



# Minimising GSE total cost of ownership

The real price of any item of equipment can be measured most accurately in terms of the cost that it will represent over its working lifetime. Known as total cost of ownership (TCO), it is a vital consideration – though only one of many – for those GSE operators thinking about acquiring GSE

**A**mongst the big GSE manufacturers that place a high level of importance on minimising the TCO of equipment for their customers is TLD, which forms part of the wider Alvest Group that also takes in GSE suppliers such as Smart Airport Systems (SAS), Aero Specialties and Sage Parts.

Laurent Decoux, group product and

innovation director at Alvest explains that, for TLD, TCO is a subject that always comes up in discussions with customers. In terms of equipment acquisition, TLD can offer various options such as leasing rather than initial purchase, while full maintenance contracts also enable customers to minimise the TCO of their new acquisitions over their lifetime.

As for the equipment itself, TLD looks to minimise TCO in many ways, but

Decoux points to two in particular. The first comes about as a result of conversion from diesel to electric power, which is not only good for the environment but also represents significant cost savings over the lifetime of a GSE unit.

Electric GSE is now cheaper than it used to be because the cost of batteries is coming down, but over the life of a unit the saving on fuel is as notable as ever. New technologies are allowing power to be saved in many different ways for electric GSE, also helping minimise such GSE's TCO.

TLD is a leading player in electric GSE provision. It has for almost 25 years offered electric GSE in some of its product lines – such as baggage tractors, belt loaders and passenger stairs – but now electric variants are offered in almost all its GSE ranges, including loaders and towbarless tractors. Across some of its product lines, approximately half of all sales are now made up of electric units.

As well as the environmental advantages and TCO benefits of battery power, TLD is now working hard on the next phase of how electric power can

best be used in GSE, by looking at how any given unit's electric power efficiency can be optimised. An example here is to be found in TLD's reGen loader, which minimises power loss through using supercapacitors to reuse the energy generated when the equipment loading platform is lowered and when the loader brakes.

The TLD reGen system constantly monitors the current draw of the loader (and particularly the peaks when the loader is lifting, peaks which tend to define the period before a battery must be replaced), thus providing data that helps predict when a battery will begin to fail.

### Fleet management

The second focus TLD has in terms of minimising TCO relates to GSE use optimisation through the company's LINK telematic system that tracks such variables as fuel consumption, intensity of operations, even shock sustained by a unit of GSE during its operational life.

It can also be used for geofencing. The information it furnishes is invaluable in allowing operators and managers to see how GSE is used and to maximise its efficiency and value through optimised fleet management, Decoux remarks.

Maintenance and repair duty cycles can be prepared in advance to match future requirements, while there might even be TCO savings to be made through fleet rationalisation if it is seen that fewer units can be operated at higher levels of efficiency to achieve the same results.

### Explaining TCO benefits

For Brussels, Belgium-headquartered GSE supplier TCR, minimising TCO lies at the very heart of what it offers its customers, explains its head of commercial, Bruno Vanpoucke. "It's what our [business] model reflects," he points out – full-service rentals that incorporate maintenance and support along with the lease, while keeping the cost of GSE off an operator's balance sheet.

While all TCR clients tend to have a fairly good grasp of the concept of TCO, many – especially new customers – do not fully track and therefore fully appreciate all aspects of it, Vanpoucke notes. "So, we try to help them with that," he says.

"We draw up business cases that fully account for all aspects of total cost of ownership, and especially the costs that accrue across an entire GSE fleet, rather than just in terms of an individual asset."

TCR is very good at identifying the TCO benefits of working with TCR across a GSE fleet in all manners of ways (in relation to acquisition costs, running costs, maintenance and repair, asset risk and so on), and putting that information across in readily understandable terms to a customer (or potential customer).

TCR buys equipment in volume and can then lease individual items according to every customer's needs, thus significantly minimising up-front costs for them. Since TCR owns an asset, the customer avoids the risk of having



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that asset on its balance sheet.

The company also offers a high degree of flexibility in meeting operators' needs through its highly customisable full-service packages, while the quality of preventative maintenance and repair services it provides as part of a package also means that there are no sudden and unexpected costs in this regard for an operator.

### Going electric

Like TLD, TCR is emphasising the value of electric GSE for many customers. In terms of TCO, TCR's leasing model for battery-powered GSE avoids the need for an operator to make the otherwise relatively large initial investment (compared to similar diesel units) in electric equipment, while it also reflects the lower maintenance costs of such units. The fact that the running costs for electric GSE are lower than for diesel equivalents (and the fuel they require) also means significant savings in through-life costs of course.

TCR can even acquire operators' diesel equipment and replace these units with electric GSE as desired as part of a package.

With the costs of electric GSE coming down (especially, as has already been pointed out, as lithium batteries especially

become cheaper) and the residual value of electric units even after some years of use also now increasing, the attractiveness of battery-powered equipment is growing all the time, Vanpoucke suggests – and TCR is an expert in comparing the costs and benefits of diesel versus electric for its customers.

### Proven practice

For Ben Reeves, vice president Power Stow Americas, it is “proven practice” to assess the practicality and benefit of an initial investment in a particular item of GSE according to the expected TCO, rather than simply comparing initial purchase prices of different equipment.

As he points out, total cost of ownership is simply the sum of capital expense (purchase price) and operational costs over lifetime of a given piece of equipment, and it offers a better yardstick of the practical burden of investing in any GSE.

According to Reeves, Power Stow's well-known extendable belt loader, the Rollertrack Conveyor, is a high-quality, long-life machine that meets ground handlers' demand for reliable, durable GSE and ensures high uptime and low maintenance costs. (The Rollertrack

Conveyor is an extension to a standard belt loader. It reaches inside the aircraft bulk hold, makes a complete 90° turn, and quickly and reliably delivers bags to a handler working inside the aeroplane's hold.)

Moreover, its semi-automated operation increases efficiency, and – through better team utilisation – ensures operational cost savings from day one. In short, he declares, the Power Stow Rollertrack Conveyor “offers the lowest TCO on the market”.

Power Stow achieves this, Reeves, says, through the high quality of the product in terms of its component parts and how the equipment is constructed, as well as through the support services provided, which include training, maintenance and servicing. Together, these facilitate the high uptime and long life of the product that represents – as a package – a low TCO option.

Moreover, thanks to its semi-automated operation, baggage and cargo unloading and loading operations, using the Rollertrack Conveyor require smaller teams compared to those using conventional belt loaders; thus, he notes, ground handler operators will cut operational costs.

Power Stow works closely with its customers to ensure that the value of its GSE is maximised for operators. Thus, Reeves informs: “We continuously introduce incremental improvements, to improve reliability and operation of the Rollertrack Conveyor. Our products serve our customers for decades in all weather conditions in any international airport environment.”

### The operator's viewpoint

Don Redwine, director ground ops – GSE, for US carrier Southwest Airlines, can give an operator's view of the Rollertrack Conveyor and its benefits to a self-handling carrier, including its value in terms of having a comparatively low TCO.

He says: “TCO is always a consideration on any type of equipment but it is only one factor in the decision. We also weigh in reliability, after-sales support, safety, design and initial cost into our analysis.” But:



“Power Stow has shown [itself] to be among the top performers in all these categories.”

Redwine continues: “We are very comfortable with the high level of

engineering and quality in the Power Stow product. We believe that every effort has been made to design in reliability and minimise downtime.”



Southwest Airlines is a valued customer of Power Stow's Rollertrack Conveyor

That is despite the Power Stow product being “a complex piece of equipment”; indeed, Redwine argues, in many ways it would not be fair to make direct comparisons to standard style belt loaders that do not offer the same benefits of handling agent safety and ergonomics.

However, he enthuses: “The overall concept and design of a flexible extending belt loader is a game changer in the field. We know that our employees love them as we can see that they get three to four times the daily use hours on a Power Stow as opposed to a standard belt loader.

“Letting the machine do more of the work in the bins has a positive impact on the overall employee experience of operations and is less stressful on the bodies of the [handling] agents in the field.”

Finally, Redwine concludes: “We have always gotten great support from Power Stow even when we have faced unexpected challenges. They are great business partners for SWA [Southwest Airlines].” ■



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