

BACKGROUND As a leading designer and manufacturer of workplace furniture including chairs, storage, panel systems, tables and desks, The HON Company provides reliable and cost-effective business solutions to its customers. Headquartered in Muscatine, Iowa, The HON Company has numerous manufacturing facilities strategically located throughout the United States, and markets its products through a nationwide network of dealers and retailers.

CHALLENGE HON faced two challenges in its Muscatine-based Central Region Warehouse and All Steel facility: The Central Region Warehouse was experiencing trouble maintaining its lift truck fleet while the All Steel facility had too many – and the wrong mix of – lift trucks, resulting in poor utilization.

SOLUTION John Wieland, CEO of MH Equipment, and Chuck Freeland, Material Handling Specialist, visited HON and were confident that their company could provide efficient lift truck management and service capability. MH Equipment took over HON's fleet management, annual budgeting and lift truck servicing with a goal of saving money and increasing HON's equipment utilization and Return on Investment (ROI).



After a needs-based evaluation, MH Equipment paired HON with a Fortis® lift truck fleet from Hyster Company. In the early transitional stages, MH Equipment provided HON with three-shift technician coverage for service. It was quickly noted that due to the Fortis lift truck's uptime and reliability coupled with HON holding operators accountable to

avoidable repairs, the three-shifts technician coverage needed to be reduced, saving the company money.

Currently in use is variable onsite workforce to help keep HON's costs down. Typically, MH Equipment provides technician staffing and as the volume and demand for service increases, MH Equipment brings in additional onsite technicians to handle the incremental volume.



As demand decreases, the extra technicians are deployed to other parts of the MH Equipment service footprint.

RESULTS Due to HON's relationship with MH Equipment, Central Region Warehouse's lift truck uptime has increased by nearly 50 percent. In addition, the Central Region Warehouse's Fortis lift truck fleet has shown a 50 percent reduction in cost per runtime hour. This is especially important for the purchased fleet, as it equates to increased profits.

Additionally, the All Steel facility has increased production by 40 percent – a large jump from the 10-11 percent utilization that MH Equipment inherited.

“Working with HON has been a true partnership,” said Rick Stearns, branch manager of MH Equipment's Davenport, Iowa facility. “We were brought on board to make a positive impact on HON's business and bottom line and we have been successful. After 14 years, I am proud to say that we have a truly consultative and special relationship.”