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JLG® Parts Distribution Saves Time and Space While Improving Productivity by Going Vertical

McConnellsburg, PA – July 12, 2004 – JLG Industries, Inc. began in 1969 as a pioneer in high-reach equipment and grew to become the world's leading manufacturer of mobile aerial work platforms and specialized material handling equipment. JLG supplies its customers (who rent, sell and lease JLG equipment) with parts for maintenance of their product lines.

JLG faced the challenges of consolidation, of outsourcing, and expanded product lines from acquisitions and increased demand for competitive brands. These increasing demands for support maximized the existing floor space. JLG had to either improve the efficiency of their system or face outsourcing a critical component of its business. JLG could not consolidate any more people or equipment in their existing 17,000 sq. ft. Parts Distribution Center.

JLG called in Mike Ward from V & H Material Handling, based in Enola, Pennsylvania. V & H is a vertical integrator. Mike's solution was to view the area and maximize on the high ceiling space and replace the mezzanines and shelves with motorized vertical storage and retrieval systems. This was accomplished in two phases with no plant shut down occurring, in addition, customer service was not interrupted.

The current system had people bumping into one another and inventory was hard to pick and pack. Utilizing Remstar's vertical storage systems along with J & D Associates SpoolMasterVC JLG realized a significant boost in performance and productivity. The new integrated system realized a 5-fold improvement in productivity while freeing up space and increasing sales.

For its part, J & D Associates SpoolMasterVC (Vertical Carousel) gave a significant boost to JLG's wire & cable handling storage and retrieval requirements. Before the SpoolMasterVC was installed JLG utilized 16 bays of racks that were 18 feet high with a footprint of 4 feet by 9 feet. The racks were stacked 4 across and 4 of them were stacked on top of each other. Imagine the material handling challenge of storing and retrieving spools of cable reaching 72 feet up. The time to search, locate and retrieve from various heights would push the time far beyond what was used to calculate the time saved for the study.

Before the SpoolMaster was installed, spools of cable/wire was manually taken down, dragged across the floor (often needing a path cleared), measured and cut. This was a two- person operation and had to be coordinated according to employee availability. At best the amount of time it took two people to retrieve, measure and cut 100 feet of cable was 5 minutes total (for two people). In reality it often took much longer due to the challenge of working and operating equipment to reach the various heights involved.

After installation of J & D Associates SpoolMasterVC, JLG realized significant time and space savings. Time was reduced to 1 & ½ minutes for only one person to retrieve, measure, cut and pull off 100 feet of wire or cable. The operation runs 24 hours a day, 5 days a week. Averaging 10 wire / cable requests per 24 hour cycle, JLG saved approximately 516 person hours per year. Floor space prior to installation was 144 sq. ft. After installation of the SpoolMasterVC, floor space was reduced to 66 sq. ft. for J & D Associates SpoolMasterVC and one remaining floor rack. Floor space saved was 58 square feet. Now, when JLG needs wire or cable to fill an order, one person brings the spool of wire to them and can unwind, count and cut the precise amount of wire / cable quickly, efficiently and more importantly, in a safe and reliable environment.

Going vertical gave JLG the improved productivity to meet its current and future demands. As part of the operation JLG integrated online requests realizing just-in-time delivery to its customer base. Out of the base of 5,000 customers, over 3,000 order on-line with three choices of delivery methods, same day, 24 hours or 3 day standard. Out of 1,200 orders per day, over half are priority. Thanks to vertical integration this permits JLG to meet that demand. When you think of improving space and time think vertical!

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Vic Erickson, Manager Logistics Parts Distribution operating J & D Associates SpoolMaster.

JLG Parts Distribution warehouse after complete revamping process.

JLG Parts Distribution prior to installation of vertical storage equipment.

Outside JLG Parts Distribution warehouse in McConnellsburg, PA facility.