Samson Carts
A Financial Analysis

Currently in the marketplace there are a variety of mobile material handling carts made of plywood or metal. These carts were created because of identified needs and have functioned very well for many years. These products include book and equipment carts.

Around the country these products vary slightly, producing 3-high, one and two sided carts and 4-high, one and two sided carts as well as variations in lengths, 36", 42" and 48" to name the most common.

These current products have their pros and cons like anything else but there are a few negative key points that warrant investigation. Most metal carts are welded and some are screwed together. The point being that if the metal cart gets damaged it's either repairable albeit not to 100% or it ends up in the recycling bin.

The wood carts are the same way with the added dilemma faced by all organic products-they deteriorate, splinter, and when not cared for properly after getting soaked on that last move may develop mold, rot, or de-lamination of the plywood. And how soon before any of this happens is anybody's guess. The approximate average life expectancy of a wood cart is 18-36 months in the moving industry.

There is no doubt that for movers and equipment leasing companies these carts are a necessity in their business. There are other issues now that require us to investigate alternatives. Among those issues are diminishing natural resources, carbon sequestration that reduces CO^2, worker compensation, rising real estate costs and labor rates. And to compound these issues customers are demanding we work 'outside of the box' to drive down the costs.

It was this last issue that caused some Midwest movers to ask if there was a better way to do their job, increase their margins and save money. This was a call for new ideas and Samson Carts answered the call. After five years of design and testing, working with moving companies, we developed a product that addresses the issues.

During this process we developed CTQs, features that are Critical To Quality:

1. Foldable to reduce storage and transportation costs;
2. Replaceable parts;
3. Ability to carry as much or more weight;
4. Durability;

5. Recyclable;
6. Ergonomic features to reduce risk of injury to user;
7. Lightweight;
8. Facility/people friendly design;
9. Versatility;
10. Value-add to a business.

It's these ten CTQs that are embodied in our design philosophy to work with our customers to develop products with real direct and intrinsic value. Samson Carts, the first in a line of high-strength plastic book/utility carts is a 42" wide six-shelf cart that can be used as a single sided or double-sided cart.

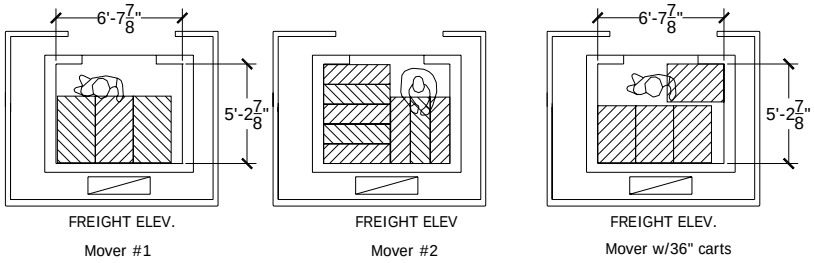
The following financial analysis illustrates the real hard and soft cost savings of the Samson Cart for the relocation industry. Many of these CTQs translate to other industries as well, hotels, hospitals, package delivery, small parts handling, libraries, schools, warehousing, computer rooms and health clubs to name a few.

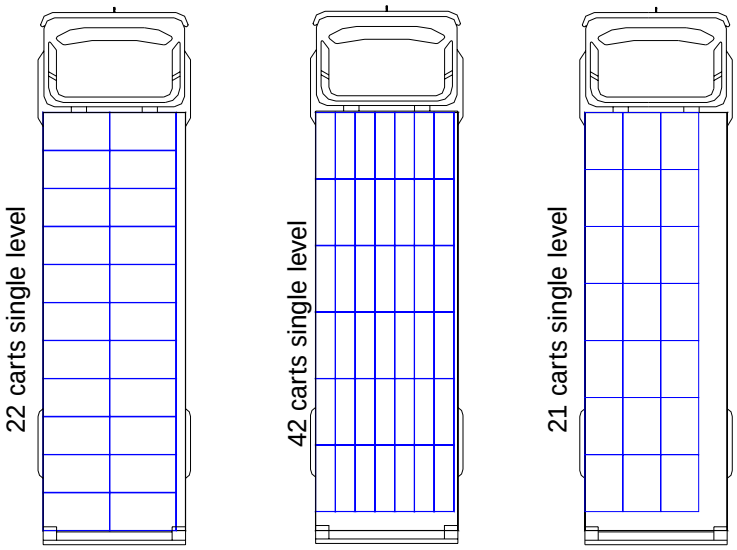
Sample Project Summary:

This analysis examines the cost benefit of Samson Carts for a moving company. The client project requires a company to pack 1,000 linear feet of files, books and binders in a corporate library. The contents must remain accessible in their original stack order so carts will be used. 'Snaking' is acceptable. The carts will be needed for two weeks while renovations to the library are completed. While unloading the truck a cart falls off the dock. The Mover using wood will have to take the cart back to the warehouse and retrieve another while the Mover using Samson has a Samson road kit in the storage compartment, allowing him to repair any possible damage (if any) on the dock.

Project Analysis Assumptions:

- Mover has an inventory of 50 carts.
- Movers uses a standard straight truck whose inside dimensions are: 90"w x 22'l x 11'-6"h.
- Freight Elevator at both sites is an average size of 5'2" x 6'7" (34 s.f.).
- Annual cost of warehouse space $16 RSF
- Two-man truck per hour rate of $95
- Mover rate of $39.50/hr.
- **Mover #1** uses a wooden cart, 3-high, two-sided. (Dims: 42"l x 24"w x 52"h) 243 lin. Inches shelf space.
- **Mover #2** uses a Samson cart, 3-high, two-sided. (Dims: 42"l x 25"w x 50.5"h) 240 lin. Inches shelf space.
- **Mover #3** uses a wood cart, 4-high, two-sided. (Dims: 38"l x 24"w x 58.5"h) 288 lin. Inches shelf space.
- Average wait time for the elevator is 10 min. per load.
- Travel time to jobsite = 1 hr. (each way).
- The time it takes the movers to fill each type of cart is assumed equal and therefore omitted from analysis.
- It is assumed that all trucks would have their own bay. If the trucks had to use one bay the wood carts would require more time to swap trucks at the dock, increasing labor expense.





St. Truck Mover # 1 St. Truck Mover # 2 St. Truck Mover 36"

Project Financial Summary:

	Mover #1	**Mover #2**	**Mover #3**
Delivery to Jobsite	$285.00	$ 95.00	$190.00
Stage Job	$438.89	$164.58	$276.50
Broken Cart Repair	$252.52	$ 62.92	$252.52
Remove From Jobsite	$438.89	$164.58	$276.50
Delivery to Warehouse	$285.00	$ 95.00	$190.00
Total Project Costs:	**$1,700.30**	**$582.08**	**$1,185.52**
Cost % over Samson	192%		104%

Additional Cost Saving Areas

Cart Warehouse Storage (s.f.)	350	87.5	300
Real Estate Costs ($16 RSF)	$ 5,600.00	$ 1,400.00	$ 4,800.00
Cost % Premium over Samson (Storage) *	**300%**		**243%**
Net Cost % higher than Samson to own.	**192%**		**104%**

Notes:

The storage savings using Samson assumes two skids stacked while warehoused. Clear ceiling height of 112 inches required.

Square feet of a 42" x 48" skid:14 s.f.

Conclusion

The analysis above demonstrates the value of purchasing a Samson Cart instead of a plywood cart but this can also be compared to the value over a metal cart (rollcage) or other metal file cart. The Relocation professional that desires to keep their overhead costs down while providing a market competitive project price is going to look seriously at the Samson Cart.

There are environmental benefits to using the Samson Cart as well. Please see the document "One Samson Impact" on our website: (http://www.samsoncarts.com/pdf/One Samson Impact.pdf) to see the startling positive effects of using just one Samson Cart over a plywood cart!

For a more detailed financial analysis from an operating cost perspective please see the Present Value Analysis document on our website: http://www.samsoncarts.com/pdf/Samson v plywood PV analysis E.pdf