

President's Message It's all about performance



Jack Phelan
President

Even the best companies can become overly confident when it comes to their products and services. Since material handling is the field I know best, I know it can happen to us.

For example, integrators can take great pride in designing, building and installing a system that meets the customer's requirements and operates efficiently. When this occurs, it would come as no surprise to find us congratulating ourselves on the quality of our work and a job well done.

It's only fair to say that taking pride in doing a good job for our customers is the way it should be. At the same time, we need to remind ourselves that what we may think about our work is irrelevant compared to the customers' judgment.

It can be difficult for us to recognize that the customer's view of our efforts is based on how their system performs over time, not just when it's new. In other words, customers rate us in terms of their system's long-term performance.

When orders aren't being filled and employees are standing around idle, that's

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Upcoming Seminar Using Picking Technology to Reduce Distribution Costs

- Discover the benefits of pick to light and pick to voice technologies and how they can reduce material handling costs
- Learn how to evaluate the picking technology that's right for your operation

Three convenient Florida locations

More information on page 2

For the Wine and Spirits Industry: The Task is Satisfying the Customer – Cost Effectively

With more mergers, rising operating costs, an increased number of global suppliers and a proliferation of brands and SKUs, distribution issues are a high priority for companies in the wine and spirits industry.

In a recent edition of the *Wine & Spirits Daily* blog, the moderator asked readers to comment on trends they see on the horizon.

Among the posted responses, two seemed to capture the sentiment:

"Innovative use of technology to better customize retail selection, better inform distribution and supply.

Consumer blogging will have huge and unexpected impact."

And this:

"Organic/biodynamic/environmentally friendly products will receive more interest, and the super fresh herbal/aromatic cocktail craze will continue to grow."

Whatever the future may bring, it's clear consumer demands and expectations are putting enormous pressure on the industry's search for more efficient, cost reducing and faster distribution solutions.

One industry leader, Harry Masi, Corporate Director of Logistics of Premier Beverage Company, an affiliate of the Charmer Sunbelt Group, one of the largest wine and spirits distributors in the U.S., is

thoughtful but clear about where he sees the future of distribution. He says it all starts with technology.

"There is no question as to the role technology plays in moving us forward, particularly the software," Masi notes. "Warehouse Management Systems, with their capabilities for real-time replenishment and label picking, are a major step forward. It helps us to keep a better balance between accumulation, picking and loading."



A Stewart Switch sorts picked cases on their way to shipping dock doors.

Technology's role in the industry is not exclusive to just the large companies. For Johnson Brothers Liquors, a wine and spirits distributor, serving both off-premise and on-premise customers across the country, technology is crucial to meeting customer needs and controlling costs.

"The technology always has to be on the cutting edge," says John Mannion, Operations Manager for

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Successful Slotting; More than Meets the Eye



Kelvin Gibson
Project Engineer

It's what happens after the seminar that's often of the most value. That's what happened after my colleague, Paul Hansen, and I presented a slotting seminar.

What we heard from a number of participants as they left caught our attention. Several said, "I always thought there were just the usual ways to do slotting. I didn't realize there were so many factors that went into it."

It's true. There are actually a number of techniques that can be used when slotting a facility, all aimed at placing product in optimal locations with the goal of minimizing labor, increasing throughput and improving both picking accuracy and optimizing replenishment operations. Knowing how to go about determining "optimal locations" is the big question.

For some distributors, the road map to that optimal location lies in the minimal travel distance needed for retrieval of fast moving items, by putting the products that move the fastest as the most accessible. For another, it's making the product layout intuitive so that the product can be easily found, such as using "family-based" grouping, where each product might be the same color, the same size, or have some other similar physical characteristic. But ultimately, all slotting should be based on a number of key factors:

1. The number of SKUs being used.
2. The number of order lines per day.
3. The available square-footage in the warehouse.
4. The type of storage media being used (pallet racking, carton flow, pallet flow).
5. The type of picking unit being used (cases, pallets, split cases).

Putting any mention of SKUs first is no accident. If you think of a distribution center as the human body, then think of the SKUs as the DNA, the elements that give the DC its shape and form. The primary consideration when planning the best way to set up your slotting is the product's SKU data. SKU information, such as product dimension, weight and on-hand quantity, are the key components when determining both storage medium

and handling methodology.

Wrapping your hands around this information may seem challenging, with some products carrying thousands of different SKUs. But technological advances have made it much easier. There are machines available, such as the CubiScan, which not only calculates the length, height, width and weight of an item, but also actually feeds the data into a computer.

In addition, you should also pick the proper storage medium for fast and slow-moving SKUs, be aware of both average and peak-picking days, and establish whether certain SKUs are affected by seasonality or special promotions.

As noted, knowing as much about your SKUs as you can will go a long way in making sure you maximize your throughput. But you must still be wary of potential mistakes that can occur when planning your slotting, such as:

1. Not taking into account the variability of the product movement.

All you have to do is look at the beer industry to know this is true. Years ago there were only a limited number of different beers and most were shipped in full pallets. Today, with the explosion in the number of microbreweries, the beer distributor is now dealing with hundreds of different beers, all of which have to be sorted, slotted and shipped.

2. Not putting the product in an optimal location. That same beer distributor may believe that since he's moving 2,000 cases per month of a certain product that it should be up front. But then he realizes it's predominantly moving only the first week of the month, so for the next three weeks it's just in the way.

3. Not storing product in an optimal storage media. The beer distributor has a fast-moving product. But instead

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An example of a full-case carton flow module

Upcoming Seminar Using Picking Technology to Reduce Distribution Costs

Why should you attend?

- You will be introduced to pick to light and pick to voice technologies and concepts that may be new to you
- You will learn how advanced picking technologies reduce labor costs, improve productivity and increase accuracy
- You will learn how to evaluate the picking technology that's best for you

Who should attend?

- Presidents and CEOs
- VPs of Operations
- VPs of Engineering
- Directors of Distribution
- Warehouse/Distribution Managers
- Staff Engineers

Three convenient locations

Wednesday, August 13, 2008

8:30 am Registration and Continental Breakfast
9:00 am-11:00 am Seminar
Radisson Hotel, Jacksonville, FL

Wednesday, August 27, 2008

8:30 am Registration and Continental Breakfast
9:00 am-11:00 am Seminar
TriFactor Learning Center, Lakeland, FL

Wednesday, September 3, 2008

9:00 am Registration and Continental Breakfast
9:30 am-11:30 am Seminar
The Westin Fort Lauderdale, Fort Lauderdale, FL

Presenters

Vice President of Operations,
Craig R. Bertorello
Engineering Manager,
Richard Gillespie



Craig Bertorello Richard Gillespie

There is no charge for the seminar, but seating is limited so you must register.

Call 1-800-282-8468 or visit www.trifactor.com/seminars

Johnson Brothers Liquors' Tampa, Fla. distribution center. "The biggest challenge is handling the increase in the different varieties of products, which makes the process of selection and scanning so important."

He points out, "This growth is perhaps biggest in the wine industry, which has grown approximately 25%-30% in the past five years. In just the last year, we've already added many different SKUs, as people's tastes change and the number of worldwide locations producing wine has increased."

The move in the industry to embrace technology is relatively new, according to Richard Gillespie, Engineering Manager for TriFactor, LLC, a material systems integrator which has installed systems at wine and spirits distribution centers throughout Florida, including Premier Beverage Company, Johnson Brothers Liquors, Southern Wine & Spirits, and others.

"The industry has been somewhat reluctant to try new distribution technologies," says Gillespie.

"Most wine and spirits companies have been using manual operations, with a simple conveyor system bringing the product to a person who manually merges multiple lines together, which are then conveyed to shipping where the cases are loaded on a truck. It wasn't until the early-2000s that most distributors started to make the move to automated sortation by using a shoe-sorter; a rectangular puck that pushes the boxes along a conveyor."

The results have been significant.

"With automated sorting, they have now improved their accuracy because the manual merger operator has been eliminated," he says. "Some companies are now able to sort up to 200 cartons per hour."

Headquartered in Orlando, Fla., ABC Fine Wine & Spirits, which distributes to its 150 stores in Florida, recently worked with TriFactor to solve a space problem it was experiencing at its facility. "We were only picking on one level of our distribution center," says Jess D. Bailes, Executive Vice President of ABC Fine Wine & Spirits.

"With the system that TriFactor designed and installed, we are now picking on all three levels—it's fantastic," he reports. "The system works flawlessly and this improvement alone has enormous cost-saving consequences since it allows us to remain indefinitely in our present facility."

Bailes makes an important point regarding the need to work within an existing distribution center, or at the very least have the ability to expand it, especially when construction costs can be exorbitant.

"Distribution centers are getting bigger and more costly," says Harry Masi. "This means we are designing and building facilities that are more flexible and expandable. Instead of looking for just a few years, we think a decade or more ahead." Masi adds that by making both his buildings and conveyor systems more expandable, Premier Beverage has

been able to add both accumulation and picking modules.

Johnson Brothers' John Mannion agrees on the importance of building it right, the first time. "I would design for future growth and maximum output," he says. "It's my belief that you design a building that's set up for 10 years down the road, but will last for 20."

For the beer industry, building bigger facilities isn't always an option. "The biggest distribution challenge I see in my industry is with the technology," says Chad Cain, Operations Manager for Thies Distributing, a multi-brand beer and alternative beverage distributor based in Palm Beach Gardens, Fla. "The beer industry is behind in the picking technology we are seeing in the wine and spirits industry, because we tend to be smaller houses and it's difficult to invest in huge facilities."

As the size of distribution centers continues to grow—some already topping the 500,000 square foot range, with talk about a possible one million square foot facility on the

horizon—and more and more product going out the door at a faster pace, a number of challenges have arisen in the wine and spirits industry. At the top of the list is fuel costs since virtually all orders—to and from distribution centers—are by truck.

"Without a doubt the major distribution challenge facing the wine and spirits industry is fuel costs,"

says Premier Beverage's Harry Masi. "It impacts us in two ways; in terms of the product being delivered to us, and then the product we deliver to our customers."

At one point, Masi felt he had part of the problem solved. "We invested in a fleet of hybrid Kenworth trucks that we thought would be good for metropolitan areas such as New York City," he recalls. "As it turned out, the trucks traveled such short distances in a day that the savings were negligible." Although this particular solution didn't work out, Masi advocates that the industry needs to pursue fuel-saving possibilities aggressively.

John Mannion of Johnson Brothers Liquors says that dealing with the high cost of fuel begins at home, with his own employees. "We urge our workers not to drive the forklift around the warehouse unless it's for a specific task," says Mr. Mannion. "And if you're filling out paperwork or doing other company business, don't do it in the truck while the engine is idling. Go to a McDonalds or Dunkin' Donuts, have a cup of coffee and do it there. That's what helps. It all starts with the employees."

In an industry dominated by glass products, all subject to interaction with fast-moving conveyors, forklifts and



Cases are scanned prior to 180-degree curve and then are tracked until they reach sort destination and are diverted down to dock doors.



FAQ

Frequently Asked Questions About Material Handling Solutions

John T. Phelan, Jr.,
P.E., COO

Q. "Why use a systems integrator?"

A. In sourcing material handling equipment, there are three basic choices: direct from manufacturer, distributor/dealer or a systems integrator.

If you have a high dollar purchase of material handling projects every year like the U.S. Postal Service, Wal-Mart and other large retail organizations that build distribution centers on an ongoing annual basis, a manufacturer can then justify supporting a direct sales effort to these organizations.

On the other hand, if your company is smaller and the material handling solution needed for your operation is more of a single product solution and not very complex, then a distributor/dealer can probably meet your needs. The typical distributor/dealer does not carry the engineering overhead of a systems integrator and definitely not the manufacturing overhead of a manufacturer.

This leaves companies with operations which are complex but don't spend millions every year opening new or re-engineering existing distribution centers. Rather, they modify their existing operations, add to them with minimal operational impact, and then every five to seven years decide to completely overhaul a distribution center or build a new one.

It is these companies that are a perfect fit for systems integrators such as TriFactor. We willingly invest our time with them through the entire five to seven year cycle and get to develop an in-depth knowledge of their operations.

When making changes at a distribution center that require weekend tie-ins so that Monday morning production is not lost, we make it happen, and when doing long range strategic planning for future operations, we are involved. When planning a building expansion or a new distribution center, we are engaged.

Q. "In the case of Design Build, how do I know that you will complete the project in a timely manner?"

A. When we do a Design/Build project, it is a cost plus contract with a Guaranteed Maximum Price (GMP). Unless there are changes in scope, the maximum price our customer will pay for the project is the GMP.

If the costs plus the profit margin drive the budget over the GMP, then TriFactor assumes the difference. Experience indicates that, although there are exceptions, project completion is directly correlated to project budget. In other words, chances are that if a project is behind schedule, it is also over budget. Thus, not only is TriFactor motivated to satisfy customer expectations by completing projects on time, but we also have a financial interest in doing so. For example, if a customer's project has a GMP of \$2 million and there are significant delays in the project that cause our cost plus profit margin to exceed \$2 million by \$100,000, then the maximum the customer pays TriFactor is \$2 million and we absorb the \$100,000.

Obviously, it's not our goal to absorb costs from profits.

In fact, it's our objective to report to our customers that the project came in under the GMP.

Q. "Either my engineering staff is committed to supporting ongoing operations or I do not have the necessary internal expertise for an upcoming project. What level of support do you offer as an integrator versus a pure consultant?"

A. Simply stated, the main advantage an integrator has over a consultant is that integrators implement the design.

Consultants typically charge much higher rates and only do the front-end work for a project. Once that is completed, they are done. Additionally, since consultants don't roll up their sleeves and do the implementation, issues often surface in their design that they have not considered and in the end, can be very costly.

Integrators have actual implementation experience and understand the reality of a customer's unique environment. These often turn out to be serious issues and include building column placement, roof joist sizing for live/dead loads from conveyors, mezzanine point loads for building footers, electrical distribution panel placement for conveyor control panels, air compressor location, sizing and service piping requirements.

Integrators recognize such building details as real considerations because they constantly work with them, while consultants may not take them into consideration.

At the same time, TriFactor has a competitive advantage over other integrators because of our team's knowledge and experience. Our in-house mechanical and electrical engineers have an average of more than 10 years experience integrating distribution systems with customers in a wide variety of industries. As a result of our performance track record, our customers turn to us for new projects year after year.

Q. "How is your company structured to support our company before, during and after the sale?"

A. We typically do business with companies that have a sole or partial presence in Florida. If they also have a presence in other states, we support them nationally.

As a result, TriFactor has designed, installed and serviced distribution centers from Florida to Hawaii—in most parts of the nation.

We are very well positioned to support our Florida companies due to our in-house resources and our locations throughout the state. At our corporate headquarters in Lakeland, Florida, we have electrical and mechanical engineers, electrical and mechanical technicians and our parts sales staff. We also have engineers in Jacksonville and a full-service technician in South Florida.

With all of these resources, we can service all of our Florida customers at any time. With respect to our national customers, we typically install systems that allow us to either dial into the PLCs that control the system or we can use a secure Remote Desktop to gain access to the control and monitoring system

Pet Supermarket & TriFactor Get the Job Done, With No Help from Mother Nature

The post office can boast all they want about getting the job done in “rain, snow, sleet and dark of night.” But chances are it never tried to build a multi-million dollar material handling system in the midst of one of the most devastating hurricanes in Florida’s history.

This was the task TriFactor faced in 2005 when it set about creating a distribution center for Pet Supermarket, the Sunrise, FL-based chain of 110 retail pet stores throughout the United States. But the challenge actually began six months before the first gales swept in off the Atlantic, when TriFactor and Pet Supermarket walked into a new 225,000 square foot facility Pet Supermarket had recently purchased. Recalls JJ Phelan, TriFactor’s Chief Operating Officer, “It was a beautiful facility, and had actually at one time been an airplane parts distributor, so the ceiling height was perfect for what we had in mind.”



A Hytrol ABEZ Zero Pressure conveyor shown exiting the third level of the two pick modules in order to bring cases to shipping.

What TriFactor had in mind was moving Pet Supermarket and the 8,000 pet products it distributed away from the outdated, manual picking system it was using, a costly endeavor to say the least. As president of Pet Supermarket, Diane Holtz had to be conscious of the cost of a new system, while balancing the very real need to stay competitive in a competitive industry.

“Once we secured the new building, we talked with TriFactor in the spring of 2005,” says Holtz. “We talked with them extensively about our products, about the very tough permitting process in South Florida, what we needed to accomplish, and when we needed it done. They convinced us through their design-build process that they could get it done on time and on budget, and I said ‘do it.’”

TriFactor collaborated with Pet Supermarket to formulate a Cost-Plus Contract, which would ensure a quicker completion date and reduce the overall cost of the project. Both parties viewed this as a win-win proposition. The decision was made to implement two 3 Level Pick Modules with a case conveyor system. This would allow the company to utilize its vertical space, reduce labor to pick orders, and improve pick accuracy. In addition to the automation, TriFactor engineered various rack storage systems to ensure proper stocking levels for all products. These rack systems improved space efficiency by utilizing the taller clear height

of the building and narrower storage aisles.

It was also important that TriFactor adapt to the fact that Pet Supermarket was dealing with products that were extremely heavy—such as bags of dry dog food and bags of cat litter—which couldn’t be placed on a traditional conveyor system. Plus, with so many items in bags, the chances of damage on the conveyor were high.

“It was determined that for those products it was best to install pallet flow racks,” says Holtz. “It made moving the heavier products much easier by just lifting up entire pallets off a floor or from one of the upper levels and taking them right to the trucks. It worked great and replenishing was easier.”

The project was moving along smoothly until Hurricane Wilma slammed into the South Florida coastline in October 2005. In the midst of 100-mile an hour winds, traffic lights no longer worked, gas stations closed down, electricity went out, and the workers who had come from Tennessee to install Pet Supermarket’s new system said they had seen enough and went home. But TriFactor got them to come back.

“To their credit, TriFactor persisted and brought all the workers back,” says Diane Holtz. “They had to put them up in luxury hotels because all the lower and middle priced rooms were being used by displaced families. They worked around the clock, and impressed me a great deal by their speed and hard work in getting all the necessary permits in place.”

In December 2005, the system was up and operational. The immediate result was improved efficiency, a reduction in labor, better space utilization and improved order accuracy. “They did a terrific job and I’d recommend them to anyone in a minute,” says Holtz.



The north end of Mecalux 3-level pick module. The 1st level is used for picking from carton flow rack, 2nd & 3rd levels are used for picking from pallets.

when you make your decision about the quality of a material handling system. Frankly, that's when we win or lose with you.

At a time when every order makes a difference, every employee must be fully productive and customers are in short supply, you cannot afford down time. This is why we are constantly developing new service benchmarks and raising the maintenance bar. From your perspective and ours, *the best service equals less down time.* Great service isn't just about "quick response," even though that's important and it isn't just about having the best-trained and most competent service technicians, although that's essential, too.

Our goal is to do everything possible to avoid the need for emergency service calls. It's an achievable objective because we know how to prevent breakdowns and lost time occurrences.

Here's how it is done:

- Regular system inspections
- Consistent preventive maintenance practices
- Keeping accurate maintenance records
- Maintaining an on-site inventory of basic parts

Because down time drives up your costs, TriFactor has developed a *Planned Maintenance Program called TriFactor Care*, that goes a long way toward avoiding unnecessary service calls and expensive "emergency situations" by incorporating these four "best practices." It's good for your system, your budget and your productivity.

It's no accident that one of our customers says, "This thing just keeps running and running." That's what *TriFactor Care*, our *Planned Maintenance Program*, is all about. In other words, it's performance that counts.

If this makes good business sense to you and you would like to know more about it, please talk to us.

Do it once and it's done: 100% weight and dimensioning accuracy

There's no reason to waste money because of inaccurate weight and dimensioning, when you can do it right in a couple of seconds with CubiScan.

For ongoing convenience and accuracy, CubiScan archives the data in a PC so it's always ready. It buffers thousands of data records, interfaces with bar-coding scanner equipment and label printing devices, and communicates directly with existing manifesting and warehouse management systems.

The popular CubiScan 150 accommodates lengths from 3" to 48," widths from 2.4" to 39" and heights from 2.4" to 40." And it takes weights up to 150 lbs. It's portable, too, so you can move it easily to wherever it's needed.

The CubiScan 150 is now available from TriFactor for rent, lease or purchase. Other models for lease or purchase are also available.

Contact info:
Toll Free: 800-507-4209.
Email: jjphelan@trifactor.com



TriFactor President Recognized for Service to the Material Handling Industry

At the recent annual meeting of the Material Handling Equipment Distributors Association (MHEDA), held in Orlando, FL, Jack T. Phelan, President of TriFactor, LLC was recognized for outstanding service to the material handling industry.

Mr. Phelan, current president of the association, was presented with President Bush's Volunteer Service Award, which recognized his dedication to continually

volunteering his services to both the community and the material handling industry. Also receiving the award were current MHEDA board members and past presidents over the years.

The Material Handling Equipment Distributors Association (MHEDA) is the only national trade association dedicated solely to the success of the independent material handling equipment distributor.



Jack Phelan, President of TriFactor, receives his industry award

Successful Slotting: More than Meets the Eye Continued from page 2

of storing it on a pallet, he's using carton flow, which can't hold as many cases and is slowing down the picking and forcing him to replenish faster.

What we've discussed to this point is how to maximize your slotting efforts *today*. But what about *tomorrow*? What does the future hold?

The major change we've seen in the past few years and will continue to see moving forward is the end-user dictating to the supply chain how they want their distribution center set up. Large companies, such as Lowe's and Wal-Mart, are now telling their distributors that they want their product shipped on pallets that are set up like their stores, to make it easier for

unloading and stocking. In order to accommodate their larger customers, some companies are setting up "mini-stores" in their distribution centers, where the products for that particular store are already set up on pallets to make shipping easier. This is more common when suppliers are working with large chains, as opposed to when a large supplier is working with smaller stores.

As we indicated at the slotting seminar, the importance of using as much SKU data as possible when slotting your distribution center cannot be overlooked or underestimated. Simply put, good data leads to positive results, bad or incomplete data leads to poor results.

For the Wine and Spirits Industry: The Task is Satisfying the Customer – Cost Effectively Continued from page 3

human error, it's no wonder that breakage has always been a concern. Harry Masi explains, "Advances have been made in this important area. Due to technological improvements in material handling systems, cases now ride better on conveyors, particularly with the ability to control carton spacing helping to reduce breakage."

At times, however, the problem isn't the conveyor, but what's being placed on it. "The lightweight and rather flimsy cartons we see today from imports in many instances contribute to breakage," Masi offers. "High humidity in some parts of the country can cause these cartons to expand just enough so the bottles move too much."

For ABC Fine Wine & Spirits, breakage wasn't so much due to the conveyor but the route the conveyor was taking. Says TriFactor's Richard

Gillespie, "ABC was experiencing a lot of breakage with the conveyor coming out of the wine room at its distribution center because the product was getting stuck in the turns and there was too much back pressure on the cartons. We replaced the minimum pressure conveyor with a zero pressure conveyor and replaced the skatewheel curves with powered curves. Problem solved."

Has ABC noticed a drop in breakage since the new system

became operational? "We are definitely seeing a benefit," says Jess Bailes. "Breakage in dollars is flat but the amount of product we handle is way up."

As technological advances and challenges are met and, hopefully, overcome, the wine and spirits industry looks to find more cost-effective ways to distribute its products. "The handling of cartons is getting more expensive," says Jess Bailes. "The issue now is who handles cartons and at what cost. Cartons can be handled at least five or six times, and as many as eight times, before the product gets to the store shelf."

Harry Masi agrees. "Distribution in our industry is labor intensive; we are always looking for ways to reduce labor costs, improve picking accuracy and increase throughput. But the question remains: at what cost? The ROI must be reasonable."

This brings us full circle to the question of technology and the importance of having the right material handling system in place to accomplish your goals.

"We do a lot of work in the wine and spirits industry," says Richard Gillespie of TriFactor. "We know what they are trying to accomplish, and what picking methods work. We work closely with them to solve any problems. We share their pain and learn from each other."

When dealing with wines and spirits, a \$90 billion a year industry, it's important that the learning exceeds the pain.

"We are always looking for ways to move the entire process forward," states Premier's Harry J. Masi, "in ways that maintain a proper balance, while getting products to our customers when and where they want it as a top priority."



Multiple lines from different picking areas are merged in stop/route order prior to induction to the shoe sorter.

FAQ About Material Handling Solutions Continued from page 4

to support remote troubleshooting.

If that isn't sufficient, our engineers will arrive quickly to help resolve the problem. Should the issues be more maintenance related, our in-house technicians can be dispatched, as well as national companies that we can access for support.

Our parts support is exceptional. We always prepare a list of recommended spare parts for customers to inventory so that they are readily available in case of a catastrophic failure. We

also drop ship parts overnight from the factory in case of an immediate need.

On a more proactive basis, we offer a variety of Planned Maintenance programs that place all or most of system maintenance responsibility in the hands of our trained professionals.

If you have questions, please email them to JJ Phelan at jjphelan@trifactor.com.



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ROI Focus

THE DISTRIBUTION SOLUTIONS NEWSLETTER FROM TRIFACTOR

Hansen named Project Manager

Paul Hansen has been promoted to Project Manager. His duties include designing, engineering and managing multi-million dollar contracts for customers in the distribution and order-fulfillment industry. He reports to Craig Bertorello, Vice President of Operations, and Richard Gillespie, Engineering Manager.

Paul is a graduate of the University of South Florida where he earned a BS in Mechanical Engineering.



Paul Hansen
Project Manager

December 31, 2008 deadline: Special new equipment depreciation bonus

The Economic Stimulus Act allows additional first-year depreciation of 50% of the purchase price of new equipment, as well as other tangible personal equipment.

The Act increases Sec. 179 of the Internal Revenue Code expensing limit to \$250,000, with a phase-out cap of \$800,000. After that, expensing is phased-out with each dollar that purchases exceed \$800,000.

In other words, the existing law's \$128,000 expensing limit has been increased to \$250,000 and the

phased out threshold from \$510,000 to \$800,000 for the 2008 tax year.

The important point is that the equipment must be purchased and placed in service by Dec. 31, 2008, the date on which the depreciation bonus expires.

Since companies often make their equipment purchase decisions in Q3 and Q4, now is the time to make sure you benefit from this unique cost-saving benefit.

If you need more information, please contact us.

TriFactor's material handling system core capabilities

Engineering

- Facility & Operations Design (New Building, Building Expansion, Re-engineering)
- Slotting Analysis
- Existing System Audits
- Needs Analysis
- Project Management

Systems Support

- Installation (Mechanical, Electrical)
- UL 508A Industrial Control Panel Building Shop
- Start-up and Debug
- Planned Maintenance Agreements
- Emergency Service
- Operator and Maintenance Training
- Spare Parts

Systems Integration

- Conveyors (Case/Carton, Pallet/Unit)
- Order Picking Technologies (Voice, Lights, Paper, RF)
- Sortation Systems (Shoe, Narrow Belt, Pop-Up Wheel, Pusher)
- Storage Solutions (Pick Module, Pallet Racking, Carousels, Shelving)
- Mezzanines

Controls & Software

- Machine Control (PC, PLC, HMI)
- Process Routing (WMS, WCS)