

FOCUS

 **Kawasaki**

2ND ISSUE 2010



TOP OF THE HEAP PRODUCTIVITY

RESURRECTING IDLE EQUIPMENT • FINANCING TODAY • ARCELORMITTAL - LA PRAIRIE

KAWASAKI KEEPS IT SIMPLE.



Since 1962, Kawasaki has been listening to and learning from customers and dealers in the field. As a result, Kawasaki wheel loaders continue to evolve, with a constant focus on one thing — producing the most durable, most efficient, most dependable machines possible.

EASY TO OPERATE.

In a world of increasing demands, tighter deadlines, shrinking budgets and complicated contracts, better efficiency and greater productivity are a must. Innovative high-tech features on all Kawasaki wheel loaders allow the operator to adapt to the environment and the application right from the cab.

EASY TO MAINTAIN.

Diagnostic and operational modules monitor fluids and filters, and constantly provide information on everything from engine and transmission codes to location, hours, alarm sensors and machine performance data.

EASY TO DO BUSINESS WITH.

No run-arounds. No layers and layers of management. No distractions from competing product lines. Wheel loaders are our only business. Got a question? We'll get you an answer. Need a part? It's on its way. Quickly. Kawasaki offers flexible warranty programs, a state-of-the-art parts distribution system, an in-house rebuild center, and an experienced, knowledgeable support staff, focused on serving you.

The independent dealers that represent and support Kawasaki loaders are experts in their markets and are dedicated to providing you with the best service available.

Together, we are committed to making your investment in a Kawasaki loader a sound business decision that will pay dividends for years to come.

KAWASAKI. ONE FOCUS. COMPLETE SOLUTIONS.



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RESURRECTING IDLE EQUIPMENT

It's no secret that the construction industry is in a slump, or worse. Plus, winter months tend to be slow anyway. Individually, there's not much to do except keep looking for work, weather the season, take care of finances, and take care of the equipment you've elected to hold. As a group, you might be interested in learning more about what the industry is doing on the economic front, through Start Us Up USA! (Sidebar page 5.)

As you know, equipment sitting idle for any length of time is not good. But, when it's finally time to engage that equipment again, will it be ready? Will it be safe, efficient, and productive? The following suggestions, written specifically for our Kawasaki wheel loaders but applicable to most pieces of mobile construction equipment, will help you safely maintain and resurrect idle equipment.

STORAGE MAINTENANCE

1. TREAT YOUR FUEL FOR FUNGUS

If you find yourself with idle diesel engines for over three months, you should definitely treat the fuel with an additive to prevent bacterial/fungal growth. There are a number of diesel-fuel stabilizers and treatments available such as Diesel Treat 2000® and Bio Kleen®. Follow the manufacturer’s instructions for these products, bearing in mind that the fuel with the additive should be circulated through the entire fuel system before putting the machine into storage. Simply having it in the tank is not enough.

Uncontrolled microbial growth can produce dense masses that can clog filters, pumps, and fuel lines. They also release organic acids that can accelerate the corrosion of metals within the tank, pump, and fuel lines.

2. DEVELOP AN EXERCISE PROGRAM

On a monthly basis, exercise your equipment. This step alone will keep your batteries charged and get fluids flowing through the gears to prevent dry seals. Start the engine and let it idle for 10–15 minutes.

Next, make a weekly/monthly checklist of your mobile equipment for maintenance actions that need to be taken. Then, assign specific people to execute the checklist on a regular basis.

Here is our suggested plan of action for exercising the equipment:

BEFORE STARTING:

ACTION	EXECUTION
■ Check engine coolant	Visually check/add fluid
■ Check engine oil	Visually check/add fluid
■ Check hydraulic oil	Visually check/add fluid
■ Check T/C oil	Visually check/add fluid
■ Check brake oil	Visually check/add fluid
■ Check tire pressures	Use tire gauge/fill as needed

START AND RUN:

ACTION	EXECUTION
■ Start the engine	Low idle speed for 5 minutes
■ Operate all hyd. cylinders	Full stroke at 10 times each cylinder
■ Run the machine	Drive forward/back as space allows/each gear
■ Operate steering	Full turn 5 times
■ Other moving portions	Operate 2-3 times each
■ Walk-around inspection	Check for visual leaks, loose parts, rust, etc.

3. RUST PREVENTION

There are three actions to take here. The first is to pull each cylinder in as tightly as possible to minimize cylinder-rod exposure to the elements. Second, shelter the machine. And third, use a rust-preventive spray grease such as “ZEP-IRONCLAD”, for 6-24 month protection depending upon film thickness. A fourth option is to “ARMORALL” the cab interior.



Treat fuel with an additive to prevent bacterial/fungal growth.



Check fluid levels and add if necessary.



Retract cylinders as much as possible to minimize exposure to the elements.



Check tire condition and air pressure.





Use Kawasaki's KLEW oil-analysis testing before the loader goes back to work.



A careful walk-around visual inspection can catch a lot of problems.



Consider using rebuilt or exchanged components.

GOING BACK TO WORK

If your equipment has been idle for more than six months, and especially if it has been a while since the fluids have been changed, you need to perform fluid analysis on the engine oil, fuel, coolant, and hydraulic fluids. Kawasaki's own KLEW (Kawasaki Loaders Early Warning) oil-analysis program is designed to indicate potential major component failures — and is free in conjunction with all Kawasaki extended coverage program.

Testing will give you a benchmark for the condition of your equipment and, of course, the fluids. The tests may indicate wear problems that weren't addressed when the machine was idled, and show which fluids and filters need to be replaced.

You'll also need to check grease fittings and points to be sure grease hasn't pooled at low points. Check the condition of the tires and replace as needed to avoid preventable flats and blow-outs at the jobsite. Confirm all safety items are operational such as the Neutral Safety Start, horn, and back-up alarms. Are the handrails and steps secure?

And don't forget the fuel — is the fuel in the tank summer or winter fuel?

IF YOU NEED TO REPLACE

If oil sampling and testing suggests the need to replace a component, consider using rebuilt or exchanged. We are, of course, glad to sell any new component you would like to buy, but there are several benefits in using remanufactured components such as Kawasaki's Rebuilt Components or Cummins ReCon:

- Less expensive than new, often significantly so.
- Factory-trained technicians who follow the correct procedures.
- Updates and improvements are automatically added.
- Factory-supplied warranty. Kawasaki even covers travel and mileage to repair or replace a Kawasaki Rebuild component.
- Fast turnaround.

KAWASAKI OFFERS A VARIETY OF REBUILD COMPONENT PROGRAMS:

- **Full Exchange** – Complete components for transmissions, torque converters, axles, differentials, and cylinders.
- **Time & Materials Jobs** – The maximum cost is the exchange price. No hidden expenses.
- **The Guardian Program** – This is a "Fix-Before-Failure" program that rebuilds and returns components such as seals, bearings, and clutches.
- **Package Renewal Programs** – Machine overhaul program, customized to suit your needs.

Don't let idle status sideline your equipment for good and diminish its value. Follow our suggestions to minimize problems. And remember, any resulting damage from idleness because proper precautions weren't taken could create warranty issues down the line.

START US UP, USA!

Start Us Up USA! is a joint effort by the Association of Equipment Manufacturers (AEM) and the Associated Equipment Distributors (AED). Together they represent a large portion of the manufacturers and distributors of construction equipment in the United States. The two have come together to create this grassroots campaign to bring attention to the critical situation facing the

construction industry, and to urge Congress to take immediate action on key solutions.

Specifically, the campaign is to get legislation passed that increases governmental spending on road and infrastructure within the U.S.

Government spending on infrastructure improvement peaked in 2002. SAFETEA-LU expired in September 2009. As a result, the highway program is operating under a series of short-term extensions. A multi-year

plan has been developed that would create market certainty and long-term projects, but it has been pushed aside during the long and heated discussions about national healthcare.

You can help. Get involved and let your voice be heard. Tell Congress to get its act together on full reauthorization of a multi-year plan, now! For more info go to www.StartUsUpUSA.com to learn more.

FINANCING TODAY OPPORTUNITY IN AN UNCERTAIN MARKET

TODAY'S LENDING MARKET

*Brian Burris, President & CEO,
ONAN Capital Holdings, Inc.*

Businesses and contractors applying for credit in today's lending environment, regardless of their size, are continuing to experience a contraction in the availability of capital. There is also a significant increase in the level of due diligence necessary to obtain ANY amount of credit. We speak with applicants daily who express growing concerns that they have been unable to qualify for financing on new equipment purchases. They share with us that their banks are not extending their lines of credit to ease strains on working capital. In an environment where work is not as plentiful as in years past, where competition is fierce and where margins are thinner than ever, they demand new borrowing options to grow their businesses.

First, it's important to understand that not only has credit dried up, but so has trust. For example, when banks are unable to trust the disclosures or assurances of their counterparties, the result is what we saw recently. Central banks were forced to pour

hundreds of billions into financial markets to address the market's liquidity spiral and ensure the stability of many financial institutions. Do your lending partners trust you?

Second, most lenders today are no longer in the business of making blind investments in businesses and products they have not properly underwritten. Their appetite for risk is now directly proportionate to the industries they understand well, forcing most businesses to re-align their lending relationships. Do your lending partners understand your business?

KEYS TO SUCCESSFUL BORROWING IN 2010 AND BEYOND

The state of the construction industry, in particular, is far from "normal." However, even though it may not seem like it, the fundamentals of responsible lending remain intact. Good relationships have always been at the heart of fair underwriting. Here are some key considerations that we know will give you a competitive edge in obtaining credit in today's lending market:

- 1.** Be transparent. With ONAN Capital for example, we understand that your business may have incurred losses these last couple of years, or that volatility in your industry may have damaged your balance sheet. We also value good information, and the clarity of your business's disclosures will influence credit decisions more than any other factor.

- 2.** Excellent communication is vital. If you need a lender to be an aggressive funding partner, be prepared to allow access to information from the individuals in the company who understand what's really going on in the business. This includes its vision, growth projections, and operating policies.

- 3.** Good management teams make great business partners. Free enterprise rewards businesses that are run well, and strong lenders are willing to invest in competence.

- 4.** Borrow money to grow, NOT to survive. Good lenders will not burden borrowers with debt we know they can not repay. Show that you can grow within your means, and you will have ready access to the capital you need.

TWO NEW OPTIONS FOR KAWASAKI ZV-2 WHEEL LOADERS



BUILD PARTNERSHIPS FOR GROWTH

Institutional lending from large national banks will continue to have a place in the overall credit market, but expect to see an increase in customized services, contract structures and more flexible terms. For example, new changes coming in the way operating leases are capitalized under new FASB guidelines will require businesses to change how they disclose contingent liabilities on their balance sheets. Having a lending partner that understands how these changes affect your specific company's ability to borrow money will be very important.

In addition, be sure to match the right lender with your specific borrowing needs. For example, some businesses finance equipment through their local bank, and mistakenly tie up valuable working capital or lines of credit. In many cases, they reach the bank's exposure limit per customer and subsequently hinder their ability to grow beyond that particular lending relationship.

THE OUTLOOK FOR TOMORROW

Be encouraged! Difficult times come and go, but our collective ability to adapt and survive stems from a desire for growth that is far bigger than each of us individually. Strong lenders need strong borrowers, and growing businesses need access to capital from stable sources.

ONAN Capital provides competitive equipment financing and working capital solutions for businesses in the construction, agricultural, and manufacturing industries across North America.

MULTIFUNCTION GRIP OPTION

This new option provides the following fingertip controls:

- **Forward/Reverse Button**
- **Shift Hold Button**
- **Downshift Button**

Forward/Reverse – This used to be offered as a forward/reverse directional switch on the side console as a standalone option. It is now incorporated into the intuitive grip along with two other useful operational options.

Shift Hold – While operating the machine with the column shifter in the "A" position, pushing the Shift Hold button locks the machine into the gear in which the machine is currently operating. For example, if the wheel loader is traveling in 3rd gear when you push the Shift Hold button, the machine will not upshift to 4th nor downshift to 2nd, regardless of ground or engine speed. When the Shift Hold button is pushed a second time, the Shift Hold feature is cancelled and the transmission will return to automatic shifting. The AUTO indicator on the instrument panel flashes the entire time Shift Hold is activated.

Downshift – Use this to quickly downshift the transmission from 2nd gear to 1st without using the transmission shift lever. When operating the machine in 2nd gear with the shift lever in [2] or [A] position, the transmission will shift down to 1st gear by pressing the downshift button. Pressing the Downshift button again, or moving the transmission shift lever to the opposite direction, releases the 1st gear setting to return to 2nd gear.



LOADRITE PREP

If you plan to order a LOADRITE onboard weighing system anytime soon for your Kawasaki loader, you'll want to take advantage of this new option. The LOADRITE Prep option consists of factory installation of the component-mounting brackets and the hydraulic adaptor blocks. This reduces the need for onsite welding and provides consistency in installation and finishing.

Advantages for the end customer include:

- Savings in both cost and time. Dealers will no longer need to send a service truck, welder, and mechanic to handle the field installation of a LOADRITE weighing system. The time required by LOADRITE technicians to complete the installation process has been substantially minimized.
- Provides consistent factory installation, but allows onsite customization in programming and data management.



TWO'S COMPAN



ENVY



Recently, FOCUS magazine had the opportunity to catch up with a company we first profiled in 2007 — Fers & Métaux Recyclés Limitée, a steel scrap operation located in the province of Québec. At the time, they had just taken delivery of their first Kawasaki 95ZV-2 and had equipped it with a window guard, solid tires, and high-lift arms to assist in loading out haul trucks. They also got a quick coupler to change between forks and a bucket without exiting the cab — a feature much appreciated by the operators, especially during cold Canadian winters.

In 2010, when we called to follow up on how their 95 was doing, we got a surprise. During the summer of 2009 they had purchased a second Kawasaki — a 115ZV-2!

However, before we explore why they got their second Kawasaki, let's revisit why they bought their first.

THE INITIAL CASE FOR KAWASAKI

As Gaétan Morin, Director of Operations, explained back in 2007, "The company used to have two 30-year-old Caterpillars. When we couldn't get parts for them anymore, we realized it was time to move on. We bought a large Komatsu to replace one of the Cats. In 2006, it was time to replace the second Cat."

Roland Thériault, who at the time was Fers & Métaux's plant manager, continued the story. "I checked with people I used to work with at Heckett Multiserv. There the application is even more demanding because they use their loaders in the hot slag. They told me they were buying Kawasaki. If it could handle hot slag, then I knew it could certainly handle theirs for us."

Montreal Tracteur, the local Kawasaki dealer, then took them over to a quarry where the owner was on his 11th Kawasaki. "He said he wouldn't buy anything else," recalled Thériault. "He let our operator run his, and he liked it and thought it was good. We knew



The company's new 115ZV-2 replaced a Komatsu. It is used primarily to unload and move scrap car bodies.

Komatsu because we already had one. And we knew Caterpillar. When we compared prices, everything fit for the Kawasaki. So we all agreed to buy it."

CHANGING TIMES

A lot has happened to the scrap market since 2006, as well as to Fers & Métaux. From the gloriously crazy white-hot 2008 market to the awful plunge in 2009, scrap has been on one wild rollercoaster ride. According to Roch Rousseau, the current plant manager who replaced Thériault after he retired, scrap is slowly picking back up. "Everyone is adjusting to the way the pricing is now, so things are stabilizing and getting better. However, I think it will be about 2012 before scrap prices recover to 2008 levels."

Another change is the company's own name. It's now known as ArcelorMittal - La Prairie. Although ArcelorMittal had acquired the plant in 2006, it took several years for the new name to stick. But despite the name change, the mission remains unchanged: shred and sell steel scrap. They purchase about 140,000 tonnes (154,322 US tons) of raw material each year to produce about 110,000 tonnes (121,253 US tons) of usable scrap steel.

“They are very efficient machines.”

— *Roch Rousseau, Plant Manager*

THE SECOND KAWASAKI PURCHASE

Now, flash forward to 2009. ArcelorMittal - La Prairie realized it was time to sell their large Komatsu loader. “Whatever we replaced it with needed to be priced right, be a machine we were familiar with, and could be serviced by a dealer we could trust,” explains Rousseau. “Because of the good experience we’ve had with the Kawasaki 95ZV-2, the great relationship we have with Montreal Tracteur, and their excellent price quote, we chose the 115ZV-2.”

Their 115 is outfitted with a quick coupler, forks and bucket, window guard, reversible

fan kit, auto lube, ride control, and solid tires. When the Komatsu operator moved over to the 115ZV-2, the K-Lever stick steering came as something of a surprise. But he quickly adapted and soon felt at home.

Both Kawasakis are used to offload scrap, which typically arrives via flat-bed, moving-floor, and dump-trailer trucks. The 115 especially unloads and moves piles of car bodies. Forks handle flattened cars while buckets are used to stockpile and load the finished product as well as take care of various bulk-handling needs. Feeding the shredder belt is left to hydraulic material handlers with grapples. The 115 also loads

out car fluff, shredded non-metallics used by sanitary landfills for daily cover material.

So how are both Kawasakis holding up in that tough and gritty environment?

“So far so good,” replies Rousseau. “We are quite happy with both, and to this point are very satisfied. Our dealer is providing good service and the Kawasakis are doing a good job — they are very efficient machines.”

ArcelorMittal - La Prairie is serviced by Montreal Tracteur Inc., Baié D’Urfé, Québec.



FOR THE CURE

Every once in a great while we have the opportunity to work on a project that blends our personal and professional life. Kawasaki has just completed such a project, the “For the Cure” wheel loader.

KCMA Corporation, formerly Kawasaki Construction Machinery, designed and built a “For the Cure” (Susan G. Komen, breast cancer awareness) wheel loader. This has been a very uplifting project to be involved in, with all of “the guys” rallying together to make it happen. Even our vendors got in the spirit, donating the specially-designed decals. The idea was born from a distributor located in Iowa, the concept generated at our corporate office in Kennesaw, Georgia, and the loader built at our facility in Newnan, Georgia.

Kawasaki has designed and built a 70TMV-2 “For the Cure” wheel loader at the request of Mid-Country Machinery in Iowa. Painted light pink with bright pink “Susan G. Komen for the Cure” decals, the wheel loader was ordered by the new Kawasaki distributor as an addition to their rental fleet.



John Roseberry, Kawasaki National Accounts Manager; Bud PeCoy, Owner, Mid-Country Machinery; Aaron Reicherts, Kawasaki Regional Sales Manager; Lucas Peed, Partner, Mid-Country Machinery.



Bright pink Susan G. Komen “For the Cure” decals adorn the loader.

Bud PeCoy, a principal with Mid-Country Machinery, a construction equipment dealer and rental company headquartered in Fort Dodge, Iowa, along with partners Mark Swedlund, Lucas Peed and Bob Conaway created the breast-cancer awareness campaign when they learned that one of their customers suffered from breast cancer. Mid-Country anticipates donating 10 percent of the wheel-loader-rental proceeds over the course of the next 54 months.

“Hopefully, this is just the beginning of our contribution” stated PeCoy. “We are passionate about this cause because we feel it’s safe to say that many of us have known someone with this devastating illness. Our hope is that we can not only heighten awareness, but also donate money for the research, treatment, and the never-ending search for the cure.”

For more on Kawasaki’s Community Involvement projects visit online at www.kawasakiloaders.com/carryingtheload.



KAWASAKI KEEPS IT SIMPLE.



In a world of increasing demands, tighter deadlines, shrinking budgets and complicated contracts, the choice in wheel loaders is simple: Kawasaki.

A FULL-LINE OF RUGGED, RELIABLE, EFFICIENT MACHINES.

- 13 models
- 96 HP – 720 HP
- 1.8 cu. yd. – 13 cu. yd.

EASY TO OPERATE.

Increased efficiency and productivity come from innovative high-tech features that allow the operator to customize and adapt to the environment and the application...from the comfort of the redesigned cab.

- Adjustable Declutch
- ELS — Efficient Loading System
- Idle Management System
- Variable Boom Kickout
- Power Mode Switch
- Ride Control

EASY TO MAINTAIN.

Even basic servicing is easier than ever, with extended greasing and oil change intervals. Not to mention:

- MODM (Machine Operation Diagnostic Module) provides essential operations and diagnostic information in an easy-to-read LED display.
- K-LINK II monitors and transmits digitally the location, hours, system alarm sensors, engine and machine performance data.
- KLEW provides fast and easy access to a total oil analysis and early warning program.

EASY TO DO BUSINESS WITH.

No run-arounds. No layers and layers of management. No distractions from competing product lines. Wheel loaders are our only business. Got a question? We'll get you an answer. Need a part? It's on its way. Quickly.

- Creative Solutions, Fast Response.
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