



HOIST
LIFTRUCK

STRONG Roots, Bright FUTURE

Manufacturing is something in which Hoist believes very strongly. "Our branding is 'Big Trucks Forged in America.' It's not just branding our market line. Ownership felt very forcefully that there is no better place to build big trucks, than in the Midwest," says Vice President of Strategy and Development Stu Jacover.

Written by Mark Golombek

In June of 2015, *Business in Focus* sat down with this manufacturer of heavy-duty forklift trucks in Bedford Park, Illinois. At the time, some exciting developments were underway: a new 550,000-square-foot plant was nearing completion, and a large contract with the government had solidified its standing as the go-to manufacturer. Since then, there have been innovations and products from this very proud manufacturer of American-made products.

The new facility is in East Chicago, Indiana and Jacover believes that this is a fantastic environment for manufacturing. The plant has steel plate coming in one end and finished trucks going out the other.

The steel is formed by lasers and plasma cutters to make the various parts needed to manufacture trucks. From there the work product goes into an extremely large welding department. Hoist hires welders certified by the American Welding Society although state-of-the-art robotic welders are used in various parts of the process. Hoist machines many of its own parts, unlike other companies.

"Our competitors will build a chassis in Mexico before shipping it into their facility and build the truck from there. We build our steer axle, chassis, mast, and cabs. The only things we bring in as far as purchased parts go are from the drive line: engine, transmission, and radiators. As far as the nuts and bolts of the truck itself, that is all being made in our East Chicago facility," says Jacover.

Hoist has one of the largest ovens for powder coating, so when truck parts come from welding and machining, they are powder coated in a booth on the premises. After painting, trucks are assembled in one of our 22 assembly stalls. Finished products end up in the testing area, and after testing and a thorough inspection, the trucks are prepared for shipping.

Prior to the new plant opening, Hoist was manufacturing its products at the facility in Bedford Park, Illinois for twenty years. The company's new \$40 million plant has much more space and has been manufacturing a full line of Hoist products. It recently celebrated its first year in production.

The East Chicago plant naturally gives the company an impressive production capacity as it is the largest high-capacity forklift ►

▶ manufacturing plant in North America under one roof. This brought in the plasma and laser machines, robotic welders and paint booths as well as the testing area.

"There are many areas where we invested a lot of money to get the facility ready and prepared. As far as staffing goes, we are on pace to have five hundred employees, in high-paying jobs working at the plant by 2020," says Jacover.

This is a mutually beneficial relationship between the company and the community. When someone buys a Hoist truck, it helps the families of the 370 employees who work in the plant. Hoist then takes that money and buys Cummins engines from Columbus, Indiana or other parts such as axles and transmissions from the Midwest. The money goes into the supply chain and supports other vendors, who will, in turn, support Hoist and its customers.

Hoist was in the midst of following through on a \$900 million government contract with the Defense Logistics Agency, the last time we spoke. The majority of the product was in the P-Series of large pneumatic trucks which is an extension of the P-Series of port equipment. It also includes empty and loaded container handler equipment for military bases.

"Every base is a little bit different. We've shipped these trucks all throughout the U.S. and around the world for other U.S. bases on that government contract. It's all going very smoothly with no issues to report. It's a fantastic success story," says Stu.

The military prefers to do business with products that are made in America. However, the government has previously awarded contracts to a Hoist competitor which manufactures in Poland. Hundreds of millions of dollars are going into contracts to do this work in Poland, and this is an issue for Hoist.

"It's a good company, but should the U.S. government be spending \$100 million in Poland when they can buy that same product in East Chicago, Indiana? I say no, and think a lot of people would agree with me," says Stu. Doing business in America is something which Hoist has always supported. For twenty years, it has been building large-capacity cushion and pneumatic forklift trucks in this country.

"We and many American manufacturers want to level the playing field. We just want to be treated fairly. We have heard a lot about the Trump administration and how things are going to change in that respect. By buying a product manufactured in Poland, that money is supporting families in Europe. That's



fine, if that's your plan, but many want to support people here in the U.S.," says Stu.

Hoist can compete with their European-based competitors in the U.S., but in Europe, that changes. Significant taxes, duties, and tariffs are unavoidable, and that gives a great advantage to competitors. Hoist feels strongly about being 'Made in America.' Jacover stands by his assertion that the best products and innovations come from the U.S. and that consumers want to invest in these products.

Hoist's FR series of extendable frame trucks have been extremely well received. Hoist recently launched its newest smart screen technology, which has already been implemented in the FR Series. It is similar to the smartphone and will enable the user to have a variety of functions at their fingertips. It will also be featured on the Neptune Series and other products.

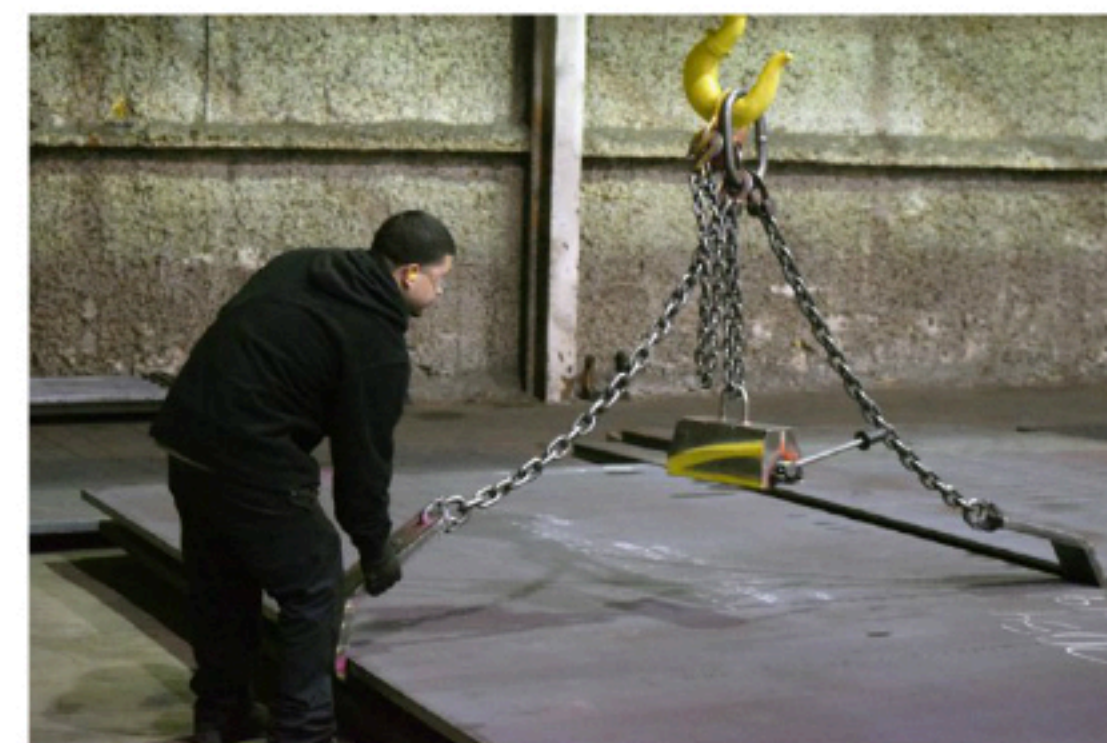
"Our competitor on the FR has nothing to compete with this. Really, in any of the trucks we sell, there is nothing like this technology currently. Other vendors may have some limited screens, but there is nothing out there in the space we compete in," says Jacover.

There are other new products like the Hoist T-Series terminal tractor offering. These are used to move semi-trailers around a yard and can be found along with reach stackers in the ports and big box environments. There are a very limited number of suppliers for this product.

"We have been accused of being a market disruptor in this area as there is very limited capacity, as well as long lead times, and we are certainly looking to change that. Our competitors' average lead times are nine to twelve months. We can shave that down to a twelve to sixteen week lead time based on our manufacturing capabilities," says Jacover.

The first offering of the Hoist T-Series is going to be diesel and the next version, which will be coming out in the first quarter of 2018, will be electric. There are virtually no competitors making this product, except for a small start-up company that is using Chinese parts.

"We will be building an electric terminal tractor, one hundred percent sourced with North American parts and components. We are very excited about that. In our engineering pipeline, we are going to be launching an electric version of our P-Series product line, which is a pneumatic tire for an outdoor truck," says Stu.



Finally, Hoist is in the process of developing its first alternative fuel cell vehicle. A hydrogen fuel cell will power a normally electric product.

Continued investment in the manufacturing facility and the partnership with East Chicago have produced a standalone centre where a customer will be able to view the products in action, and test-operate the trucks. It is a unique place in the big truck industry.

"We feel that it is a real value-add for our customers and another exciting part of coming on the facility tour," says Jacover.

A press conference took place on April third at the ProMat exhibition during which Hoist introduced its electric initiatives. It has been building big electric material handling vehicles for over one hundred years, so it has a tremendous amount of experience in the field. It saw its largest volume of electric truck sales in 2016.

Hoist is the leader in electric forklift vehicles. During the ProMat conference, it also launched its first AC drive electric forklift truck, which will require less maintenance.

The new facility is uniquely designed to support its customers, and presently it is at only about half of its production capacity. "We are built for the future and anticipate an increased demand. The FR series and our pneumatic equipment is also going very strong. New products will be introduced shortly. It's all growing out of our plan," says Jacover. ■

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