

## CHG-MERIDIAN uses precise data to optimize TCO in fleet management

- **Cost management is a key topic in the logistics sector**
- **Focus increasingly on usage behavior and total cost of ownership**
- **Continual optimization of the TCO analysis is required**

Weingarten, February 1, 2019

The logistics industry is not short of challenges that have to be mastered now and in the near future. Examples include increased efficiency and lower costs, optimized supply chains, and advanced intralogistics. A range of approaches aimed at managing the costs of material handling vehicles will be presented at the LogiMAT 2019 trade fair, which will take place from February 19 to 21, 2019 in Stuttgart.

### **TCO analyses are often inadequate**

In addition to the purchase price and financing costs, the total cost of ownership (TCO) of material handling vehicles is linked to numerous other factors. These variables include energy costs and insurance premiums, repair and maintenance costs, and administration and disposal costs.

The various models of material handling vehicle, for example, have different total operating hours, i.e. the maximum usage time before the costs for maintenance and repairs become too high and the machines are deemed uneconomical. In many companies, such costs are often not recorded in detail and in relation to the equipment; instead, they are merely allocated to collective cost centers. This makes it impossible to determine the ideal time to invest in new material handling vehicles. What's more, conventional financing agreements often lead to rigid contracts with fixed terms, which can make it more difficult to reach financially sensible investment decisions.

### **Permanently optimized total cost of ownership**

CHG-MERIDIAN has worked on a wide range of international projects with customers in the logistics sector, gaining specific expertise in vehicle technology and in the mechanisms for continually optimizing TCO over the entire lifecycle. Experienced TCO experts analyze all costs incurred and help to define optimal usage cycles based on the lowest TCO. All technical and commercial data is presented transparently in TESMA<sup>®</sup>, a technology and service management system we have developed ourselves. This makes it easy to identify the relevant cost drivers and determine the appropriate time to invest in a replacement in the fleet. CHG-MERIDIAN can support logistics companies with the procurement process and with the organization of the entire vehicle fleet. "We can create a customized business concept and a flexible financing solution for our customers. The result is a TCO analysis that defines the optimal usage cycle for each material handling vehicle. This not only improves the efficiency and sustainability of the logistics process but also ensures that

Date: February 1, 2019

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calculations are robust and transparent,” says Dirk Matura, Sales Director at CHG-MERIDIAN Industrial Solutions GmbH.

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