



Hanover Terminal 'wows' its customers

PERF

Imagine a third-party logistics provider that receives, ships and tracks orders for more than 12 million cases of products a year — it could be glassware from Romania, Thailand and Hong Kong, or mandarin oranges and pineapples from Israel and Spain. This same company was recognized in 2004 as the top regional forward warehouse for Sysco Corp., the largest food service distributor in the United States.

Hanover Terminal Inc., with facilities in Hanover and York, Pa., was measured for on-time shipping, inventory and shipping accuracy, order fill rates, overall service responsiveness, and audits and inspections, among other logistics disciplines. Hanover achieved 99.98 percent shipping accuracy for Sysco Operating Companies.

The two Hanover warehouses and two in York total nearly 1 million sq. ft. of modern distribution space, and they include 110 truck doors and 11 rail docks. Much of the product handling is done by 14 Mitsubishi forklifts.

Speaking from his office in one of the Hanover facilities, operations manager Tim Nicholas says, "A company like ours, with 35 doors at this facility alone, needs forklifts that are reliable and efficient to load and unload 15 trucks at a time. The forklifts have to be very user-friendly because safety is always at the forefront here."

HIGH-TECH INVENTORY CONTROL

Products arrive at the Port of Baltimore and are unloaded and stored in the four warehouses until orders are received, often via Electronic Data Interchange (EDI). Orders are then automatically routed and consolidated into truckloads for delivery to most customers throughout the Northeast. In the case of several accounts, they can be shipped all over the country, either to other distribution centers or directly to the customer. Hanover's ability to consolidate orders of several accounts into truckloads can reduce customers'

freight costs enough that the savings offset the cost of handling and storing the product.

"Our customers want an organization that can provide trucking, warehousing and logistics," Nicholas says, "so we adapt our services to what the customer needs. We provide service on a personal level and pay attention to details. We do a lot of hand picking, whereas larger companies only handle bulk. Our proximity to major transportation routes is also an advantage."

With so much coming in and going out, inventory control is paramount. Almost all products are canned or boxed food. They are shipped on a first-in, first-out rotation. To keep track of everything, Hanover uses an inventory lot system. With it, a computerized history of each shipment that arrives at a warehouse includes the number of cases of each product, its description and weight. Then each case is assigned a number and location. It's all computerized so customers can access Hanover's Web site and view their inventory.



AWARD-WINNING PERFORMANCE

"The challenge is keeping the system intact from beginning to end," Nicholas explains. "We make sure everyone learns and understands our philosophy. If a step is skipped, there is a bump in the road that could be an issue later."

The company has about 70 accounts, and each receives five to 20 container shipments a day. Orders vary from 2,000 to 4,000 cases, and could take a forklift operator an entire day to pull. Or, the same number of cases could be full pallets, so the order could be filled in an hour or two.

FORKLIFTS USE SEVERAL ATTACHMENTS

Hanover's Mitsubishi forklifts work in several capacities. They load and unload shipments and move product around the warehouse. And, they have to lift pallets weighing up to 2,500 lbs. up to 10 ft. in the air.

"The warehouse we're in is more than 300,000 sq. ft.," Nicholas says. "That's a chunk of real

estate where we have to maneuver thousands of cases every day from one end to another. We must have confidence that each forklift has the ability to do the job."

Hanover's 14 Mitsubishi forklifts are the LP-gas powered, 5,000-lb.-capacity FGC25N. They are specified with three- and four-way hydraulic valves to use a variety of attachments, necessary to handle all the different types of freight.

"There could be eight layers of cases on a skid," Nicholas notes, "and the operator may only need to lift off the top six cases. We have a huge box clamp that squeezes the sides of the cases so we can move freight around efficiently."

A slip-sheet attachment is used to grab and pull out the cardboard sheet placed underneath product that comes in on railcars or trucks. That product then can be loaded onto pallets. Another attachment is a roll clamp to lift and transport rolls of paper safely and securely.

The Mitsubishi forklifts have all the latest

safety features, including lights, horns and backup alarms. "These forklifts are very operator-friendly," Nicholas says. "The cab is compact and comfortable. Operators don't have to reach and stretch; they just move their hands around. The levers are very sensitive and easy to use. The operators are also very pleased with their performance and maneuverability."

Hanover does its own forklift operator certification. As part of the training, each morning operators are required to fill out a safety checklist on their vehicle. For the most part, they are assigned to a specific vehicle, although this is not a critical issue because all the Mitsubishi forklifts are the same model. However, there is cross-training needed because of the multiple attachments.

"It takes trained and skilled operators to be able to maneuver the forklifts and handle glass jars filled with cherries, olives or juice," Nicholas says. "Luckily, we have enough talented operators on-site who can handle any job."

Reliability is another reason Hanover chooses Mitsubishi forklifts. The company runs two shifts a day, five days a week, and on weekends as required. The trucks that load and unload semis all day pile up hours rapidly. Operators who pick orders don't have as much run time because they're starting and stopping more frequently. Whatever the use, the forklifts need to be working all day.

Hanover's newest forklifts were acquired on a long-term lease about two years ago. The local Mitsubishi dealer takes care of all maintenance. "It sends in a technician for regular planned maintenance," Nicholas says. "Other than our daily inspections, we really don't do any maintenance at all. The service technicians are usually here twice a

week, and one will come right away if we call."

He adds, "I've been using Mitsubishi forklifts for more than 20 years, and they've come a long way in design, but they continue to be reliable. There's very little downtime, which I count on because I need equipment that is up and running everyday."

OLD-FASHIONED MUSCLE

Hanover Terminal started in 1956. It was purchased by Kurt Dietrich in 1977 and has more than tripled the operational capacity since. Last year more than 300 million lbs. of product passed through the company's distribution facilities. Hanover draws particular inspiration from the strong work ethic and rock-solid integrity of the Pennsylvania Dutch farmers who keep the agrarian tradition alive in surrounding south-central Pennsylvania.

"We are really a company where high-tech mixes with old-fashioned muscle," Nicholas says. "We're both a business and a family, and that about says it all. The tenure of our employees is exceptionally long, as is the tenure of most of our accounts, which on average is about 15 years. We just don't have turnover."

"A company like ours needs forklifts that are reliable and efficient to load and unload 15 trucks at a time."

Tim Nicholas
Operations Manager



Reliability and performance are key for Hanover's 14 Mitsubishi forklifts, which run two shifts a day, five or more days a week.

He concludes, "It's that spirit that keeps the trucks moving in and out of our facilities on time, often at a rate of 100 or more a day, and our customers happy." *i*



Hanover Terminal's four warehouses total nearly 1 million sq. ft. and include 110 truck doors and 11 rail docks.

COMPANY PROFILE

NAME:
Hanover Terminal Inc.

LOCATION VISITED:
Hanover, Pa.

MARKET:
Third-party logistics provider, primarily of food items

MITSUBISHI FORKLIFT TRUCK MODELS:
FGC25Ns

MITSUBISHI FORKLIFT TRUCK DEALER:
Accurate Lift Truck
York, Pa.

