



ALL IN ONE PLACE

Toyota Material Handling Consolidates, Thrives

By Charlee Beasor

Ready for a lesson in the acronyms of the Toyota Group? The good news: There won't be a quiz at the end, and the quick tutorial will help allay any confusion.

TICO stands for Toyota Industries Corporation. Headquartered in Japan, TICO is the industrial arm of the Toyota Group. It is different from Toyota Motor Corporation (TMC), which is the automobile arm of the company.

Under the TICO umbrella is Toyota Industrial Equipment Manufacturing – or TIEM – located in Columbus and manufacturing forklifts there since 1990. In March, the company produced its 500,000th forklift in North America.

Last summer, Toyota Material Handling U.S.A., Inc. (TMHU), the forklift distribution and sales organization, relocated from Irvine, California.

TMHU President Jeff Rufener explains the move from sunny Orange County to the Midwest.

"That was really to bring the two parts of our business together – to improve communications internally. We already had about half of our distribution associates in Columbus; we were split. There is a significant time difference between coasts and there are inefficiencies of not being able to work face to face. Most of the customers are east of the Mississippi," he observes.

The move began in the fall of 2012 and wrapped up last July.

Rufener notes that about 72 positions were impacted and about one-third of those employees relocated to Columbus. The company has recruited and hired around 55 workers for the Indiana operation.

"The manufacturing has been here since 1990 and it flourished here. We just announced another investment in our facility. It will be our 14th expansion since 1990," he says.

"The state of Indiana and the community of Columbus have really been wonderful to us. People enjoy living here, enjoy being part of the community. There is a terrific business environment. It's the No. 2 manufacturing state in the country – there's a reason for that; it's so business friendly."

Between TIEM and TMHU, there are 1,400 associates – with about 200 at TMHU.

The company is hosting a silver anniversary celebration in October, where everyone will further recognize the production of the 500,000 lift trucks. Rufener says Gov. Mike Pence will be in attendance, along with members of Congress and/or their staffs. Representatives from Japan will also participate in the celebration.

"We'll manufacture around 40,000 lift trucks here this year. Our industry is running at an all-time high right now and the environment is very good for us," he adds.

Leader of the pack

How does TMHU stay ahead of the competition? It really comes back to the product, Rufener asserts.

"Our lift trucks are considered the market share leader in the U.S. and Canada. There are a lot of things that go into making a

In October, Toyota Industrial Equipment Manufacturing will celebrate its 25th anniversary of producing forklifts in Columbus. The company manufactured its 500,000th forklift earlier this year.

company successful in our business. (Our competitive edge) is the product – the designs and quality. In the end, our products do what our customers want better than others. The Toyota quality and reliability is really legendary. We have a strong distribution network; we sell the product through them and they support it very well,” he states.

He explains that about 15 years ago, the company developed its System of Active Stability, which senses speed and direction, and makes the truck more stable.

“Toyota was the first in the market with that. We really have an industry exclusive there. It had a significant impact, not only on our sales, but really on the overall safety record and improvement in the industry in the last couple of decades. That is technology that was borrowed from the car company and applied to material handling equipment,” Rufener describes.

TMHU also stays up-to-date on sales methods and digital marketing, as opposed to more traditional means of outreach and selling. For example, today’s consumers are more likely to get about 50% of the way into the sales process before they are ready to speak to a salesperson.

“To continue to lead and be effective in that way, we recognize that we’ve got to keep in front of it and help our customers and potential customers learn as much as they want to learn in an online medium and track their interaction so we can decide at what point is the best time for us to contact them and initiate a more traditional sales process. Our hope is that it results in a sale. Good selling is about good education,” Rufener offers.

The move to Columbus also allowed the company to update its marketing department, as many of the people who were recruited in California did not make the move to Indiana.

“We had done a traditional job of marketing. That’s all great, but we recruited (people) specifically with digital marketing backgrounds, and that has helped us advance what we are doing. It’s a substantial difference that happened very quickly,” Rufener asserts.

Industry booming

Online shopping hasn’t just revolutionized things for the average consumer buying toiletries and books on Amazon, or



President Jeff Rufener cites a quality product and robust distribution network for the company’s success.

purchasing clothes online instead of going to a brick and mortar retailer.

“I mentioned our industry is running at record levels right now. What is driving that is significant expansion in online selling. Particularly the delivery aspect,” Rufener emphasizes. “The more traditional consumer thing – you go to the store, they may or may not have a warehouse in the back with pallet loads of what you’re buying. You buy one of whatever that is and take it home. That model is changing now, that particular product gets handled many more times because (Amazon, as an example) isn’t delivering a pallet load; it’s an individual piece part all the way to your door.

“That’s driving an increased demand in material handling equipment, because sellers have to touch that product that many more times – and they’re not moving pallet loads.”

That change has made a huge impact on the industry, Rufener notes.

“Our industry has been growing. It came out of the recession and outpaced the economy by a rate of about two-to-one in the last six years of expansion. ... There are tremendous demands on freight and delivery infrastructure, (more) than there were five years ago. It requires distributors to handle products more frequently in smaller quantities. There are more touch points. It’s a fundamental change in our economy,” he contends.

‘Hats off to Columbus’

Rufener acknowledges that even though

Columbus may not be a major city in size, it has attracted a number of large businesses to the region.

“We’re around 1,400 people (employed) and we’re the No. 3 or 4 sized employer in this relatively small community. That’s significant and I think it’s extraordinary. This community is willing to invest. The results of that, the impact shows in Columbus,” Rufener says.

He explains that the employees who made the move to Columbus have found a welcoming home.

“There were a lot of people who were facing that transition and have come here and said, ‘Well the people are wonderful, the quality of life is terrific, I can be in the office in 10 minutes,’” he offers. “In the dead of winter last year, there were days when you’d like to be on a beach, but I doubt there’s anybody seriously regretting the relocation.”

TMHU, while looking to expand its official philanthropic efforts, has already donated forklifts to the Midwest Food Bank, the city of Columbus and the Bartholomew County 4-H Fair. It has also made contributions to the Columbus Philharmonic, while encouraging employees to be active in the community.

“Toyota is a great company and a great culture, and we have very much appreciated being a part of this community. ... One of the greatest opportunities we’ve had is being able to extend that to new people,” Rufener concludes. “We are interested in people who are interested in working here.”

RESOURCE: Jeff Rufener, Toyota Material Handling U.S.A., Inc., at www.toyotaforklift.com