

eureka

Issue 13

Spring
2011

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THE MAGAZINE FOR THE MATERIALS HANDLING PROFESSIONAL

Any Change?

*The challenge of funding
for capital investment*



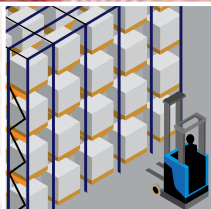
Party Piece

*Cat® Lift Trucks and Cat Logistics
combine to keep lift truck fleets
up and running*



Pick and Place

*What have been the successes in
storage technology and what does
the future hold?*



The Right Stuff

*Recruiting the right lift truck operator
is about skills and personality*



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eureka website at:
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eureka issue 13

"It was Archimedes who observed that the power of levers could be used to move the entire world." This publication is named after his famous exclamation of 'eureka!', literally, 'I've found it.'



The magazine for the materials handling professional

Welcome to the Spring 2011 edition of **eureka!**

There are signs of rising economic activity, in some countries at least – and that means more demands on warehouse and logistics operators.

Experienced business journalist Gay Sutton has been finding out whether credit crunch-hit banks are lending money for expansion – and on what terms. Her report starts on page 4.

An army may march on its stomach but lift truck fleets are kept going by a logistics supply chain that ensures the right parts are available. Cat® Lift Trucks and Cat Logistics have got together to keep the wheels turning. Find out more from page 8.

Technology has changed the warehouse fundamentally – but which ideas have really delivered value and what new developments will influence the future? Ruari McCallion reports back, starting page 12.

Effective fleet operation is about having the right people in the right place – and the ideal person will have the right attitude, as well as a good skillset. Find out what the big operators are doing to make sure their personnel have the 'right stuff', from page 14.

Tell us what you think of **eureka** - drop us a line via our website at www.eurekapub.eu or e-mail us at comment@eurekapub.eu.



Monica Escutia
Commissioning Editor



eureka's commissioning editor is Monica Escutia, a Bachelor of Communications – Journalism. She is a Spanish national and fluent also in Dutch, English and Italian. Having previously edited a variety of international media she has spent the last eight years in the materials handling industry – the first four as a parts sales representative for several European countries, before becoming the EAME Senior Marketing Communications Coordinator for Cat Lift Trucks, based in the Netherlands.

Don't forget to visit the **eureka** website www.eurekapub.eu where you have access to the archive of useful articles and features. You can also post comments and suggestions about the magazine and future articles you'd like to see covered.



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Can You Credit It?

The long-term success of businesses will depend on their ability to invest – and the availability of funding. Are banks making money available or shoring up their balance sheets? Gay Sutton finds out if there has been any change since the Credit Crunch.

Parts supply 8-11

Supporting Cast

Keeping fleets operating depends on effective maintenance and parts availability. **eureka** looks at the supply chain provided by the combined forces of Cat Lift Trucks and Cat Logistics.

Storage solutions 12-13

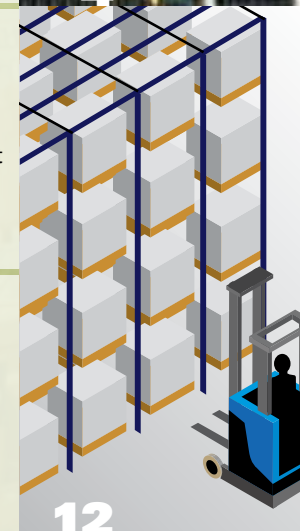
The Right Pick

Has technology really changed warehouse operation? Which technological breakthroughs have been a success and what trends should warehouse managers keep an eye on for the future?

Skills 14-15

Finding the Perfect Person

Effective lift truck fleet operation is about more than driver skills and experience. Large operators such as Wal-Mart are using psychometric testing and other tools to ensure their personnel have the 'right stuff'.



Events Calendar

Date, Event, Location, Website	Overview
25-26 May 2011 - FOODTECH 2011 Rosmalen, The Netherlands www.autotron.nl	On the 25th & 26th of May 2011 Autotron Rosmalen is the location where supply and demand from the food industry meet each other in a friendly environment to get to know each other, catch up and not to forget; do business!
07-10 June 2011 - S.I.L. Barcelona, Spain www.silbcn.com	The International Logistics and Material Handling Exhibition returns for the 13th consecutive year at Barcelona's Gran Via de Fira. It is an Exhibition which, as a result of sector involvement, continues beating records, growing year after year and consolidating itself as the leading Exhibition in Spain and Southern Europe as an international point of reference where all logistics sectors are represented.
14-15 Sept 2011 - TRANSPORT & LOGISTIK Schweiz Bern, Switzerland. www.easyfairs.com/schweiz	easyFairs want to meet the requirements of a changing market and treat them as new opportunities. So in 2011 they are expanding their logistics trade fair concept to create TRANSPORT & LOGISTIK Schweiz, an exhibition with added value.
20-22 Sept 2011 - TRANSPORT & LOGISTICS 2011 Belgium, Antwerp www.antwerpexpo.be	TRANSPORT & LOGISTICS 2011 is a professional platform where managers, decision-takers, academics and specialists in the field of transport & distribution, warehouse & handling and data communication & software exchange their knowledge and experience.

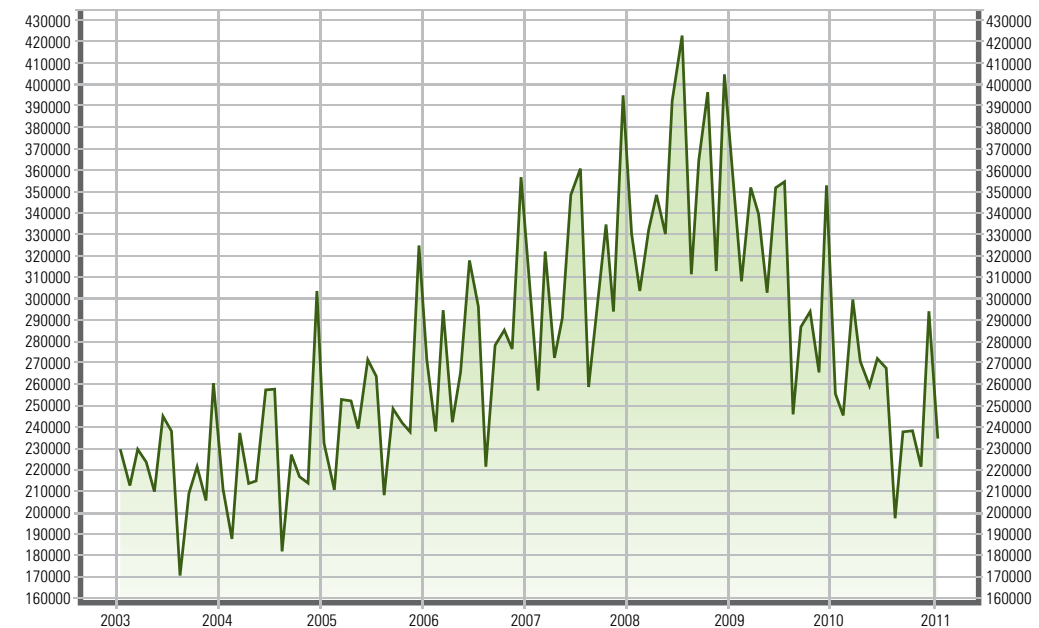
Can you credit it?



As the economic recovery begins to kick in, the long-term success or failure of many enterprises will depend on their ability to invest now. But have the banks done enough to free up lending?

Gay Sutton separates the truth from the myth.

Bank lending



1

MIR. M. U2.B.A2. A. A. B. A. 2240. EUR. N (Millions of Euro)

It's worth taking a moment to look back at the dramatic events of the financial crisis of 2008. A long established world order was turned on its head. Banks around the world hit a brick wall, plunging the world into a recession that even slowed the pace of growth in the rampant Chinese economy. After years of profligate lending, many of the great world banks had to be bailed out by their respective Governments and continue today as part-nationalised entities. Meanwhile the likes of the mighty Lehmann Brothers and the ill fated Icelandic banks simply went into administration. Only the few, who had more conservative and measured lending policies, came through the crisis without forfeiting their independence: in the words of the inimitable Bond, shaken but not stirred.

Two and a half years on, as the economies of Europe attempt to claw their way up out of recession, the banking system has undergone significant restructuring. Many governments have launched initiatives to free up bank lending to small and medium sized companies (SMEs), and companies on the whole have been focusing on paying off debt and banking their profits. But as the economic tide turns and companies seek to invest in the upturn, many are reporting difficulties in securing bank funding, complaining about the hoops they are

being asked to jump through and the high cost of the loans they are offered.

"After years of profligate lending, many of the great world banks had to be bailed out by their respective Governments and continue today as part-nationalised entities."

"I think there is evidence that there is a spiral of negativity," said Nick Badman, chair of the Peter Cullum Centre for Entrepreneurship at the Cass Business School, "where small businesses get together, and discuss how dreadful it is that the banks won't lend money. I think that can put people off applying when they would perhaps get the money if they applied." So do the banks have funds available and are they willing to invest in business once more?

Ulrich Schürenkrämer, co-head of mid-market business at Deutsche Bank Germany, confirmed that of the loans allocated to the Mittelstand - roughly the equivalent of the SME - €16 billion (£14 billion) have not been drawn. "Which means we still have open lines of some €16 billion. We are definitely open to business and we have enough funds available to finance the upswing."

Andy Grisdale, head of strategy at HSBC commercial Banking UK, commented: →

1. Supply of bank funding to European business

Courtesy of: European Central Bank. Dataset drawn from MFI (Monetary Financial Institutions) interest rate statistics.

2. Deutsche Bank, Frankfurt, Germany.



2



→ “We have been open for business throughout the past two years, and this is evidenced by the fact our balance sheet has grown by 4.2% over the last 12 months. We are also seeing a pickup in demand now.”

The HSBC, of course, maintained liquidity and capital throughout the crisis and did not require a government bailout. Yet the NatWest RBS, despite being part nationalised, does not appear to be retentive of its money either. “We’ve lent around £30 billion (€34 billion) to businesses in the last 12 months,” Ibbetson said. “That’s the best part of £100 million (€113 million) a day to SMEs. So we are out there lending, but the demand is still lower than we would want.”

If the funds are available for lending, then why do they appear more difficult to secure? Have the lending policies changed?

“Our lending guidelines have not changed materially over the past two years,” said HSBC’s Grisdale. “But is there likely to be more rigour in the process? Absolutely. There are many more fragile businesses around, and the assessment will be somewhat more difficult. To put that in context from a return or risk perspective, with the margins we get from businesses in terms of corrective income, we can’t afford for more than one or two out of every hundred businesses to fail. That’s a very different characteristic to the equity position where you can probably afford about 20% of

businesses to fail. So although we have a great appetite to lend money, businesses have to be able to demonstrate a capability to repay that debt. It’s not just about having security; it’s about the ability to repay.”

The banks are also under pressure to reform their business operations and prove their fitness to trade through the so called stress tests run by the Committee of European Banking Supervisors. “In some respects, the banks are in a rather schizophrenic situation,” Badman said. “On one hand they are being urged to rebuild their balance sheets which means being cautious about who they lend to after the previous period of really quite extravagant lending. On the other hand, they have politicians breathing down their necks asking them to lend more money, particularly to small and medium-sized businesses. So there is a huge tension at the centre of this.”

“So although we have a great appetite to lend money, businesses have to be able to demonstrate a capability to repay that debt. It’s not just about having security; it’s about the ability to repay.”

The cost of loans is the second big issue, particularly in light of the fact base lending rates are at their lowest in living memory: Bank of England archives show until the 2008 crisis

the base lending rate has only dipped as low as 2% once in the past 107 years but it now sits at half a per cent in the UK. From the bank perspective, a significant part of the cost is calculated on the risk attached to the loan, and this is rigorously analysed: the greater the risk, the higher the interest rate.

“We have a common instrument,” explained Schürenkrämer from the Deutsche Bank. “This begins with examining the business on a range of hard and soft facts and then rating it. We need to ascertain whether the company is in a position to repay the financing we will be providing, and this is a very individual analysis. From this, we are able to decide the amount we will lend and the terms of the financing deal. And we are trying to be very transparent about this. We provide our customers with a rate grid so they can see what kind of interest rate they could expect at which credit rating.”

In conclusion, then, there is money available from the banks, and they are keen and able to lend. But the risk assessment process is very rigorous, and loans will only be approved for good business prospects with evidence of a return on investment and a balance sheet that proves the ability to repay the loan. It’s also unlikely that the banks will relax their lending strategies any time soon.

“There is a lot of insecurity in the world right now with the events in Japan and the Arabic world. If you watch the BBC or CNBC, on one

side you see there are a lot of problems.” Schürenkrämer concluded. “But on the other side there are a number of opportunities.

“But the risk assessment process is very rigorous, and loans will only be approved for good business prospects with evidence of a return on investment and a balance sheet that proves the ability to repay the loan.”

The most important question is how fit are companies to adjust to the new situations and take advantage of them. From our perspective, if a company’s business case is compelling and shows positive returns on investment, funding is not issue.” ■

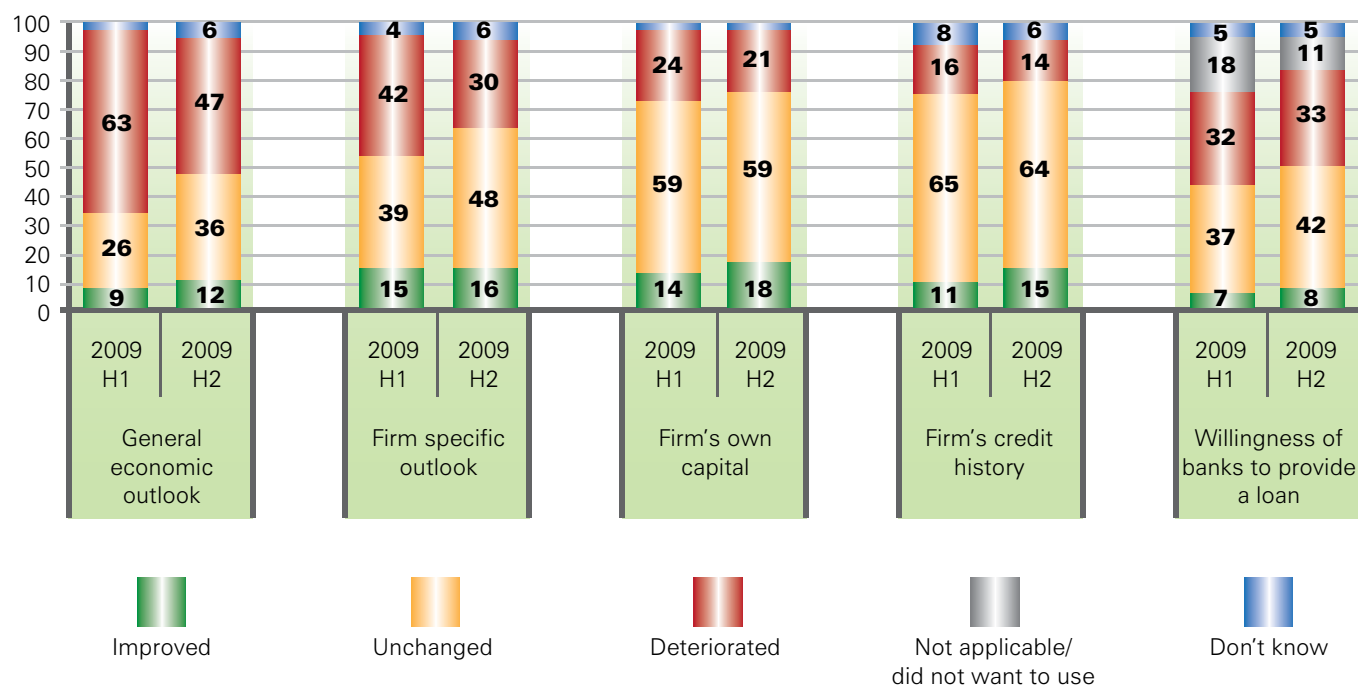
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3. Banks are being urged to rebuild their balance sheets, while at the same time receiving political pressure to lend more money.



Factors impacting access to finance for SMEs in the Eurozone

Courtesy of: European Central Bank, base: All SMEs



Tips for successfully securing funding

For small business in particular, applying for funding can be a challenging process. “Preparation is key,” said Brian Capon of the British Bankers Association. “It demonstrates to the bank that you are on top of your business, you have your finger on the pulse and that you’re in control. That’s must to the bank’s ears. It won’t guarantee you’ll get the funding, but at least you’ll be giving it your best shot.”

Business case - a well argued business case supported market research and evidence that all costs and considerations have been taken into account.

Repayment - evidence that the business will generate sufficient income to repay the loan and meet other financial commitments. A plan B should ROI not materialise.

Risk assessment - elements that will be considered are: type and size of business, direct competition, business track record, previous credit history, ratios such as how heavily the business is geared and stock turnover.

Security – willingness to provide security demonstrates commitment to the success of the business.



Supporting cast

Lift trucks are durable and dependable working horses - but even the best stallions need to be nurtured. Cat® Lift Trucks has joined forces with Cat Logistics to ensure that its materials handling machines receive world-class service.

Gian Schiava

Cat Logistics supports more than 60 clients all over the world, in various industries. It's a surprisingly sunny Monday in February and we are heading towards Puurs, a small town near Antwerp, which hosts one of the company's network of warehouses in Belgium and delivers parts for Cat Lift Trucks all over Europe, Africa and the Middle East.

Going with the flow

Our host for the tour of the 30,000 sq m facility is office supervisor Patrick Hoskens, one of the 70 people are employed at the site. It works closely with Cat Lift Trucks, which organises parts procurement; Cat Logistics' responsibilities cover warehousing and dispatching. Chris Willemse, Parts Procurement Manager at Cat Lift Trucks, tells us that parts come to Puurs from all over the world. About 50% come from within the company, 25% from elsewhere in Europe and the balance from the USA. The main objective of Parts Procurement is to ensure the highest possible parts availability.

Parts supply



We are to follow the journey of a specific part during its stay in Puurs. Goods are delivered at the loading bays where they are inspected prior to the printing of 'put away' documents, which tell the warehouse employees where everything is to be stored.

"The main objective of Parts Procurement is to ensure the highest possible parts availability."

From the unpacking area goods could go to multi storey shelving, cantilever racking (for long items like cylinders) or stored away in pallet racks. There is also a small area of bulk storage on floor locations. Slow-moving items are stored furthest away from the front; the most popular parts are kept as near to the order pickers as possible.

"Efficiency is important but we like to put safety on the same level. We are very proud that this warehouse has now been accident-free for three years," Partick said. Cat Logistics employees undergo specific training

and safety inspection walks are undertaken every day. The annual 'safety challenge', a motivational competition, rewards the driver with not just the best skills, but with the fewest mistakes. Customers want their parts fast, but undamaged, naturally!

A fleet of 24 machines includes power pallet trucks, order pickers and reach trucks, each working in its own pallet rack area. Patrick stops at a large drawing board, which is covered with all kinds of graphics and is, he says, the heart of the operation. The Cat Production System is a quality management system that makes a lot of use of visual aids. The drawing board shows us the four pillars of the operation: People, Quality, Velocity and Cost. All pillars are monitored against the Deming circle: plan, do, check, act. Each has clearly stated goals and everybody in the warehouse can see what the current performance is, whether there are any deviations and what is going to be done about it. The section 'People' revolves around tidiness and safe working.

"We have a quick team meeting around this board every day, when we make decisions →

1. Patrick Hoskens has daily meetings with his team to decide the tasks to be carried out.
2. The 30,000 sq m Cat Logistics facility, based in Puurs, employs 70 people and is one of a network of warehouses that support more than 60 clients all over the world.



DELIVERY AND STORAGE STAGE



1: Delivery

Goods are delivered at loading bays and inspected prior to the printing of 'put away' documents which tell warehouse employees where everything is to be stored.

2: Storage

After unpacking, goods are stored in multi storey shelving, cantilever racking, or pallet racks.

PICKING STAGE



3: Picking

Picking lists are prepared in the office and staff are deployed to their picking areas.

PACKING AND SHIPPING STAGE



Buffer Racking

Items placed on buffer racking, with individual shelves representing different orders.

4: Shipping

Item labels are scanned and items are collated into one or several palletised boxes, ready for shipping.



→ on the tasks for the day," Patrick says. "Everybody knows exactly where we stand and what needs to be done." Alongside is the Continuous Improvement board. Staff have the opportunity to make suggestions and ideas for improvement and every idea has to result in a decision or an action plan within 30 days.

Departure time

We follow the trail back from storage towards shipment. The Puurs warehouse has two main order flows; stock orders and emergency orders. Parts can be delivered before 7am next day if required, anywhere in Europe. Picking lists are prepared in the office and then sent to the warehouse, where staff are deployed to their picking areas, where they could be working on different orders at the same time and don't need to travel enormous distances. Once picking is complete, the various items are placed in 'buffer racking'. Individual shelves represent different orders; the order-picking list dictates how many items go on each. At the other side of the racking another check is undertaken before goods proceed to packing.

Labels are read by barcode scanners and the order is then made ready for shipment, with individual customer packs collated into one or several palletized boxes. Orders for delivery to remote parts of Europe are prepared, loaded and despatched first. There may be a final audit before loading onto the lorry; a completed

box can be randomly selected and completely unpacked to check for any errors. It may seem excessive but it reflects the drive for highest quality.

"We have greatly benefitted from the set up with Cat Lift Trucks," says Rob de Greef, parts manager at Netherlands dealer Crepa. "We have arranged for parts to be sent directly, overnight, to the serviceman's van, to arrive before 7am. The service engineer checks the order list with the delivery and then proceeds directly to the customer – there is no need to come to any Crepa facilities. The advantage is both that we keep our own inventory low and service our customers better. We also benefit directly from Cat Logistics' great inventory level of 97% full line, first pick. This means 97% of the orders are in stock, in the ordered quantity." Our journey has returned us to our starting point: the loading bays, where Patrick welcomes us back.

Parts support

On the way back from Puurs we stopped at Cat Lift Trucks' facility in Almere, to find out more about parts support from Wesley Filby, Parts marketing representative.

"We do everything we can to keep lift truck operations functioning smoothly around Europe, Africa & the Middle East," he says. "The better we do our job, the less a customer notices anything. We support our

dealers with training and advice on inventory levels, maintenance contracts and parts management. We help them by getting the right parts at the right time at the right place. The Puurs facility plays a vital role, especially when a customer needs overnight delivery to service vans. It is close to Zaventem airport, for overnight cargo flights. Direct distribution is a great service for the dealers at it saves them inventory and, more importantly, enables them to raise their customer service levels. Support is not limited just to 'regular' parts. We can supply parts from the factory, such as mast components, chassis parts or side shifters. Parts are still available for 10 years after the last truck delivery and we even keep tooling afterwards for exceptional cases." All Cat Lift Trucks' parts, service and warranty efforts are captured in a web-based aftersales support program. Dealers can download an incredible amount of information and even follow e-learning courses.

"We do everything we can to keep lift truck operations functioning smoothly around Europe, Africa & the Middle East,"

"Working with a member of the Cat family carries a true understanding of the importance of our name," he adds. "The Cat brand is shown on the package, which communicates the added value of OEM (Original Equipment

Manufacturer) parts. They were specifically selected in the design stages of a lift truck and are the best choice for keeping your truck running well". Salvatore La Torre, Aftersales Manager at Italian dealer CGM, agrees and warns that some parts sources sell inferior products.

"The Cat brand on the packaging is a reassurance, for both our dealers and our customers," he says.

On my way home from Almere, I realise that I had never appreciated what it takes to keep a lift truck operation running smoothly. I only hope my car's garage has the same back-up. ■

Article feedback is welcome: editor@eurekapub.eu

- 3. From Puurs, parts can be delivered before 7am next day if required, anywhere in Europe.
- 4. A fleet of 24 machines includes power pallet trucks, order pickers and reach trucks, each working in its own pallet rack area.
- 5. An item has its barcode scanned, in preparation for shipping.



The right pick

A few years ago, it seemed that each year saw the announcement of ground-breaking, revolutionary or game-changing warehouse systems. Have warehouses really changed or are the tried-and-tested methods still the best?

Ruari McCallion

Order-picking remains one of the most time-consuming and costly tasks in the warehouse. It is relatively easy to shift bulk loads across hundreds of miles – all you need is a large truck, a map and some decent roads. But the warehouse is where the loads are broken down into individual lots and it is from there that the final order will be selected, mixed, packed and delivered on time and in full – or not, if the systems aren't up to it.

Various solutions have been put forward to make storage, picking and packing easier, more reliable and more effective. The greatest leap forward was probably the introduction of barcodes, which provided a reliable and traceable methodology, linked to electronic management systems. So – if barcodes were good, wouldn't RFID be better? In some cases, yes, but their bulk got in the way initially. Metal in close proximity interfered with the signal, so they can be described as helpful in the right circumstances – but not a 'magic bullet'. Their acceptance and use is spreading as they become smaller, more robust and less sensitive to a neighbouring can of beans. An alternative, the 'bokode' was described in *eureka* issue 11 and has attracted interest, not least because of its information storage capacity but it is early days, as yet, and there has been no indication of a tidal wave of acceptance. The barcode continues to be the reliable technology for warehouse management systems.

Height and automatic vehicles

The overwhelming pressure to get the largest return for investment means making the best possible use of available space, leading to

narrow aisles and high racking – which present their own challenges, including accessibility. Personnel working in high-level storage situations need a head for heights and a stable vehicle – the higher the reach, the more that sway will come into play.

The barcode continues to be the reliable technology for warehouse management systems

Cat Lift Trucks was recognised for its efforts at the UK's Fork Lift Trucks Awards for Excellence ceremony in February 2011. The company received a much-coveted 'Archie' Ergonomics Award for its ASC (Active-Sway Control) system for high-level order pickers. ASC is not a simple mechanical system. It features hydraulic pressure sensors and specially developed software, which calculates and applies the necessary counter-movement to minimise sway. It eliminates the uncomfortable feeling of the mast swinging excessively each time the vehicle brakes or accelerates. ASC is claimed to halve delays, increasing productivity by six per cent in typical applications. The operator also feels more at ease in the workplace.

The current generation of innovation also includes automatic guided vehicles (AGVs) – in essence, specialist robots. Paul Fox, National Sales Manager at Impact Handling, the Cat lift trucks dealer in the UK, has noticed interest in this technology.

"It appears to me that a major future growth area will be in the field of AGV," he said. Like all automated systems, AGVs are available without a break and don't need holidays – but human beings have to accommodate a variation in

Storage solutions

their established task. People are adaptable. They can learn new skills quickly and come up with ideas themselves. Automation can be very effective in large-scale, repetitive operations. Those arguments are common to pretty much all types of automation, including carousels, vertical lifts and miniload systems, which help to improve access and speed up the process.

Racked for choice

In terms of physical layout of racking, the permutations are, in essence, made up of variations on six types. Standard adjustable pallet racking is the simplest, allowing set positions for individual pallets. Double-deep racking increases the density of storage but only half the total number of pallets are accessible at any time. It works well in kanban systems and where larger amounts of product lines are held in store and goods move reasonably quickly. Pallets are stored on longitudinal beams in drive-in racking systems, which dispense with conventional aisles but restrict access to only the nearest units. 'Live' or gravity-storage systems store pallets several-deep on inclined rollers, which are loaded from the back. Rearward units automatically slide forward as the front pallets are removed. It is a relatively simple solution that ensures first-in-first-out (FIFO) stock rotation. Pushback racking also uses gravity but as it is fed and unloaded from the front, it is not appropriate for situations where stock rotation is critical. Finally, mobile racking uses powered rails; racks are moved to allow access to the desired shelves. It allows maximum density but access is restricted.

In terms of physical layout of racking, the permutations are, in essence, made up of variations on six types.

There is one other factor to be borne in mind: the material from which racking is made. Almost every rack in your warehouse, right now, is made of steel – and when steel comes into contact with a lift truck, something is going to be damaged. Either the racking will be bent and have to be replaced, at significant expense and even more inconvenience, or the lift truck will be out of action for a while, being repaired.

Safer protection

"Another area of interest is racking protection and protective barriers made out of super strength polycarbonate," said Paul Fox. "This is an area identified by customers as a massive expense in terms of damage to racking and fork trucks themselves. We are speaking to the world-leading manufacturer of this type of

product, in order to assist our customer base with safety and reduced damage costs. The polycarbonate product is stronger than steel and doesn't bend; trucks effectively 'bounce off' them, but safely." With all these choices available, which is the right solution?

"Another area of interest is racking protection and protective barriers made out of super strength polycarbonate"

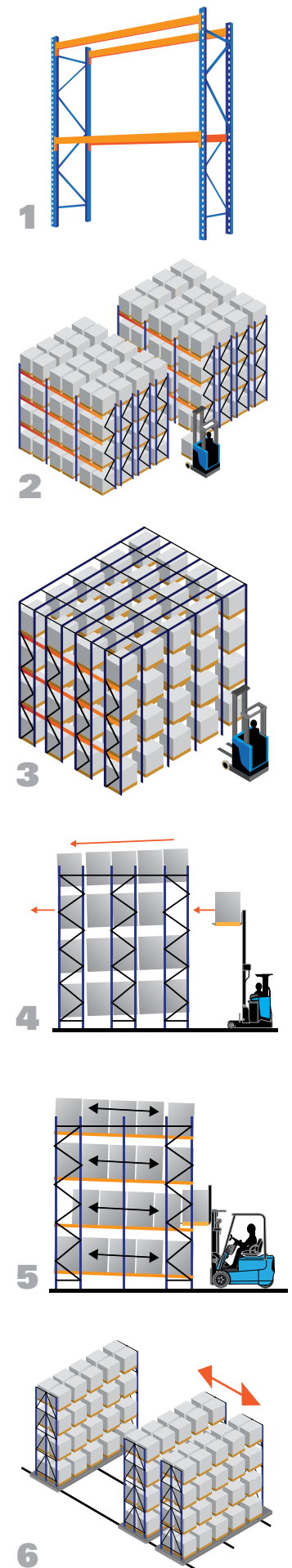
Getting it right, first time

"A fully automated warehouse will work extremely well when all products have common dimensions and weights and the products are going to be produced in the longer term," said Martijn Ligthoet, warehouse consultant with Dutch Cat lift trucks dealer, Crepa BV. An integrated, fully-automated warehouse is fast, very reliable and delivers big savings in flow handling time – but no two circumstances are exactly the same. Crepa in the Netherlands, Arolis in France, Bergé Manutención in Spain and Compagnia Generale Macchine S.p.A in Italy all undertake site surveys to help customers achieve the optimum solution. It will balance manual and automatic operations with storage density in order to achieve the best use of space, personnel and the right mix of trucks for most effective operation.

"A fully automated warehouse will work extremely well when all products have common dimensions and weights"

The site survey examines the total costs of process and how the logistics flow. Some dealers also use simulation software, which is a useful tool for showing the customer a visual presentation of how efficiency can be improved, together with financial calculations of the total operation. ■

Article feedback is welcome: Ruari@eurekapub.eu



The 6 Main types of racking
1. Standard pallet racking
2. Double-deep racking
3. Drive-in racking
4. Live/Gravity-storage
5. Pushback racking
6. Mobile racking

Finding the perfect person

A great deal of responsibility lies in the hands of a lift truck operator, so getting the recruitment process right can prevent many problems and enhance productivity.

Gay Sutton finds out how to ensure the selection process is effective

Asda, one of the UK's largest supermarket chains and part of the mighty Wal-Mart empire, has 386 stores and 25 distribution centres across the UK, and of 175,000 staff countrywide, 350 are lift truck operators. For over 50 years the company has been honing its recruitment processes, and for a sector where so much of the work is customer facing, it's logical to appoint staff for their team focus and customer care ability. Interestingly, however, the company has also developed a character-based selection process for its forklift truck operators.

"Our recruitment process is very rigorous and we primarily look for attitude," said an Asda spokesperson. "During the interview process we elicit what type of people they are, what drives them, their attitudes and talents, and whether they have the team ethic we're looking for. A candidate may have 20 years of forklift driving experience and that is fantastic, but we can always train them to drive a lift truck. What we're looking for is a really great attitude, wanting to work as part of a team and to do a great job every day."

For Asda, as for all companies that use forklifts, the driver holds a position of responsibility and power. Not only is the driver required to manipulate and transport the business's lifeblood – products and inventory – in a quick, efficient and safe manner, he is also in charge of an expensive weapon which can do a great deal of damage to a company's biggest assets, its people and property. Good driver recruitment policies are therefore critical to business performance.

"There's no room for show-offs when it comes to the operation of forklift trucks," said David Ellison, chief executive of the FLTA. "In the wrong hands, the forklift truck becomes a lethal weapon. So you need to be able to trust a driver to operate in the way they are taught – all the time."

A good driver, according to French Cat® lift trucks dealer Arolis, works quickly, calmly and precisely, and is well motivated. Most experts therefore agree that the most important personality trait to look for in an operator is an appreciation of just how dangerous the forklift can be, and the steadiness and stamina to operate it accordingly. Maturity plays an important role in this. "Mature personalities will be less gung ho with the way they do things and will be more aware of the consequences of their actions," explained Simon Docherty, technical development and standards delivery manager at RTITB.

"There's no room for show-offs when it comes to the operation of forklift trucks,"

The ability to concentrate for a long period of time is also critical, particularly where shifts may last for eight to ten hours and the tasks are repetitive. "It is a fact of life that at the end of a long working day concentration tails off. And because of this, conscientiousness is also a significant factor. Conscientious operators will be aware of the safety aspects of their actions and will automatically slow their operations towards the end of the day," Docherty continued.

The lack of such traits is likely to be recognised during training or in the early months of employment, but that may be too late. They need to be weeded out before making a job offer. There are many tools available to recruitment specialists to assess personality, and they need not be confined to large blue chip employers. "Smaller companies without human resources professionals could perhaps consider outsourcing this task as it can be so important," Ellison said.

Personality analysis using psychometric testing is one of the obvious options and conscientiousness, according to occupational psychologist Dr Mark Parkinson of the British Psychosocial Society, is the most predictive of workplace performance. However, he also points out that a forklift driver might need to display a certain degree of what he termed neuroticism – the desire to make sure things get done and done properly. "You don't want someone so laid back that they don't care if the job gets done," he said. "But here is also another very useful assessment called situation judgement testing, whereby the candidates are provided with a range of real life situations and asked to select their most likely reaction from a set of options provided."

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At a practical level, the good forklift operator needs to possess good spatial awareness, essential for manoeuvring trucks around closely spaced racking, placing loads precisely and accurately, approaching vehicles and racking at the correct speed and assessing the movements of pedestrians and vehicles in the working area.

Simple depth perception can be measured by an optician as part of the highly advisable general health check, sight and hearing tests. Another great tool to use is the trainability assessment. Run under the supervision of a qualified instructor or specialist, it involves watching the candidate fulfil a very simple manoeuvre, driving around an obstacle with a replicated load and positioning it in a predetermined spot. "The expert will quickly be able to see if the person has good motor skills: if they apply gentle pressure to the accelerator or jump on it, whether they get the pace and angle of approach right," Docherty said. "You're not looking for perfection, because these are not fully trained operators. You're looking to see if they have the rudimentary judgement skills to

go forward as a lift truck operator."

For Ellison, spending money training the wrong person is simply a waste. "Fitting a square peg into a round hole? Perhaps a better way of putting this would be: can you fit a thin flat peg (the fork) into a square hole (the pallet) every time? If the answer is yes, then you have a good operator. For the right person, a bit of quality training will work wonders."

"You're not looking for perfection, because these are not fully trained operators. You're looking to see if they have the rudimentary judgement skills to go forward as a lift truck operator."

Training, of course, plays a pivotal role in enhancing any natural aptitude for the job. Pete Kerfoot of Mentor Training, the UK's largest forklift training organisation, knows that a well trained operator can deliver significantly improved efficiency and profitability, but to the casual observer this slightly more measured pace might seem counter intuitive. "It's interesting that loading the vehicle may seem to take slightly longer if done correctly," he explained, "but when the job is done right first time there are efficiency gains. Correctly placed loads also take up less space, so productivity goes up. Moreover, there will be no damage to the truck, the load or operator so additional costs and downtime are avoided."

He has also seen examples of the wrong character in charge of a forklift. And more often than not the behaviour and skills learned during training is abandoned in the workplace. "We have occasionally been invited in to monitor driving standards on sites where there have been incident problems," he said. "When we enter the building, the operators are getting everything wrong and completely ignoring what they'd learned during training. But as soon as they became aware we're there, they slow down and do things by the book. The only problem is that once we've gone away again, they revert to normal."

"...When the job is done right first time there are efficiency gains. Correctly placed loads also take up less space, so productivity goes up."

Part of the solution, of course, is to impose a thorough regime of supervision and refresher training. "I don't think I've yet seen the perfect operator," Docherty admitted. "But getting the recruitment right will help you get closer to that ideal." ■

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