



WHAT SIZE OF BUILDING DO YOU REALLY NEED?

RENTAL COSTS are increasing rapidly. Leasing a building that is bigger than you really need can have a negative impact on your long-term profitability.

In our white paper, we show an example of **how the use of VNA forklift technology saves space and reduces overhead costs**, simply by requiring less square foot (ft²) of building compared to older forklift technologies like the reach truck.

OPPORTUNITY: Moving into a new building is a great opportunity to plan properly, so you get the maximum benefit from the new space. Warehouse planning should include a careful study on how to maximize the pallet capacity of your new warehouse.

TECHNOLOGY: By adopting the latest forklift and racking technology, your business will need less square (ft²) of building, which means lower overhead costs.

PREMISE FOR CALCULATING R.O.I. Your warehouse space exists to store pallets. To compare different storage options, simply calculate your cost per ft² used for pallet storage, over the period of your building lease. This method often shows that “expensive” forklifts that work in very narrow aisles save money over the long-term.

ROI CALCULATION	REACH TRUCK EXAMPLE: 5,000 PALLET POSITIONS	VNA TURRET EXAMPLE: 5,000 PALLET POSITIONS
(Rental cost per ft ² \$_____ + OPEX per ft ² \$_____) x warehouse space used for pallet storage ft ² _____ x Years of lease contract _____) + Purchase cost of ___ forklifts \$_____ + Purchase cost of racking \$_____ = total cost \$_____	(Rental cost per ft ² \$14 + OPEX per ft ² \$3) x warehouse space used for pallet storage ft ² 50,000 x Years of lease contract 5) + Purchase cost of 3 forklifts \$200,000 + Purchase cost of racking \$500,000 = total cost \$4,950,000	(Rental cost per ft ² \$14 + OPEX per ft ² \$3) x warehouse space used for pallet storage ft ² 40,000 x Years of lease contract 5) + Purchase cost of 3 forklifts \$500,000 + Purchase cost of racking \$500,000 = total cost \$4,400,000
Storage space needed	50,000 ft ²	40,000 ft ²
Residual value of forklift equipment	-\$100,000	-\$250,000
Racking protection	\$25,000	\$0.00 (Unnecessary for wire-guided forklifts)
Damage	Damage to racking after 5 years: \$500,000 x 5% = \$25,000	Damage to racking after 5 years: \$500,000 x 1% = \$5,000
Total costs	\$4,950,000 - \$100,000 + \$25,000 = \$4,875,000	\$4,155,000 - \$250,000 + \$5,000 = \$4,155,000
Savings over 5 years		\$745,000

Look to Meriton as your partner in reaching your strategic growth objectives...

WHERE OUR NUMBER ONE GOAL IS TO FIT THE MAXIMUM NUMBER OF PALLETS INTO YOUR WAREHOUSE.