

FORKLIFT FLEET REDUCTION



“RIGHTSIZING” YOUR FLEET FOR PRODUCTIVITY AND COST SAVINGS

A leading manufacturer of tower structures in Omaha, Nebraska operates on a seasonal business model with its peak season in March through April. They consulted with Riekes when searching for an effective way to increase productivity, reduce mobile fleet costs and eliminate the strain on cash flow during the peak season.

The company produces bulk material handling systems for several applications including fertilizer, grain and biomass. They previously utilized a fleet of 25 company-owned and leased all-terrain and standard pneumatic tire units during peak season. The time and material service plan was costly and didn't allow for solid budget forecasting.

INITIAL CHALLENGE

The customer had a mixed fleet of owned and leased units. With a high breakdown rate and raising costs per hour for the all-terrain units, they needed to reduce fleet costs and eliminate the strain of cashflow during peak season. The existing time & materials plan was costly and didn't allow for budget forecasting. Plus, 50% of the fleet was underutilized during off-season but lease payments still needed being made.

OUR SOLUTION

Riekes recommended replacing the 10,000 lb units with 16,000 lb units to reduce cycles per truckload. The equipment was changed from three different CAT chassis to one Combilift-CB6000 which allowed for both two-way traffic and multi-directional operation. A fleet of short-term rentals was also put in place for peak season to rightsize the fleet all year. In addition, migrating to a full-service maintenance plan provided the customer with 5-year costs for better budgeting.

THE RESULTS

The new model reduced the fleet size by 36% and resulted in a 12% reduction in fleet-related costs, saving the customer \$117,000. Substantial indirect costs were also uncovered in staffing, product damage and payment processing. And the new service strategy allowed for accurate forecasting which dramatically improved cash flow during peak season.

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