

ASSOCIATED *advantage*

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

Adapting to the Changing Buying Culture

Material handling and logistics is a complete process that includes a wide range of technologies and services designed to create efficiencies in the supply chain. For decades, even centuries, this industry has served the needs of all types of companies helping to insure their products reach their eventual end user in an effective and efficient manner.

According to the U.S. Department of Commerce and Bureau of Labor Statistics, material handling and logistics is one of America's largest and fastest growing industries. The consumptions of material handling equipment and systems in America has grown to over \$156 billion per year and employs in excess of 700,000 workers. This consumption takes place in virtually all process and service industry sectors with the vast majority being found throughout construction, manufacturing and distribution.

Material handling systems help companies cope with buying cultures that are in a continuous state of fluctuation. Whatever the process may be, material handling plays a crucial role in its overall success. Internationalization and globalization are propelling competitiveness and driving the development of newer and more efficient material handling technologies in the market.

Today the Material handling and logistics industry has assumed a very strategic role as companies are driving up demand for solutions that will enable them to improve order to delivery cycles, reduce inventory and satisfy changing consumer buying behaviors.

Many forces will be at work to keep material handling and logistics at the forefront of a healthy economic path including:

- Continued shift toward applying technology versus new plant capital spending
- Consumer demand for variety, availability, convenience, quality and affordability
- Material handling and logistics being seen as a strategic versus tactical activity
- Globalization and consolidation of American companies
- Concurrence in which goods and information are moved along supply channels
- Continued emphasis on Supply Chain efficiency, optimization and flexibility
- Mass customization and electronic commerce
- Shifts to outsourcing
- Continued pressure to reduce inventory levels

Today's economy requires that every investment a company makes yields a quicker ROI than ever before. As manufacturing and distribution companies replace and upgrade material handling equipment, they are looking for solutions that can meet this requirement. The material handling industry is responding with new equipment, technology and systems that affect the efficiency of the entire supply chain. Ultimately, this shift will provide you with the technology and expertise you need to better predict, respond and adapt to your changing business environments.



Scheduled Maintenance Programs

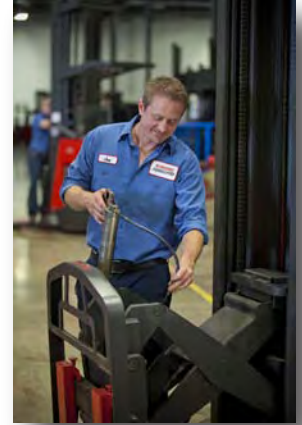
Increase Productivity and Reduce Costs

Most car owners know to change the oil, replace the filters and get regular tune-ups to keep their vehicles running reliably. When an older car becomes too costly to repair, the owner needs to evaluate whether it's time to purchase a new one. The same is true for industrial lift trucks. Once the initial investment is made to purchase a lift truck, ongoing management of the fleet protects the investment. But there are more benefits to ongoing lift truck maintenance than just extending the truck's life. With a properly managed lift truck, companies can also enjoy less downtime and increased productivity and safety.

In the material handling business, only 20 percent of the total cost is associated with the acquisition of equipment, the other 80 percent is related to operator and maintenance costs. With a high percentage of cost being allocated to maintaining equipment, companies can't afford to ignore the importance of a well coordinated truck maintenance program. When a lift truck is not properly maintained, it may cause unexpected and extended downtime for repairs. This can result in operators standing idle while still on the clock.

In some cases, excessive equipment downtime may drive companies to rent units for short term use or to purchase more equipment than is necessary for the job. On average, companies operate 10 to 20 percent more lift trucks than are required. In addition, breakdowns are usually the result of more serious problems that can involve costly repairs and parts.

The key to reducing breakdowns is scheduled maintenance. A formal scheduled maintenance program can either be done in house or outsourced to your local service center. Having this program allows companies to prepare for and work around brief downtime while a unit is being serviced and ultimately puts you in the best position to optimally serve the needs of your customers.



Wheels and Tires

What is the best option for your environment?

There are a number of different warehousing environments that require specific material handling equipment. This equipment helps to move products and complete daily tasks in the most efficient and effective manner possible. This same thought process also applies to the wheels that are on this equipment.

There are a number of polyurethane (Poly) wheel manufacturers that offer multiple compounds or Durometers for use on forklifts. This article is meant provide you with an overview on these to give you a better understanding of what each one means and what purpose they serve.

Durometer is the measurement of a wheel or tires hardness; the higher the number, the harder the wheel. Additionally, the Color of a wheel actually has no bearing on the durometer of the wheel being used. For instance, one manufacturer will make a black colored poly wheel in an 83A durometer and another makes it a 95A.

Listed below are some common durometers along with their generalized rules of thumb for their proper application.

90-92A: Universal and Economical tire.

- Everyday use on clean smooth floors
- Lighter applications with no dock plate use
- Lowest cost

83-85A: Industry's most versatile durometers. Typically the Standard offering by most OEMs.

- Very good cut, chunk and flat spot resistance
- Softer ride and Improved traction
- Good on rougher floors and docks
- Freezer and Cold storage applications
- Good price to performance alternative

93-95A: High performance premium wheels. (Commonly called High load or XL wheels).

- Even Better resistance to Flat spotting and chunking
- Higher load capacities
- Extended wheel life
- Designed for long runs due to heat resistance
- Typically a more expensive alternative, but with commensurate results



Safety Corner

Rack Inspections and Repair

The incident shown to the right could have been avoided. This collapse was caused by a lack of knowledgeable warehouse rack inspections, over-looked, and under estimated pallet rack damage. Failure to address damaged and missing pallet rack components led to this tragedy. Fortunately, no one was injured in the scenario but it could have been prevented by regular warehouse rack inspections and repair or replacement of damaged pallet rack components.



In order to minimize accidents it is advisable to take preventative action and invest in protection for your warehouse. One of the most common problems in many warehouses and distribution centers is having impact damage caused by forklifts. This damage usually occurs at lower levels, leaving most of the upright structurally sound.

Damaged Pallet Rack is an important safety consideration in any warehousing environment. For years, addressing warehouse rack damage was a matter of replacing of rack components, especially the load-bearing columns. However, the pressure to maintain continuous product flow and the substantial costs associated with this investment often overrides replacement of damaged racks. Today rack replacement is not your only option. In recent years there have been dramatic improvements in the technology used to repair damaged rack. Rack repair can cut out the damaged areas of the rack and add a new post for a more impact resilient solution. In most instances, there is no need to unload the pallet rack.

These repairs can be done on site and offer minimal facility interruption. Additionally, the repair will maintain the structural integrity of your system and reduce maintenances costs.

Warehouse inspections for racking and for any potential safety hazards should be part of a daily routine. Additionally, regular surveys conducted by your employees or rack supplier can help reduce safety risks by identifying damaged rack as well as possible causes of damage such as:

- Incorrect location of beams
- The overloading of beams
- Incorrect loading and positioning of pallets in pallet locations
- The use of damaged pallets

Other preventative measures that can be taken:

- Good initial design: racking systems must be designed to fit and function with both the handling equipment and the load
- Good lighting
- Well maintained mechanical equipment
- Ensure loading/safety notices are clearly displayed

As the warehouse is potentially one of the most dangerous places to work it is therefore imperative that your racking is up to scratch in order to meet stringent health and safety standards. Rack repair is an easy on-site option that can help to ensure rack system longevity and safety.

Associated Announces a New Brand Identity and Business Model

The Supply Chain Solution Provider of the Future

During the past five decades, Associated Material Handling Industries, Inc. and Allied Handling Equipment Company have strived to forge long term relationships with their customers by providing leading edge design and engineering solutions, world class products and industry leading support services. Their experience and consultative approach has helped their customers optimize storage and order fulfillment operations within their distribution and production operations to satisfy goals for increased productivity, efficiency and operational cost reductions. Throughout this journey, one thing has remained the same; they are committed to exceeding the expectations of their partners.



As their portfolio of product and service offerings have expanded over the last 50 years they have enhanced their approach and brand identity to be more reflective of the full scope of their capabilities. To best highlight this in the marketplace they have changed their name to Associated.

They have also refocused their business model to deliver on their enhanced brand promise to provide integrated supply chain solutions. This new approach includes an Engineered Solutions and a Fleet Solutions group. This combination gives them the ability to leverage their unparalleled experience and industry best practices to evaluate their customer's current operations and recommend practical strategies to enhance its effectiveness and reduce overall costs.

To provide customers with additional information about these capabilities and services and how Associated can be of assistance in making recommendations that will benefit customers they have also developed a new website that can be viewed at www.associated-solutions.com.

Michael Romano, President/CEO of Associated said "As we look toward the future we are committed to developing new and innovative methods to provide value to our customers. We are confident that this refocused effort will enable us to continue to add value to all of our partnerships. With this change we have made the commitment to grow from the material handling company of the past to the supply chain solution provider of the future."

ABOUT ASSOCIATED:

Celebrating over 50 years of providing customers with innovative solutions that optimize storage and order fulfillment operations within their supply chain, Associated understands that handling materials in the supply chain should be more than material handling. By utilizing their unparalleled experience and industry best practices they are able to evaluate current methods and processes for storage, order fulfillment and equipment utilization and recommend practical strategies to enhance its effectiveness and reduce overall cost.

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.



Innovation • Sustainability • Reliability



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Do You Know...

HOW MUCH YOUR FLEET IS COSTING YOU?

On average, companies have 10% to 20% more units in operation than are necessary to maintain desired productivity?

A well-structured fleet management program can help eliminate unnecessary expenses and improve bottom line performance.

