

Get more: Fleet management; These programs lower acquisition, maintenance and operating costs by streamlining repairs and billing, and managing day-to-day lift truck operations.

By Bob Trebilcock, Editor at Large

Lift trucks are the Clydesdales of the materials handling world. As the cost of these vehicles, drivers and maintenance continues to rise, the goal of any fleet manager is to reduce the total cost of operation.

That's where fleet management comes into play. "When you talk about fleet management, you're talking about an all-encompassing program that deals with the total cost of operation of a customer's leased or owned vehicles and their rental fleet," says Joseph LaFergola, manager of fleet operations for Raymond (607-656-2311, [www.raymondcorp.com:80/Fleet.cfm](http://www.raymondcorp.com:80/Fleet.cfm)). "It's also looking at the root cause of expenses; at ways to right-size the fleet; and provides the tools to manage administrative costs."

Today, there are two flavors of fleet management. First: vehicle financing and maintenance programs offered by lift truck manufacturers with service provided by their network of dealers. Second: software programs that deliver productivity increases by monitoring the day-to-day operations of the vehicles and their operators.

The savings from a fleet management program can be significant. Lift truck providers say a comprehensive program can save customers 15% or more on their lift truck expenses at the outset of the program, with incremental improvements coming over time.

Likewise, providers of fleet management technology programs say they can deliver a 10 to 15% improvement in productivity and a 10 to 20%

reduction in the size of the fleet through better management of operators.

"On average, an operator being paid for an eight-hour day is only logged into a fork truck for about four hours, and is actually moving a load for about one hour a shift," says Peter Fausel, executive vice president of sales, marketing, and customer support for I.D. Systems (201-996-9000, [www.id-systems.com](http://www.id-systems.com)), a provider of wireless fleet management systems. Increasing the amount of time each driver is moving loads by just 20 minutes a day goes right to the bottom line.

Those savings may be why facilities with large fleets are increasingly including fleet management in their requests for quotations. "Ten years ago, a fleet management program was an afterthought for many OEMs," says Van Clarkson, director of fleet management for Hyster, (800-497-8371, [www.hysteramericas.com/financial\\_services/fleet\\_services.asp](http://www.hysteramericas.com/financial_services/fleet_services.asp)). "Today, it's part of the price of admission since many of our major accounts are demanding it."

## Leasing and maintenance

Fleet leasing and maintenance programs are not new. What's changing is the demand for these programs, especially from large companies that are also outsourcing other areas of their operations to third parties.

**"Our fleet management customers want to manage at a high level, but don't want to be bogged down**

**in the day-to-day details of maintaining their fleet,” explains Krista Rose, director of Yale Fleet Management for Yale Materials Handling (800-233-9253, [northamerica.yale.com/yna\\_fleet.asp](http://northamerica.yale.com/yna_fleet.asp)). “As the market expands, the standard of service we’re being required to provide is getting higher and higher.”**

Today, fleet management programs often begin with financing options. At Raymond, for instance, nearly half the lift truck fleets sold in the United States today are leased, more than double the number of leased vehicles 10 years ago. The trend is to provide a lease based on the hours of usage plus a maintenance agreement, sometimes called “power by the hour.”

“The goal is to use technology to allow the customer to pay for exactly what they’re using,” says Bob Sattler, vice president of Hyster Capital.

The key to a successful leasing and maintenance program is to have the right sized fleet for your operations, and to make sure each vehicle is running optimally. That’s where the other components of a fleet management program come in.

## **Getting the most day to day**

While fleet management programs from suppliers provide management at a high level, fleet management software programs, usually offered by third-party technology providers, offer tools to manage and monitor fleets in real time during a shift, much as a warehouse management system monitors and manages associates on the floor.

Typically, these solutions use sensors tied into the electrical system to capture operational information, combined with tracking technology, like RFID or GPS. The combination allows a warehouse manager or a fleet manager with vehicles in several locations, to monitor the mechanical condition of individual mobile assets; how and where those trucks are being used

in a facility, often in real time; and to monitor and manage the performance of individual operators.

The systems, for instance, can limit access to authorized drivers whose training is up to date by requiring drivers to log in, and to perform an electronic OSHA checklist, before they can operate the vehicle.

Because the systems are tied into a vehicle’s electrical system, maintenance personnel are “getting information that’s closest to the vehicle in real time,” says Larry Bihn, director of sales for RM Michaelides (419-893-6905, [www.rmcan.com](http://www.rmcan.com)). “So, if you see that a hydraulic pump’s duty cycle has increased over its baseline, that may tell you that you have a leaky valve. That allows you to address the issue before you get a failure that puts the vehicle out of service.”

Facility managers, meanwhile, can track the location of every vehicle in a facility in real time. That information can be used to dispatch work or to identify patterns of congestion which might limit productivity. “Through a historical review of lift truck traffic, you can redesign or reslot your systems to improve productivity,” says Larry Mahan, president and COO of Sky-Trax (302-395-9540, [www.sky-trax.com](http://www.sky-trax.com)).

Finally, the systems provide corporate managers with aggregated data about how well individual vehicles are being used. “It’s very common to go into a facility and see some vehicles that are at 80% utilization, and other vehicles that are at 20% utilization,” says Dennis Beame, president of Intellect (888-335-3387, [www.intellefleet.com](http://www.intellefleet.com)). “That’s information that managers would not typically have without a fleet management system, but it can lead to overtime charges for the one machine and surrendering the other prematurely.”

At the end of the day, fleet management provides the tools that lift truck users need to streamline operations. “These systems can provide a level of information and insight that you don’t get just from another system,” says Sky-Trax’s Mahan. “If you believe in managing by information or Six Sigma, you need this kind of data to manage in the 21st century.”