

Associated *advantage*

PROVIDING INNOVATIVE SOLUTIONS WHICH CREATE SUSTAINABLE VALUE FOR
THE STORAGE AND RETRIEVAL OF INVENTORIES WITHIN THE
SUPPLY CHAIN

How To Increase Productivity and Cost Savings In Your Warehouse

Material handling is now a strategic decision rather than a tactical activity. Businesses are under increased pressure to reduce inventories, improve order-to-delivery cycles, and adapt to changing buying patterns and behaviors. Software and information technology are converging with material handling equipment, providing customers with more efficient and easier to maintain equipment.

During these economic conditions many companies are under pressure to cut costs but still maintain output. One area that has significant cost savings is optimizing existing material handling systems and equipment. By implementing a fleet management program, many companies are reducing downtime, extending product life cycles, and decreasing capital expenditures.

Effective Fleet Management focuses on reducing system inefficiencies, embracing preventive maintenance and effectively managing your fleet. A concern for many companies is getting the best performance out of existing material handling systems and equipment without increasing wear and tear or maintenance costs.

Industry surveys confirm that 94% of lift truck owners do not monitor costs associated with their fleet. Unfortunately, these companies often incur inflated costs as there is little insight into the true "drivers" of maintenance and operational expenses. The situation is further complicated as few companies have mechanisms to determine fleet replacement timing or equipment utilization. As a result, lift truck fleets increase in size with the addition of supplemental rather than replacement units. Cost increases in maintaining the inefficient older equipment are compounded by the price of this supplemental equipment and certainly the required costs to operate and maintain those units. It becomes quickly apparent why companies without a fleet management program pay 10% to 20% more in maintenance and operating costs than those with active fleet management programs.

Additionally, select Fleet Management providers are offering consolidated monthly billing which allows end users to minimize costs in processing payments and thereby benefitting cash flow. Whether a fleet is large or small, Fleet Management programs offer "real world" potential to generate significant returns for today's lift truck owners.



Optimizing Storage Mediums

Increase Productivity and Cost Savings

Although it is the very reason for warehousing, inventory causes problems. It also generates tremendous returns when managed efficiently. Whether driven by expansion, consolidation or simply application of best practices, minimizing space and labor costs, while maintaining flexibility for future growth, is "mission critical."

Traditionally, appropriate storage mediums and order fulfillment processes have been developed through a "question and observation" methodology. That technique has been enhanced to include a "Data Driven" analysis. This approach focuses on thoroughly evaluating historical order activity. The process begins by reviewing the total number of daily orders, lines and pieces over a representative time frame. Daily averages are calculated and then adjusted based on business forecasts and historical review of peak activity. This information allows system staffing to be determined once the optimal layout and processes are identified.

The second component is an evaluation of individual item activity and size. This allows segmentation of each item based on pick frequency and required cube. Designations for "A," "B," "C" and "D" movers are assigned to every part number. Pareto's Law (20% of the items generate 80% of the movement) is quickly confirmed or denied in evaluating actual history. Storage medium alternatives are reviewed to optimize throughput and storage density.

Finally, order profiles are analyzed to determine order fulfillment processes. Without question, the demands of filling one order with 27 lines are different than picking 27 separate one line orders. The benefits of zone, wave and batch picking are measured against the challenges of marshalling, staging and packaging to ensure efficiency is maximized.

"Data Driven" processes evaluate each company's unique business needs to properly apply available technology and concepts to optimize labor and storage resources.



No Battery Changes....

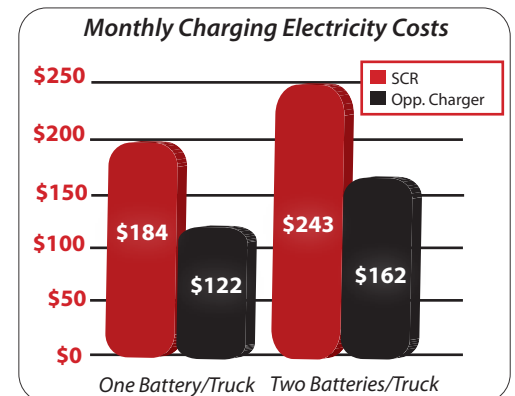
With Opportunity Charging

Opportunity charging of industrial batteries is becoming a mainstream charging technology due to the operational savings, increased productivity, environmental advantages by reduced energy consumption and enhanced safety benefits that this technology offers. Users are realizing the benefits of opportunity charging as these systems are already being utilized at many manufacturing plants and distribution centers around the United States.

Opportunity charging is the process of charging a battery whenever power is available or between partial discharges rather than waiting for the battery to be completely discharged. It is used with batteries in cycle service, and in applications when energy is available only intermittently. Opportunity charging can be subject to wide variations in energy availability and wide variations in power levels and typically charges at a rate of 25-35 amps per 100 AH. Special control electronics are needed to protect the battery from over voltage.

Opportunity Charging gives you the ability to charge your batteries on lunch break or any down time before they are completely discharged saving you time and money. This keeps your vehicle running to the end of the day, not the end of the shift. There is no need for a battery changing area which saves you valuable space and the expense of purchasing battery handling equipment. Additionally, there is no need for the added expense of purchase and maintaining a spare battery, because there is less heat gain on your battery with opportunity charging.

Is your facility an opportunity charge candidate? If you operate battery-powered trucks 1.5 shifts per day or more, and perform at least one battery change-out per day, you may be a candidate for opportunity charging. The next step is to fully understand the operational profile of the trucks/batteries to see whether you can actually use opportunity charging. This can be established through a power study where the battery/truck operation is monitored for a week. Based on the data, one can determine whether there are adequate opportunities for opportunity charging throughout the shift or day as well as a weekly opportunity to perform finish/equalize cycles.



Safety Corner

Recycling Lead Batteries

Lead-acid batteries are the environmental success story of our time. More than 97 percent of all battery lead is recycled. Compared to 55 percent of aluminum soft drink and beer cans, 45 percent of newspapers, 26 percent of glass bottles and 26 percent of tires, lead-acid batteries top the list of the most highly recycled consumer product.

The lead-acid battery gains its environmental edge from its closed-loop life cycle. The typical new lead-acid battery contains 60 to 80 percent recycled lead and plastic. When a spent battery is collected, it is sent to a permitted recycler where, under strict environmental regulations, the lead and plastic are reclaimed and sent to a new battery manufacturer. The recycling process goes on indefinitely. That means the lead and plastic in the lead-acid battery in your car, truck, boat or motorcycle have been, and will continue to be, recycled many times. This makes lead-acid battery disposal extremely successful from both environmental and cost perspectives.

As a consumer, you are responsible to ensure that your waste batteries are disposed of in accordance with state and federal laws.

Procedures for properly disposing of lead-acid batteries:

Batteries must be securely banded to a pallet that is complete with no damage or defects.

Contact your local forklift dealer for information and arrangements to pick-up or deliver the batteries to the recycling location. The recycler is typically your forklift dealer or direct to the battery manufacturer's dealership. They will provide you with a receipt or bill-of-lading which should have the quantities and serial numbers of the batteries you are disposing of.

Once the recycling location has accumulated enough product they will send it to a smelter that is EPA certified to recycle the product.

The smelter will provide a Certificate of Recycling. A copy will be provided to the recycling location and to the consumer. This must be kept on file a minimum of five years.



Associated Celebrates Their 50th Anniversary

50 Years of Innovation, Sustainability and Reliability

Associated Material Handling is celebrating its 50th anniversary in 2010. Associated is recognized as a leader in providing innovative and flexible solutions which create sustainable value within their customer's supply chain.

During the past five decades, Associated has forged long term relationships with its customers by providing leading edge design and engineering solutions, industry leading products and comprehensive support services that increase efficiencies and maximize cost savings within the supply chain. Throughout this journey, one thing has remained the same. Associated is committed to exceeding the expectations of its customers, suppliers and employees. This commitment has been recognized time and again through their receipt of multiple industry and professional awards and recognitions earning them a reputation for being a leader in the industry by their peers.

Michael Romano, President/CEO of Associated said, "We look forward to celebrating this milestone in the growth and development of our organization. Over the past 50 years, our success has been driven by our employee's individual and collective efforts which have earned our customer's loyalty and dedication. We thank all of our customers, suppliers and employees for their continued commitment to Associated."

Founded in 1960 Associated has gone from a small store front in Chicago, IL with one customer to six locations serving over 16,000 customers throughout the Midwest. From one man with an idea to 300+ employees who work every day to bring value to their customers. Although Associated has had a successful 50 year history, they are looking toward the future. They are committed to developing new and innovative methods to provide value to their customer's supply chains. Within the next few months Associated will announce the launch of their new business model and brand identity that will serve as the platform to continue to provide their customers with enhanced levels of innovation and exceptional customer service. They have made a commitment to grow from the material handling company of the past to the supply chain solution provider of the future.



About Associated Material Handling Industries, Inc.:

Founded in the Chicago and area in 1960, Associated-Allied serves its customers from six locations covering six states in the upper Midwest. Its 300+ employees proudly represent Raymond Narrow Aisle Lift Trucks and related material handling storage and picking solutions. Associated-Allied's mission is to provide its customers with innovative logistics solutions that create sustainable value within their supply chain. They have become a leader in providing superior, cost effective material handling equipment, systems and support that optimize space, increase customer productivity, enhance safety and reduce costs. Featuring leading edge engineering and fleet management services to complement industry leading parts, sales, service and rentals, Associated-Allied has been the recipient of multiple awards in recognition of being a premier organization in the Material Handling Industry.



Innovation • Sustainability • Reliability



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Did you know...



A Caution About Centralized Picking Locations

Assigning popular items to centralized locations in a pick-to-stock system can create congestion that can negate potential productivity gains. The objective is to balance picking activity over a large enough area to avoid congestion while maximizing efficiency.

Source: *Practical Handbook of Warehousing*