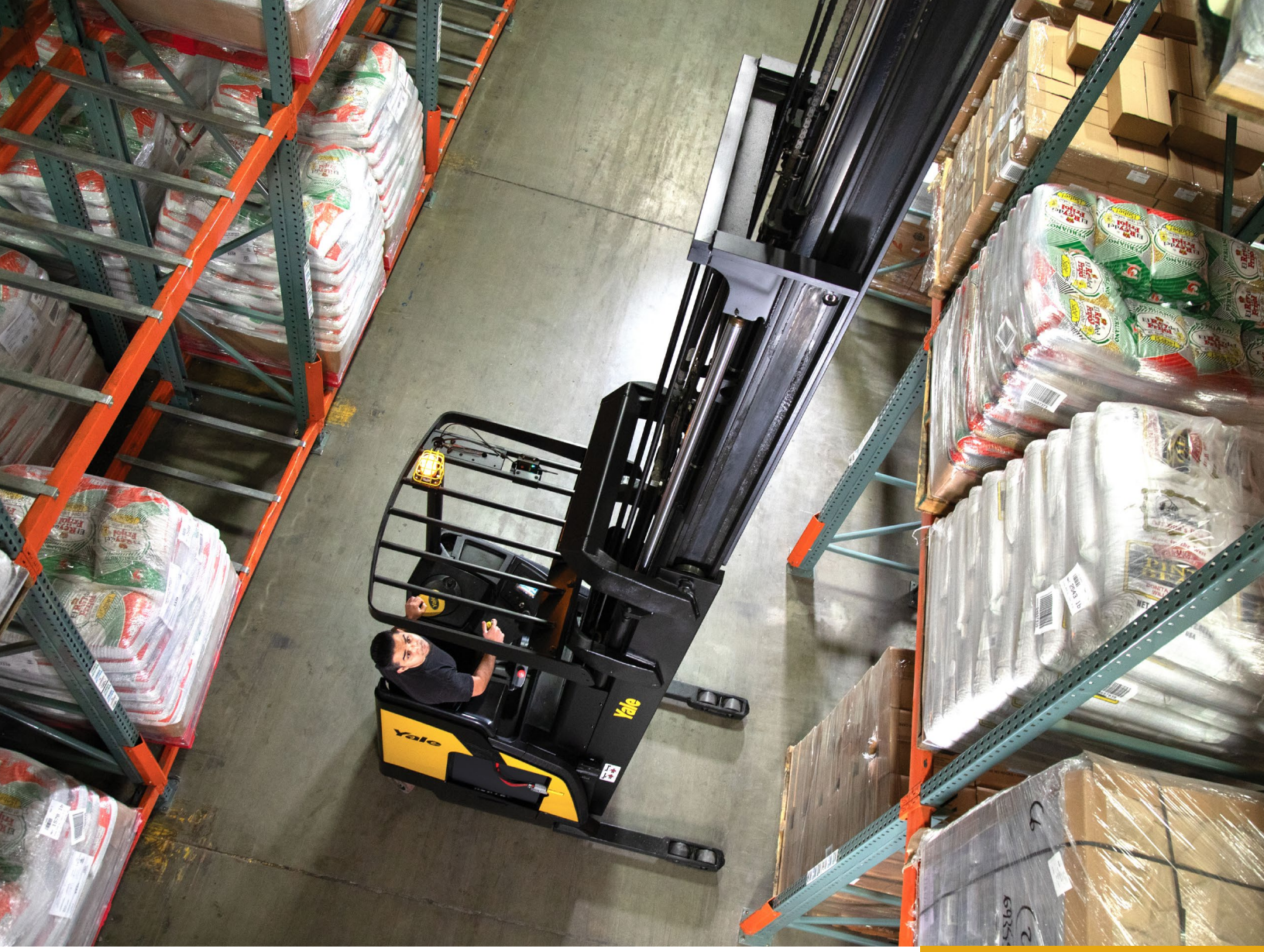


WHITE PAPER

What to consider when choosing a lift truck

The five most important factors when evaluating lift truck equipment for purchase or lease

Yale®
LIFT TRUCK TECHNOLOGIES

Consumer demand for increasingly expedited delivery of purchased goods means warehouses must look to gain process efficiencies wherever they can find them. Lift trucks are often an essential component of business operations. While 35% of companies say the economy and current market factors have little to no impact on how they acquire lift trucks, according to the 2023 Lift Truck Acquisition Survey by Peerless Research Group, this year's survey results reveal an increased focus on equipment costs in both the short and long term.

In order to maximize the value of lift truck investments, it is imperative that businesses pinpoint and carefully weigh the factors that will help them select the best equipment to suit their needs. Which considerations should operations prioritize when acquiring new lift trucks? Which factors should shape their buying decisions? The survey by Peerless asked responding companies to identify which of 15 characteristics they considered important when evaluating lift trucks for purchase or lease.

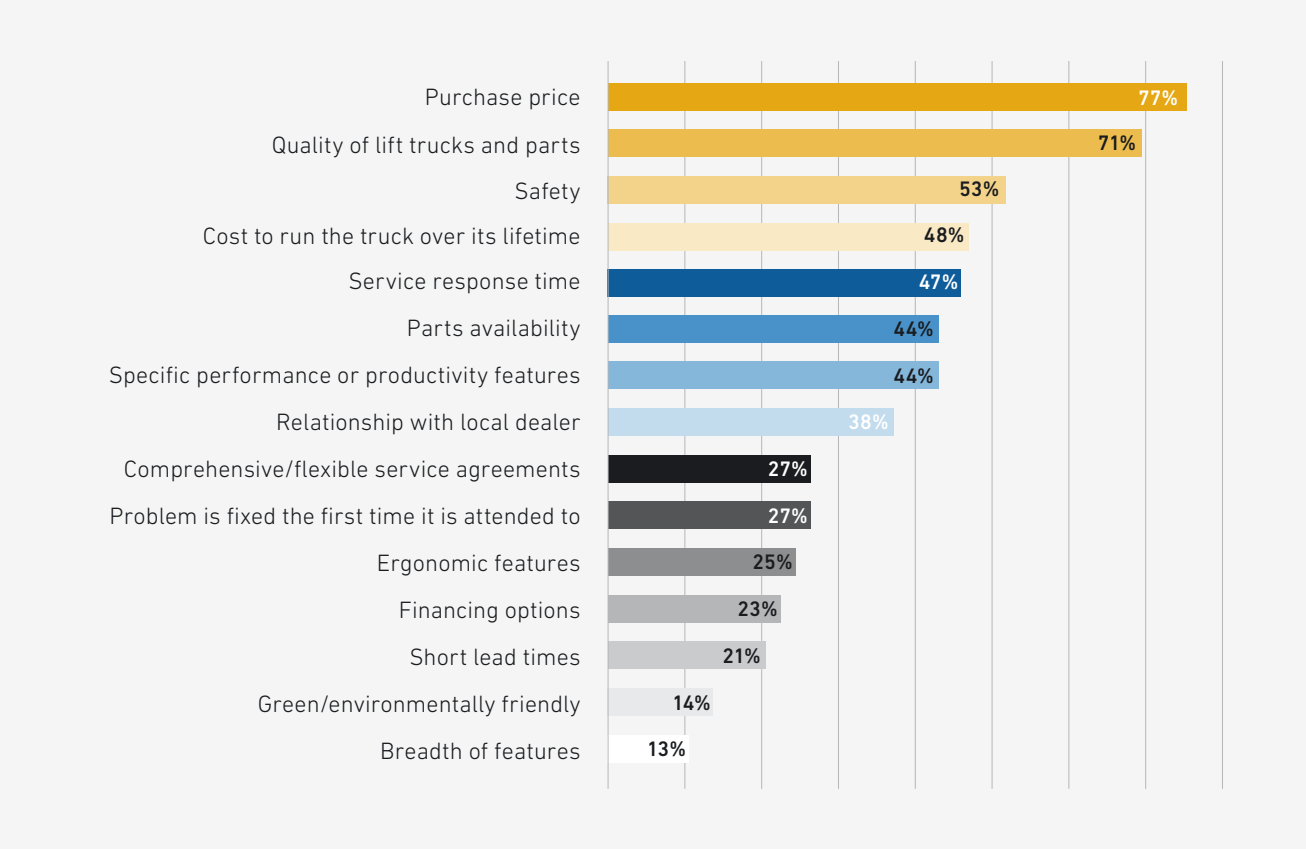
This white paper goes into greater depth regarding the top five considerations from the survey and provides insights on how operations can use these factors to improve their ability to meet business goals involving profit, employee safety, customer satisfaction and more.

Top 15 key buying criteria

The 2023 Lift Truck Acquisition Survey revealed which factors companies considered "important" when evaluating lift trucks for purchase and lease.

What's stayed the same and what's changed for lift truck buyers?

- Four of the top five factors from 2022 remained within the top five.
- Parts availability fell slightly in relative importance, from the fourth most-cited as important to sixth.
- Cost to run the truck over its lifetime moved into the top five, while another cost-centric criteria, purchase price, was identified by an even larger share of respondents, up from 75% in 2022.



#01 | 77%

Purchase price

The importance of the upfront purchase cost is unsurprising considering the extent to which labor shortages, rising customer demands and broader industry and economic conditions are putting pressure on operational expenditures. Warehouses need their equipment to do more to help them meet expectations, but prioritizing high-quality lift trucks can't be at odds with their budgets.

So, what can buyers do to get the best value? Tailor equipment to the operation's unique standards! Custom typically implies expensive, but that doesn't have to be the case. Of the 15 purchasing/leasing factors surveyed by Peerless, the consideration least-cited as important was "Breadth of features," implying most operations don't care about getting their lift truck fully-loaded but instead just want what they need to perform effectively. If an operation carefully considers the essential features and functions it demands from its lift trucks and can allow bells and whistles to fall by the wayside, the company may be able to achieve a better return on its investment. The challenge is, operations don't always have the opportunity to only get what they need, so it's important for potential buyers/lessees to look for manufacturers whose equipment gives customers the flexibility to opt up – or not – based on what their business requires.

Eschewing unnecessary options can also free up wiggle room for customers to invest in the features that provide the most value to their operations. For example, businesses that need operators to pick and place high-value items at height with great frequency may prioritize upward visibility and precision. If these companies have realized savings elsewhere in the truck acquisition process, they may have more to allocate to specialized features that can help support those particular needs, such as a clear glass roof or fork laser level line.

What can buyers do to get the best value? Tailor equipment to the operation's unique standards!

#02 | 71% #04 | 48%

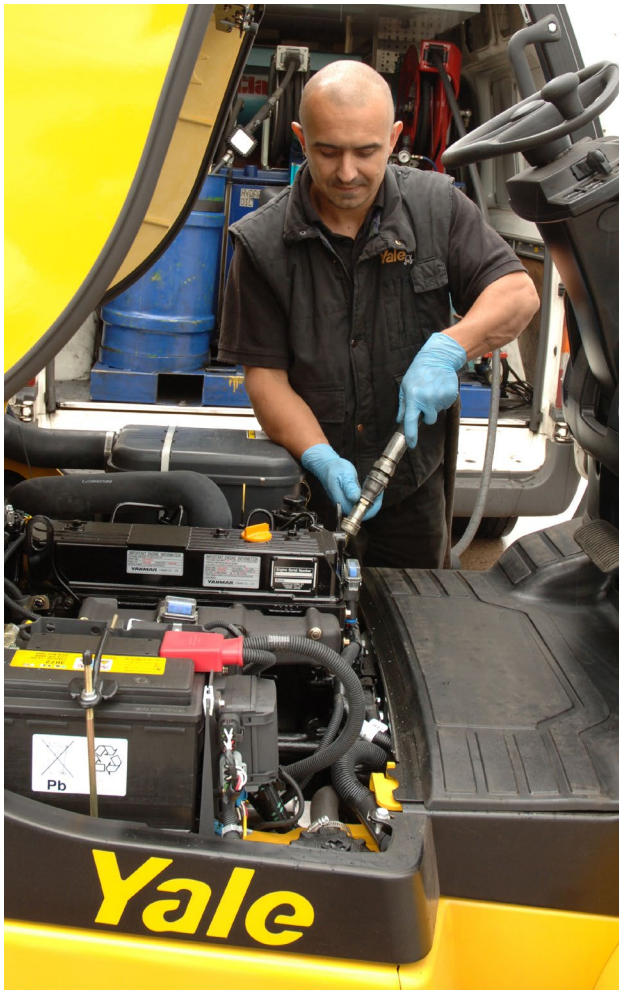
Quality of lift trucks and lifetime cost to run them

Lower-quality lift truck equipment can prevent an operation from reaching its full potential. For instance, sluggish lift and lower speeds can undermine productivity and throughput. Likewise, equipment with poor maneuverability can make it more challenging for operators to navigate tight spaces efficiently and without causing damage.

Consider the relationship between the quality of lift trucks and parts, and the total cost of ownership. Equipment that is not high quality may be more likely to require replacement parts or frequent repairs, which can quickly become costly. Operations must further account for lost productivity stemming from associated downtime.

Reducing that potential service burden can help alleviate costs, so it's essential to consider equipment durability, maintenance requirements and fuel efficiency when choosing between lift truck options. Trucks with a reinforced frame, more durable components or extended preventive maintenance intervals can require less maintenance overall. Also, some equipment is engineered to make service faster and easier, by prioritizing accessibility of serviceable components or enabling service with few or no tools, or without lifting the truck.

Lastly, keep in mind the cost and availability of replacement parts, an acquisition factor deemed important by the sixth-highest percentage of respondents (44%). Understand how well the dealer keeps replacement parts from the original equipment manufacturer (OEM) readily available and reasonably priced. Manufacturers who leverage common parts across their lineup may provide an advantage on part costs, due to economies of scale, and availability, due to the reduced number of unique parts a dealer needs to hold in inventory to have on hand when needed.



More than two-thirds of survey respondents cited truck and part quality as an important decision-making factor.

#03 | 53%

Safety

Safety is critical to employee well-being, productivity and profitability - the National Safety Council estimated that work-related deaths and injuries cost the nation, employers and individuals $167 billion in 2021. Safety in warehouses is such a serious challenge that the Occupational Safety and Health Administration (OSHA) has launched a national emphasis program in response to injury and illness rates that outpace those of other industries. And as the leading contributor to OSHA citations, lift trucks are an important area of focus. Lift truck safety begins with comprehensive operator training. However, businesses can also prioritize their commitment to safety through equipment with technology solutions that help reinforce operating best practices and better enable them to audit operator performance.

For instance, an advanced operator assist system (OAS) like Yale Reliant™ can help support lift truck operator awareness. The system provides automated alerts and assistance to operators by implementing truck performance limitations in real time, based on truck stability, facility rules and proximity to obstacles, people and other mobile equipment, depending on the system configuration.

Another kind of solution, lift truck stability systems, utilize sensors to continually monitor truck operating conditions, such as lift height, travel speed and load. When this type of system detects the truck exceeding certain designated stability thresholds, it automatically intervenes with performance reductions to help support stable travel.

Operational safety requires continuous attention and assessment. Another technology, telemetry, can help companies manage operator behavior by providing supervisors with impact detection and other data associated with operator performance. Some telemetry systems can also be integrated with the other systems described. This can help give managers even greater visibility, through real-time updates each time an operator assist or stability system function is triggered. Having access to this kind of data allows organizations to isolate and work on remediating problem areas and reinforce best practices to promote safety.

OPERATIONAL SAFETY REQUIRES CONTINUOUS ATTENTION AND ASSESSMENT, INCLUDING AN EXAMINATION OF THE AVAILABLE TECHNOLOGY.

Operator assist technology

Stability systems

Telemetry

Lights and alarms

Virtual reality training

#05 | 47%

Service response time

While the extent of overlap in terms of which specific respondents selected which factors is unknown, one oft-cited consideration from the survey – service response time (47%) – is inherently aligned with another – the relationship with the local dealer (38%). Service response time is an increasingly critical ingredient for fast-paced warehouse operations working to maintain a high degree of equipment uptime.

In addition to providing replacement parts, in many cases the dealers are the ones to provide local service support, in a relationship that extends far beyond the initial transaction when the purchase or lease is finalized. To avoid buyer's remorse, it's important to be able to draw upon comprehensive local technician support from an extensive network of entrepreneurial dealers who are independent, responsive, and effective. This should be accompanied by access to the engineers and industry experts at the OEM, for cases that require additional reinforcement.

Making the right lift truck purchasing decision

Whether it's the addition or replacement of a single truck, or a whole fleet for a new facility, lift truck acquisitions deserve careful consideration. They have a major impact on warehouse operations that goes well beyond simply moving loads from point A to point B. Many factors influence the buying decision, and the weight of those factors will vary for each operation. A trusted expert can help buyers navigate the process.

For a personalized conversation about matching your lift truck purchases to your operation's needs, contact an expert at your local Yale® dealer.

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