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ASSOCIATED advantage

PROVIDING INNOVATIVE SOLUTIONS WHICH OPTIMIZE STORAGE AND ORDER FULFILLMENT WITHIN THE SUPPLY CHAIN

Fleet Management... Much More Than Just Maintenance Reporting

More than ever before, companies are exploring Fleet Management Programs to drive down costs associated with their lift truck fleets. Unfortunately, many of these organizations are focusing solely on the traditional maintenance component of Fleet Management and therefore missing key opportunities to realize much larger returns.

Today, Fleet Management Programs have become far more sophisticated and can help companies manage much more than just maintenances costs. If effectively utilized, a Fleet Management program can help any organization increase safety, minimize energy consumption, lower labor costs, and optimize fleet size and model mix, all of which provide sustainable returns.

Historically, maintenance reporting has been the primary component of Fleet Management. With typical first year savings being ten to twenty percent, companies often realized quick returns on Fleet Management investments.

The compilation of maintenance reports should be considered one of the initial steps of any Fleet Management program. However, as many company employees simply do not have the time to read, interpret and act upon the data. To that end, an effective Fleet Management program must provide succinct and actionable information which is summarized with cost savings recommendations.

Another traditional aspect of Fleet Management has been to track utilization of the equipment by recording hour meter readings. Unfortunately, gathering hour meter readings is a tedious task without automation. The net effect is the end user does not receive valid cost per hour reports, which can lead to mistakes in equipment allocation and replacement. It is estimated that less than ten percent of end users have accurate utilization information. As a result, inefficient and sometimes unnecessary equipment continues to incur expenses each and every day.

Over the past few years, more companies have begun to expect Fleet Management programs to provide safety and accountability reports for their operators. Utilizing operator access devices, companies know who was on a vehicle when an event occurred and have the ability to electronically capture daily checklists to ensure O.S.H.A. compliance. Impacts have been seen to decrease up to eighty percent in some facilities, where this approach is employed. In doing so, damage, maintenance and potential worker's compensation costs can also be reduced.

Companies are also requesting increased visibility into energy efficiency. Electric trucks drawing more amps require more frequent battery changes which increase electrical costs and decrease productivity. When this occurs with larger fleets, the opportunity costs can be substantial. Reports are now available which detail the amount of amp draw extracted from a given battery or required by a certain truck. Savings are significant especially considering the labor costs to effect more frequent battery changes.

A final aspect of Fleet Management is ensuring equipment is not kept past its economic life. In reality, most lift trucks will function for decades --- they simply will not be as economical to do so. To minimize the likelihood of that happening, effective Fleet Management programs establish a list of parameters which create objective replacement criteria. By maintaining the optimal fleet size, age and model mix, costs are managed to an appropriate level.

All in all, Fleet Management has grown far beyond basic maintenance reporting. Fleet utilization, enhanced safety practices, performance metrics, energy consumption and replacement schedules are true opportunities which allow companies to maximize financial and operating results.

Elevating Green, Lowering Costs

Conserve Energy and Foster Environmental Responsibility in Distribution Centers

The rising cost of oil is the most visible driver of growing interest in energy, but by no means the only one. Business owners in every industry are paying more attention than ever to energy management for reasons that include escalating fuel and electricity prices, sustainability initiatives, carbon footprint reduction, branding and public image.

The impetus for energy savings is strong domestically and globally, in the name of both savings and environmental responsibility. The 2011 Energy Efficiency Indicator (EEI) survey, covering nearly 4,000 building decision-makers with responsibility for facility budgets and energy efficiency programs, found that costs were the No. 1 driver of efficiency initiatives. Large majorities worldwide (81 percent) and in the U.S. and Canada (80 percent) expected energy prices to increase in the next 12 months, and the average expected price increase was 11 percent. Meanwhile, the third strongest driver for energy efficiency (after cost and government and utility incentives) was brand or public image. In line with that, 58 percent of respondents said their organizations had either internal or public energy-saving goals, and 56 percent had carbon reduction goals.

Warehouse and distribution system owners share these concerns and motivations as they seek ways to conserve energy, drive down operating costs and reduce their carbon footprint. Electricity alone can be a major expense, in the freezer industry, for example, it is the second only to labor as an overhead item.

Because even a small percentage reduction in energy costs can mean significant dollars, owners are looking to new technologies and methods to help them conserve. Initiatives in distribution centers include installation of high-efficiency lighting fixtures and ballasts, use of occupancy sensors that turn on lights only when and where needed, heating and cooling system enhancements, and control automation to optimize fuel and power usage.

Needless to say, energy efficiency is a key component of a global movement toward greening the supply chain. To download a White Paper that will provide additional information on opportunities to reduce energy consumption and lower costs click here; www.associated-solutions.com/whitepaper.

Safely Dispose of Hazardous Materials

Recycling Lead-Acid 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.

Why recycle lead-acid batteries? Lead-acid spent batteries certain toxic components pose a potential risk to the environment and human health. However, recycling:

- Saves Natural Resources: By making products from recycled materials instead of virgin materials, we conserve land and reduce the need to mine for more minerals.
- Saves Energy: It takes less energy to make a recycled battery.
- Saves Clean Air and Water: In most cases, making products from recycled materials creates less air pollution and water pollution than making products from virgin materials.

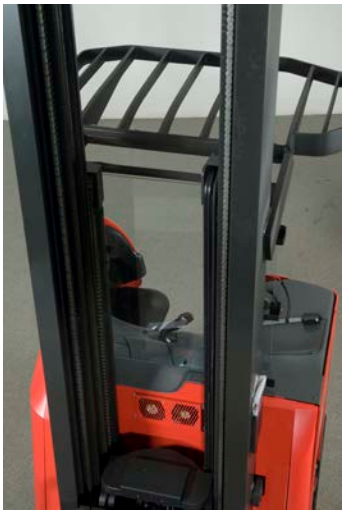
As a lead-acid battery owner, you are responsible to ensure that your waste batteries are disposed of in accordance with state and federal laws. However, the laws and regulations for disposal of lead acid batteries vary from state to state. Nevertheless, some material handling dealers will pick up your battery at no charge and recycle it for you in accordance with local regulations at no charge. They will also 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.

Contact your local material handling dealer for more information and to make arrangements for pick-up and proper disposal of your waste batteries.

Safety Corner

Lift Truck Chain Inspection and Replacement



Your lift trucks carry hundreds of thousands of pounds of precious inventory each day, which causes tremendous wear the lift chain. If this chain goes unchecked and becomes worn it can cause a load to come crashing to the ground resulting in damage to property or even death. This is one reason why OSHA requires that you do a daily inspection of all lift trucks currently in operation.

Lift truck chains endure tremendous stress during daily operation and are subject to additional damage and wear by environmental conditions such as dust, rain and industrial chemicals. A trained technician should inspect your chains for the following issues listed below, along with some visual signs to help determine if a chain is in need of replacement.

1. Chain elongation. Elongation for more than 3 percent indicates a 15 percent reduction in strength and means the chain should be replaced.
2. Rust and corrosion. Chains showing any rust or corrosion should be replaced. For maximum protection, chains should be completely lubricated at all times.
3. Plate cracking. Inspect closely for cracks. The discovery of any crack means the chain should be replaced before the forklift is put back into service.
4. Protruding or turned pins. Lack of lubrication results in friction between the plates and the pins, causing the pins to twist and turn their way out of place. The result is chain failure.
5. Misalignment. Look for wear patterns on pinheads or outside plates. Continued operation will result in damage to the chain and sheaves, potentially causing the chain to fail.
6. Chain anchors and sheaves. Inspect anchors for misalignment, damage or undue wear. Anchors with worn or broken fingers must be replaced.

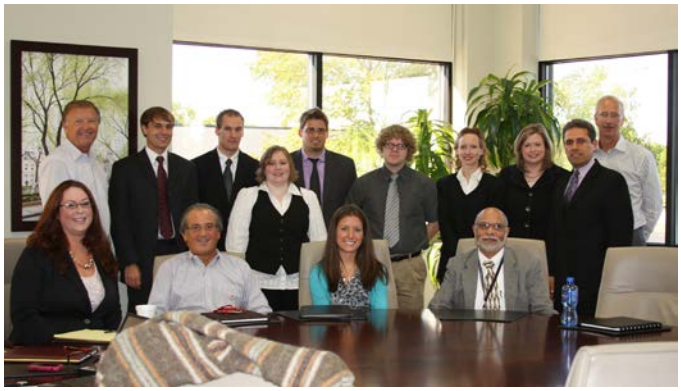
For additional information on lift truck chain inspections including a visual diagram of symptoms to look for please visit; www.associated-solutions.com/edge

Increasing Material Handling Industry Awareness

Associated Partners With Robert Morris University

In an effort to increase awareness about the value that the material handling industry provides to the supply chain, Associated has partnered with Robert Morris University's (RMU) Morris Graduate School of Management in an experiential learning project.

Robert Morris University is known as the "Experience University" and therefore this project was a perfect fit for their graduate students working on their Master's in Business Administration. Their approach is to engage students in evaluating and analyzing real world issues to reinforce and embed some of the skills they have acquired in their course curriculum.



Over the span of this ten week project, eight students were asked to define the role of certain employees in executing the company's new branding initiative and recommend how these employees should be engaged and trained to meet the expectations of the new initiative.

To accomplish this, students studied the industry, the company and the applicable employee's current role and function. At the culmination of this project they presented their findings to their professor, members of RMU Administration and a group of Associated Senior Managers including Michael B. Romano, President/CEO. In appreciation of the student's efforts, Associated has made a contribution to the RMU Endowment Fund.

"We are grateful to Associated for allowing our students the opportunity to work with them", said Dr. Kayed Akkawi, RMU Dean of the Morris Graduate School of Management. "RMU's relationship with Associated was an essential factor that made this Graduate course a success."

"In addition to the great ideas and valuable insight these students provided, this project served as a platform to create awareness and appreciation of our industry. Increasing exposure to the academic community will ensure the availability of a continuing pool of talent that will sustain the industry's growth and success as well as serve to educate future decision makers as to the value we bring to the buyers and users of our products and services," said Michael B. Romano, President/CEO of Associated. "We are grateful for the opportunity to work with RMU in this mutually beneficial endeavor."

About Associated:

Celebrating over 50 years of providing customers with innovative solutions that create sustainable value within their supply chain, Associated has become a leader in providing reliable, 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 sales, service, rentals and parts, Associated has been the recipient of multiple awards in recognition of being a premier organization in the material handling industry.

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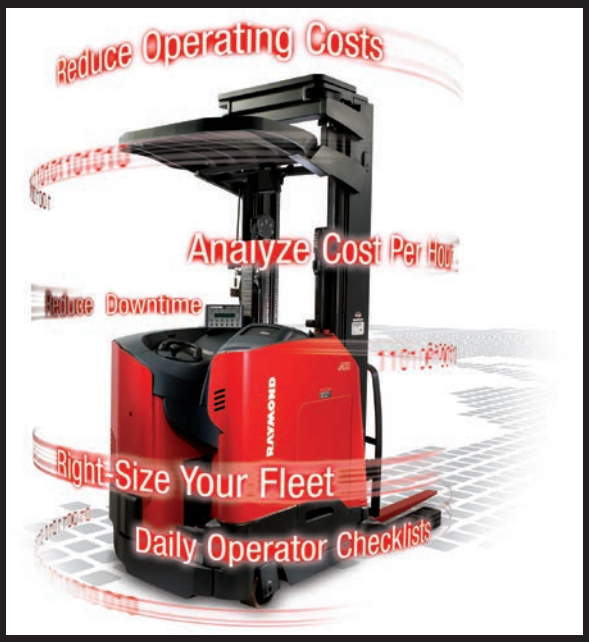

Do You Know...

The True Cost of Your Lift Truck Fleet?

The acquisition price of a lift truck is only about 20% of its total lifetime cost. The other 80% of your costs are derived from the maintenance and utilization of it. A well structured Fleet Management Program can help you to reduce your overall costs by up to 25%!