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Sideshifters: How to calculate return on investment (ROI).

Today, most lift trucks with Class II and Class III carriages are delivered with a sideshifter. The reason is clear when you understand the benefits of a sideshifter and examine its Return On Investment (ROI).

BENEFITS
- Reduced time and labor costs
- Reduced damage to pallets, product and rack or facility
- Reduced wear and tear on the truck (tires, steering, transmission, etc.)
- Potential for increases in storage density
- Higher productivity and reduced overall costs

SAMPLE ROI
The following example illustrates a typical application that considers only the costs of labor and pallets.

Assume
A Cost of installed sideshifter $1200

B Time savings . . . . .2% (.02)

Labor rate $12/hour

Working hours per day . . . . .8 hours

Working hours per year .245 days

C Loads handled per day 150

Working days per year . . . . .245 days

Preventable pallet damage on total number of loads handled . . . . .1% (.01)

Average pallet repair cost (50% of new pallet cost) . . .$3.00

Therefore, ROI equals

$1200 ÷ (.02 X $12 X 8 X 245) + (150 X 245 X .01 X $3.00)
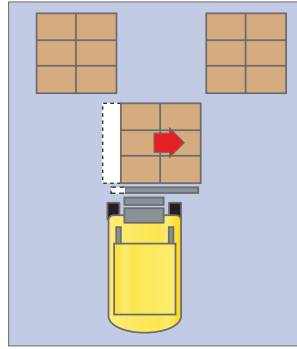
= $1200 ÷ $1573 = 0.76 years

or about 9 months to obtain a return on investment.

- An even shorter payback can be achieved when cost savings are applied to the other sideshifter benefits. Since these benefits vary by individual locations and need, assess them carefully when determining a specific sideshifter ROI.
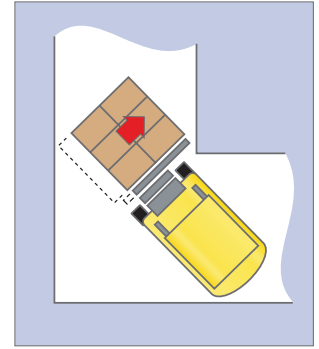
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THE ADVANTAGE OF OPERATING WITH CASCADE SIDESHIFTERS

Cascade Sideshifters added to standard lift trucks offer immediate and measurable savings through increased productivity and reduced product and pallet damage.

These savings permit rapid recovery of the initial investment. That adds up to an unusually high return on your investment (ROI).

Use this helpful worksheet to calculate the payback in your specific application.

Many benefits offered by Cascade Sideshifters have convinced a growing number of companies to include Sideshifters on every lift truck they buy. Some of those benefits are shown here.
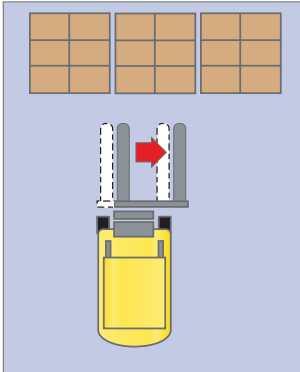

Less Damage to Pallets, Product and Racks

With a Sideshifter, operators can easily position forks for correct pallet entry, decreasing the chance of shoving forks into an improperly aligned pallet—a major cause of pallet damage. Likewise, the potential for product damage is significantly reduced. Since accurate fork positioning speeds movement, damage to racks is also reduced.

Faster Transit-Vehicle loading and Unloading

A Sideshifter permits the operator to spot loads against sidewalls or in tight stacks quickly and accurately. No more "jockeying" to get the exact entry position. Sideshifters also help operators breakout and place loads in difficult locations such as behind rail car doors and van side doors.

Faster Cycle Times

A Sideshifter permits lateral positioning of the forks or the load without repositioning the truck. Operators can make faster approaches with a minimum of maneuvering to spot the load. That means faster cycle times.
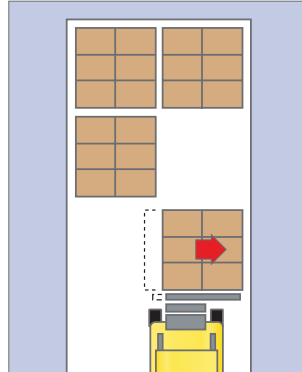

Improved Warehouse Stacking

Sideshifters simplify tight stacking and encourage neat, well-aligned stacks. That means better use of warehouse space.

Better Maneuverability in Tight Quarters

Sideshifters ease maneuvering in places like narrow aisles, rail cars and truck vans. The ability to shift the forks just a few inches frequently means completing the turn without repositioning the truck.
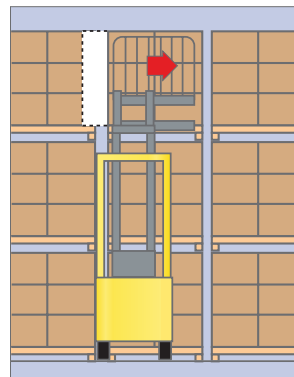
Reduced Truck Wear and Tear

Since trucks maneuver less, especially in transit vehicles and on dock boards, there's less wear and tear on truck components.

Use the worksheet below to calculate sideshifter payback time in any application.

A Cost of installed sideshifter $ _____(A)

B Savings in time using a sideshifter

_____ X _____ X _____ X _____ = $ _____(B)
% Savings in time   Labor rate   Working hrs. per day   Working hrs. per year

C Savings from reduced pallet damage

_____ X _____ X _____ X _____ = $ _____(C)
Loads per day   Days per year   Damage reduction   Average repair cost

D Reduced product damage $ _____(D)

E Reduced machine wear (tires, steering, transmission) $ _____(E)

F Other savings $_____(F)

Return on Investment (ROI) = $\dfrac{A}{B + C + D + E + F}$ **=** _____ **Years**

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