



10179 Wayne Avenue · Cincinnati, OH 45215
Tel 513.772.5560 x212 · Fax 513.772.5561 · www.resindek.com

Value Engineering = New Opportunities to Grow Material Handling Sales

Did you know that approximately 50% of all elevated work platforms installed in new distribution centers are built by the General Contractor at the time of construction?

What do you suppose these contractors use to build these structures? If you said concrete and steel, go to the head of the class. Traditionally, the material handling industry has been left out of this segment of the market. Some mezzanine manufacturers estimate this segment to be as much as **50 million square feet per year** in solid economic times. Concrete is not a bad choice – It is strong, noncombustible, and waterproof. However, there are other choices that have the potential to create significant new business opportunities for your organization.

With a little up front homework, we believe that as much as **40%** of this market could be secured by the material handling industry, including systems integrators, dealers, and rack and mezzanine manufacturers.

Recent advances in engineered wood products have positioned it to be an increasingly effective choice for flooring on elevated work platforms. Selecting engineered wood panels instead of concrete saves 30 lbs per square foot of dead load on the structure, which equals 1,500,000 lbs on a 50,000 sf mezzanine!

In addition, concrete structures need to be considerably more rigid to prevent damage to the concrete decking that comes with flexure. To be free from flexural failure concrete decking must be prevented from deflecting more than L/360, while an engineered wood products platform is designed for L/240.

As a result of smaller dead loads, and a greater allowable deflection, footing sizes can often be reduced or eliminated, and the required amount of structural steel in the work platform can be reduced by as much as 35%. When footings can be completely eliminated with closer column spacing, a potential tax savings may also be gained. In other words, “Reduced weight plus increased allowable deflection equals Big Savings for your Customer, and Sales Opportunities for your organization!”

This cost savings opportunity is not limited to one supplier’s product. Plywood, oriented strand board, HDPE laminates over wood panel products, and engineered composite panels are all examples of materials that can be substituted for concrete and provide significant savings opportunities for your customer. Be sure to check with the end user as well as your supplier to make sure that the product you are quoting will with perform well when subjected to the loads (point, uniform, or pallet jack) that the end user might require. Also be sure to check the manufacturer’s warranty to verify that the supplier stands behind his product.

At our company, we have gone to the trouble to build a “theoretical concrete mezzanine” from the ground up. This model includes footings, columns, steel substructure, joists, corrugated form decking, concrete deck, stairs and handrail. All figures have been verified with several general contractors to be “in the ballpark” for unit prices. We then went through the same exercise with an engineered wood panel work platform, and implemented the savings with less expensive decking, less steel and lower

installation costs. Using this model, the savings amount for switching decking surfaces can easily be calculated.

So, what is the homework required to capitalize on this opportunity?

- Identify your Prospects
 - What companies are adding Distribution Centers in my Geographic Region?
 - Who are the players that need to be influenced in the design process?
 - When is the project going to be built? What is the timetable?
 - Will there be a requirement for a mezzanine or elevated platform? If so, is the platform scheduled to be built by the GC? If that is the case, this project is a prime opportunity for your company to provide a VE Proposal!

- Get Prepared to provide a Value Engineering Alternative to a Concrete Mezzanine
 - How? Meet with your Engineering Staff (or that of your manufacturer) to design and analyze the structure, prepare a bill of materials, and do a cost analysis to determine what it takes to build the structure with concrete vs. engineered wood products.

- Secure the inquiry
 - Why should a prospect listen to my company's proposal? Because you have done your research, and providing the end user with a significant cost savings alternative is a great way to forge a long-term relationship with a new account.

Several End Users have tried this option, and have been delighted with the results. Two years after the installation, a facility manager at Dell Computers told an architect and me that "The engineered wood product floor was more ergonomic for our employees, and resulted in far fewer lower back and foot issues than a concrete floor." In addition, "It allowed us LEED Credit opportunities, and resulted in significant savings."

While dealers and distributors may not get too many contracts directly with general contractors, how many end users could be influenced to purchase from your organization if you were able to present them a value-engineering proposal with the potential to save them \$100,000's? In today's challenging economic climate, it seems that exploring this question further is a no-brainer.