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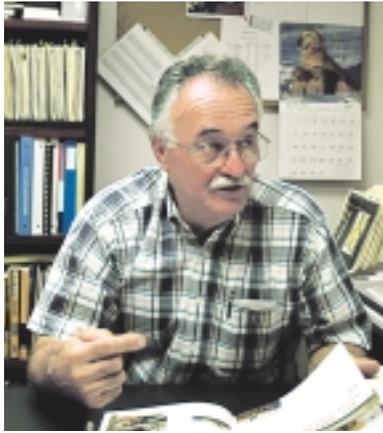
CALLANAN

Finds Kawasaki Loaders Cost Efficient

Callanan Industries, Inc. has been in business since 1883. It started as an aggregate mining company and today has grown into a leading supplier of paving materials and construction services in New York State. Callanan's operations include eighteen asphalt plants, eight quarries, and one sand and gravel plant – most of which use Kawasaki loaders. The company owns about 99% of their equipment fleet and pay cash when they decide it is time to buy more since it gives them better buying power and they avoid lease payment buyout complications. Thanks to some special software (see side bar), the company is able to thoroughly track costs and performance for each machine used in the various locations throughout their operations and relate those costs to the bottom line of the company.

Useful information like this is critical to the decisions an equipment manager must make. Examples of this data are: hourly fuel usage per machine, annual hydraulic oil usage per machine, engine costs per machine, or per operation, and annual replacement tire costs. Richard Hicks, the mobile equipment manager for Callanan, looks at the big picture when it comes to buying. Not only does he check his own data reports, he investigates the manufacturer, the local dealer, and their product support record. He also talks to end-users and solicits the opinions of the plant managers and operators.

Callanan Industries is a leading supplier of building materials and construction services for New York state.



"We buy the best for our specific needs,"
Richard Hicks, Mobile Equipment Manager.

"We used to buy equipment then found jobs that fit," states Hicks. "Now we buy what meets our specific needs. I have the hard data in my computer but it is really important to include the opinions of the guys out there running the operations. 'What do you think about the service you get?' 'What kind of the productivity do you get in the specific kind of rock you have?' And because of all the information that is available on the internet and through our regional and international connections, I know the real costs of things and I know the dealer mark-ups. So I create a standard spec form for each of our equipment

purchases. For loaders, for example, I request a five-year, 10,000-hour warranty, a lube system, ride control, air conditioning, things like that. Then I send it to the four majors – Cat, Kawasaki, Volvo, and Komatsu. The dealers know that what they present had better be their best. **I don't have time for second looks."**

Because of this no-nonsense approach to equipment purchases, results in the choice of loaders generally narrowing down to Cat or Kawasaki. Since 1998, Contractors Sales Company Inc., the area Kawasaki dealer, has sold several loaders to the company, most recently a 115ZV. Other Kawasaki loaders include one 115ZIV-2, one 115 ZIV, two 95ZIV-2s, two 85ZIV-2s, and one 85ZIV.

"Contractors Sales is excellent," states Hicks. **"The first Kawasaki we bought we put in use as our primary loader of shot rock in a location over two hours away from Albany. It has been**

extremely reliable. If I do have a problem with any of our Kawasakis, I call and they respond. Product support is a big concern for me, especially since we operate six days a week. They listen and are there for me. We've only had one instance where a part was not readily available."

Through his careful recordkeeping, Hicks has found that Kawasaki loaders consistently perform better than other brands and require fewer maintenance dollars over the life of the machine. And features like Ride Control, Traction Control, and automatic lubing have significant impact on the maintenance costs as well as productivity.

"The traction control on the 115s makes all the difference in the world on tire wear," states Hicks. "Ride control works really well in our yards where we have a lot of movement and activity – it enhances our productivity. The automatic lube system has really helped us too."

"The traction control on the 115s makes all the difference in the world on tire wear."
– Richard Hicks, Mobile Equipment Manager

Callanan's most recent wheel loader purchase is a Kawasaki 115 ZV.





Callanan's sophisticated tracking system has lowered their expenses.

"As for maintenance, you have to spend a little money to save money," continues Hicks. "Having a mechanic come in a half hour before the day starts and checking out the basics, having operators do walk-arounds at the beginning of each shift, replacing all the leaking hoses, and buying the best heavy-duty buckets on the market so only certain elements need to be rebuilt each year – it all pays off."

So does training. "We have made major improvements in the cost of operating things both on the maintenance and operations sides," says Hicks. "We have a training center where we do a tremendous amount of training for operators, middle managers, even senior managers. We want people to understand our needs. We have job descriptions with do's and don'ts and we monitor them. We have an aggressive safety program and rules that must be followed. And we stick with it. No one is exempt. The result has been lower insurance costs, lower maintenance costs, and greater performance."

PROFILE

Owned by CRH plc, headquartered in Ireland, Callanan was purchased in 1985, becoming the company's first acquisition in the Americas. Today, CRH's Americas Materials Division operates in 26 states, employing 12,500 people at over 540 locations. This has resulted in CRH being the number four aggregate producer in the United States, with leading market positions in the northeastern and western states. It is the number one asphalt producer in the U.S. with over 250 locations, and ranks among the top 15 ready-mix concrete producers in the U.S.

Software Maximizes Return on Equipment Investment

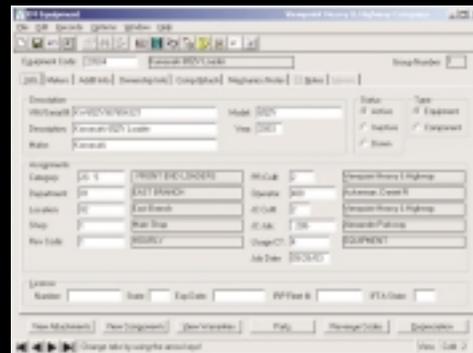


Equipment management software that is integrated with the rest of your business can improve utilization with better location and revenue tracking, minimize repair costs with better attention to scheduled maintenance, and reduce overhead by eliminating redundant record keeping.

Equipment Management is part of the integrated suite of software applications for Heavy/Highway contractors and material producers offered by Viewpoint Construction Software. The three major elements of **Equipment Management** are *Location Tracking*, *Revenue and Cost Tracking*, and *Maintenance & Work Order Management*.

Location Tracking deals with moving equipment between jobs or plants, and identifying where assets are located at any given time.

Revenue and Cost Tracking treats each category and piece of equipment as a profit center. When in use, the equipment accrues revenue on an hourly, daily, weekly or other basis. Conversely, the revenue to the equipment is tracked as a cost to the job or plant. Close tracking of costs such as fuel, parts and repairs can help to identify issues requiring closer attention. If a piece of equipment is not accruing sufficient revenue to offset its costs, then alternatives such as rental or replacement can be considered.



Sample screen from Equipment Management software.

Finally, *Maintenance & Work Order Management* provides an organized system of files to address scheduled maintenance and repair requirements, and assemble this information into Work Orders and parts lists for mechanics performing the work.

Knowing the location of equipment, whether it is making or losing money, and keeping on top of scheduled maintenance and repairs will result in a more efficient and profitable company.



Winterizing Your Kawasaki Wheel Loader

OILS, FUELS, GREASES AND OTHER LUBRICANTS

- Engine, transmission, axle, hydraulic oils, and fuels must be correctly matched to ambient temperature ranges. See chart below.
- Select a NLGI grease rating that has pumping ability in your ambient temperature.

Recommended lubricants

	Kind of oil	Ambient temperature							Change interval (hours)
		-22° -30°	-4° -20°	14° -10°	32° 0°	50° 10°	68° 20°	86° 30°	
Engine	Engine oil (CH-4)	SAE 10W-30					SAE 15W-40		250
Transmission	Engine oil (CD) Valvoline Drive Train Transmission Oil 10W ATF	SAE 10W Valvoline Drive Train Transmission Oil Multi-purpose ATF							1,000
Hydraulic system	Hydraulic oil	ISO VG46					ISO VG32		2,000
Differential & planetary	Gear lubricant with friction modifier	Valvoline Drive Train Transmission Oil -50W							2,000
Fuel tank	Diesel fuel	ASTM D975 No. 2					ASTM D975 No. 1		Daily

IMPORTANT!

For engine coolant, never accept less than -5°F (-15°C) protection.

Recommended mixture of anti-freeze

Ambient temperature		-31 °F (-35 °C)	-22 °F (-30 °C)	-13 °F (-25 °C)	-4 °F (-20 °C)	5 °F (-15 °C)
Pure water	gal (liter)	7.5 (28.2)	8.3 (31.2)	9.1 (34.2)	9.9 (37.2)	10.7 (40.2)
Anti-freeze	gal (liter)	8.4 (31.8)	7.6 (28.8)	6.8 (25.8)	6.0 (22.8)	5.2 (19.8)
Mixture ratio (%)		53	48	43	38	33

(Sample chart. Please refer to operator's manual.)

GENERAL TIPS AND TECHNIQUES

- Be sure fuel supply tanks are free of water and microbial sludge. Use a water controlling, anti-gel conditioner.
- Make sure drive belt and pulleys are in good condition to drive the alternator.
- Make sure batteries are fully charged, and the charging system produces full voltage and current.
- Check battery terminals for corrosion. Clean and cover them with a dielectric grease.
- Numerous cold weather aid packages are available that are designed to warm the engine, fuel, transmission and hydraulic reservoirs.



Anti-freeze level



Heater/AC filter



Check vents



Washer fluid



Check wiper blades

- Antifreeze and DCA levels (for Cummins engines only) must be maintained for conditions. Check your DCA-4 Coolant additive.
- **Service your HVAC System**
 - Filters
 - Check that blower and evaporator fans are working properly
 - Evaporator Box is drained and cleaned
 - Evaporator and Heater cores are not clogged
 - Check the defroster vents to ensure a steady flow of air
- Check and change your wiper blades as needed
- Use Antifreeze windshield washer fluid to prevent freezing
- **For ZIV-2 and older models with air actuated brake systems:**
 - Be sure there is no water or oil in air tanks, manual drain daily.
 - Check that automatic drain valve is working properly.
 - If equipped with optional air dryer, check that it is ejecting moisture when the compressor unloads.
 - Replace desiccant cartridge every 1200 hours or when water is present during manual draining of tanks.

Perform any diagnostics and minor repairs in early Fall before cold weather sets in. Working in freezing temperatures can be a real challenge.



Checking fan belt



Check battery terminals



Checking ether injection



Add conditioner to fuel storage

MAINTENANCE PROCEDURES BY TEMPERATURE RANGE

32°F – 45°F

• Fluids and greases:

Refer to Recommended Lubricants chart for correct oil viscosity selection.

- Be sure starting aids, intake manifold heater grids, or ether injection (95,115 only) operate properly.

0°F – 32°F

• Fluids and greases:

Use engine coolant heat elements for antifreeze.

- Provide a short warm-up period prior to operating the machine.
- Fuel grade change may be considered; treatment may be needed to prevent waxing.

-40°F – 0°F

• Fluids and greases:

Refer to Recommended Lubricants chart for correct oil viscosity selection. *Synthetic fluids may be required.*

- Use engine coolant heat elements for antifreeze.
- Heater elements for Fuel, Hydraulic and Transmission reservoirs may be required.
- Keep the machine parked out of the mud, as tires can freeze to the ground. Any hydro-inflation **MUST** be cold-weather friendly.
- Provide a longer warm-up period prior to operating the machine, as metals are typically much colder.
- Fuel grade change must be made; treatment is required to prevent waxing. Consult your local fuel distributor.

-40°F +

- Some metals' strength and flexibility can be affected.
- Tires, hoses, O-rings and seals can be affected.

Consult your authorized Kawasaki dealer.

FEATURES & BENEFITS

The tips and techniques outlined above should net you longer equipment life, fewer cold weather breakdowns, and higher resale values. Winterizing heating aids save on warm-up time, save fuel, prolongs the life of your battery and reduces idle time.

ALWAYS READ AND UNDERSTAND YOUR
OPERATION AND MAINTENANCE MANUALS

⚠ CAUTION

Explosion Hazard

Never use Ether or other flammable substances to start 50 – 90ZV, and 135Z engines. Engines are equipped with electric heater starting aids.

Use of Ether could cause an explosion and could result in death or serious injury.



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HOT-MIXING IT

WITH AJAX

Ajax Florida operation uses several Kawasaki wheel loaders.



In the late 1970s and early 80s, when the paving market slowed dramatically in Michigan, Ajax Paving Industries Inc. took the remarkable step of sending a group of employees and some equipment south to Florida. The market was stronger there and an underground contractor with which they had done business had landed a job in the state and was having trouble finding a paving company. Michael Horan, now President of the Florida operations, spearheaded the move. First one then another asphalt plant went up, bids were made, and clients found. Now, some twenty years later, both Michigan and Florida operations are thriving.

Included in that initial move to Florida was a Kawasaki loader, purchased from Wolverine Tractor in Michigan. Although that machine is long gone, the Kawasaki tradition continues in Florida with a current count of fourteen ZIV-2s and ZVs, all from GS Equipment in Fort Myers.

"We formed a good relationship with Ray Ferwerda, Sr. at GS," recounts Horan. "The early years were tight but he took care of us. It all has to do with service. Today, there are strong personal and business relationships between our two companies."

The last five to six years have been very good for Ajax. Seventy percent of their work is governmental with the remaining thirty percent, which runs 18-20 million dollars a year, from the private sector. Major paving projects include most all of the resurfacing on I-75, airports in Tampa and Fort Myers, Tropicana Field in St. Petersburg, and numerous subdivisions, hotels, malls, and shopping centers.

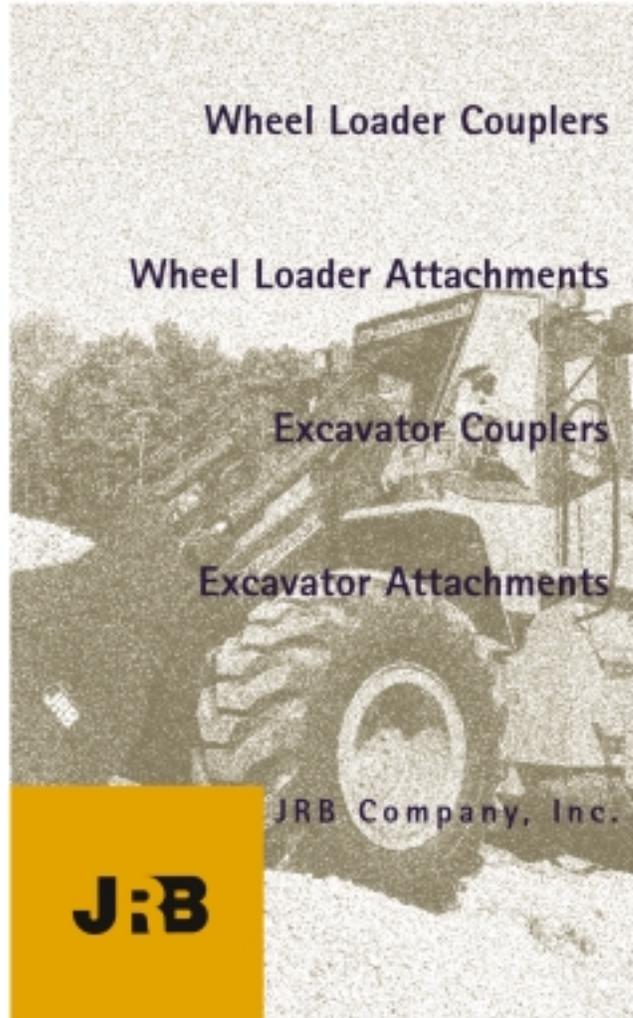
The majority of Ajax Florida's work revolves around asphalt. The company has five hot mix plants and uses its five largest Kawasaki loaders to feed them: two 95 ZIV-2s, one 95 ZV, one 90 ZIV-2, and one 85 ZV. The nine 70s (two ZVs and seven ZIV-2s) are used on various road construction projects, working with a typical mix of graders and dozers. According to Horan, everyone likes the Kawasaki loaders. "They are a good product. The guys in the field like them, the mechanics like them, and if we have a problem, GS Equipment makes things happen fast. They have us hooked!"

Jim Scott, the Equipment Manager who has been running the 300-400 pieces of equipment used in the various operations in southwest Florida for the last eight years, is also enthusiastic about Kawasaki. "Kawasaki loaders are among the best and the service we get from GS is great. They do everything to keep us up and running. And factory support has been excellent."

"Kawasaki wheel loaders perform for us."
– Michael Horan,
President, Florida Operations

Making the move from Michigan to Florida meant an entirely different usage pattern for the equipment. Up north, winter is off-season. Machines sit idle for months so most major overhauls are scheduled at that time. In Florida, their loaders run 365 days a year and sometimes 24 hours a day, often in high heat, humidity and dust. Since there is no true off-season, loader availability is crucial. As a result, Ajax is a strong believer in preventive maintenance (PM). They follow the recommended service intervals guidelines when their mechanics handle PM for the loaders used out in the field. Maintenance for the loaders used at the asphalt plants is performed by GS Equipment. All major overhauls are done by GS, regardless of where the machine is used. And should a machine go down, the dealership will immediately bring in a loaner, then turn its attention to troubleshooting the problem.

The Kawasaki wheel loaders average 2,500 hours a year and are traded between 13,000-15,000 hours.



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“ The ZV Series is smoother, easier riding, more powerful, and has more creature comforts.”
***– Jim Scott,
Ajax Equipment Manager***

On average, the loaders accumulate 2,000 hours a year. Generally they are traded in around 13,000-15,000 hours. “My oldest loader dates to 1998,” explains Scott. “Those used on field projects are generally traded out after about six or seven years. Ones from the asphalt plants, due to the long hours, are traded about every five years. I watch each machine’s performance, operating costs, and hours, then decide which ones should be traded in.” According to GS records, the last field loader Ajax traded in was 12 years old with about 10,000 hours on it.



Being a long-time user, Scott has watched with keen interest as Kawasaki introduces each new series. “The ZVs are very, very nice,” he states. “There was nothing wrong with the ZIVs, but the ZVs are smoother, easier riding, more powerful, and have more creature comforts. They are an all-around great loader. I can’t wait for the ZVIs – I can’t imagine what improvements they will have!”

“Sometimes I get quotes for competitors,” concludes Horan. “We’ve demo’ed other

brands. We’ve entertained the idea of changing loaders, but we’ve never done it. Kawasaki performs for us and the company does a good job of doing research and asking questions to determine what works and what doesn’t. GS Equipment keeps us up-to-date on the evolving technology and gives us a fair price. They are as good as they come. Good relations, good people, always in contact, and when the loaders come back, they are fixed. As long as they perform for us, we’ll stick with them.”

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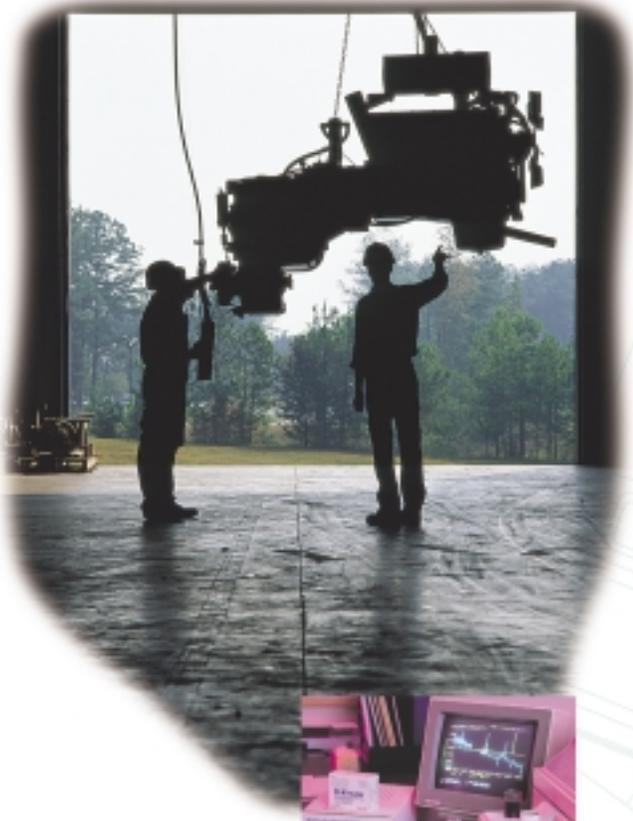
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