reports. Via the dashboard, managers can infinitely drill down into detailed data -- all the way to individual serial number or asset level or stay at a more summary level and network-wide view. Additionally, the software provides comprehensive information on costs down to the unit level, and other lifecycle analysis tools. The software also tracks vehicle utilization, as well as abuse incidents and trends. Data is constantly being refreshed, providing real-time, actionable data exactly when needed.

By contrast, most companies with MHE fleets only have a rough, "rear view" mirror understanding of costs. If they have fleet management software, it might be limited in scope, perhaps giving repair history and costs, but lacking in lifecycle analysis tools, or insights on how and where particular assets are being utilized.

Kenco's total fleet management capabilities create a realistic, in-depth view of how your trucks are being used, when they are being used, and how those trends match up with seasonal activities and capacity needs, to help make decisions on how and when to possibly downsize the fleet, or conversely, when it might make sense to reduce the fleet but have some extra vehicles available for busy periods of time. Rather than just looking at one subset of data, Kenco provides all the maintenance, operational, asset lifecycle analytics needed to optimally manage your fleet.

LEARN MORE



ABOUT KENCO

Kenco provides integrated logistics solutions that include distriution and fulfillment, comprehensive transportation management, material handling services, real estate management, and information technology–all engineered for Operational Excellence. Woman-owned and financially strong, Kenco has built lastng customer relationships for over 70 years.



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