

A MESSAGE FROM

THE VICE PRESIDENT



Bruce Truesdale

Komatsu's innovation goes beyond intelligence



Dear Valued Customer:

This year marks the five-year anniversary of Komatsu's *intelligent* Machine Control introduction. The first-of-its-kind technology set the bar for integrated GPS dozing, and Komatsu has since delivered a second generation of its original D61i dozers. It has also added several other models, offering customers a broad range of products to move dirt from rough cut to finish grade on a wide variety of jobsites.

Operators can do the same with Komatsu's *intelligent* Machine Control excavators. Four models are part of the family, including the second-generation PC210LCi-11. All are excellent for digging trenches and basements, building ponds, handling mass excavation work and a host of other applications. Read more about the excavators and dozers inside this issue of your WPI Update magazine.

We have said it before, but it's worth repeating – we are proud to represent such an innovative manufacturer. Komatsu's technology is at the forefront of the construction industry, and it's driven to stay ahead of the competition. That's why Komatsu is not content to rest on its laurels. The organization always looks for ways to give customers increased value.

Superior support is one way Komatsu does that. When the company rolled out its Tier 4 machines, it also established Komatsu CARE. This program provides complimentary scheduled service for the first three years or 2,000 hours, with highly skilled distributor technicians performing all of the work. Recently, Komatsu celebrated the 100,000th service completed under this unique plan. See more about the milestone inside.

Komatsu CARE is available on *intelligent* Machine Control and standard equipment, such as the recently introduced WA480-8 wheel loader. This machine is a terrific option for construction and small quarry applications. Several great features stand out, including a new bucket design that boosts productivity by nearly 7 percent.

As always, if there's anything we can do for you, please call or stop by one of our branch locations.

Sincerely,

WAUKESHA-PEARCE INDUSTRIES, LLC

Bener A Tanasalle

Bruce Truesdale

Vice President of CMD Operations



www.WPIUpdate.com

IN THIS ISSUE

M5 UTILITIES pg. 4

Read how John-Mark Matkin detected a need for underground utility contractors in the San Antonio area and moved to fill that void.

CUSTOMER EVENT pg. 9

Check out a recap of Demo Days where WPI customers tested a variety of *intelligent* Machine Control equipment.

A CLOSER LOOK pg. 10

Examine the optimism regarding how the new tax law may benefit the construction industry and its employees.

INDUSTRY NEWS pg. 12

Employment data show that construction wages are increasing, while the labor market remains tight. Find out more in this issue.

GUEST OPINION pg. 13

Find out why exploring the arts can help members of your work force improve their creativity and productivity.

NEW PRODUCT pg. 15

Get an in-depth look at Komatsu's fuel-efficient, productive WA480-8 wheel loader.



www.wpi.com

AUSTIN, TX

P.O. Box 14684 16029 I.H. 35 North (78660) Austin, TX 78761-4684 (512) 251-0013 (512) 251-0748 FAX

KILGORE, TX

3106 North Highway 42 Kilgore, TX 75662 (903) 984-2011 (903) 984-1596 FAX

TOMBALL, TX P.O. Box 1677

P.O. Box 1677 1720 Hicks St. (77375) Tomball, TX 77377 (281) 351-9016 (281) 351-9042 FAX

CORPUS CHRISTI, TX

P.O. Box 9267 5226 Interstate I-37 (78407) Corpus Christi, TX 78469-9267 (361) 884-8275 (361) 882-2416 FAX

SAN ANTONIO, TX

P.O. Box 200163 3740 S.E. Loop 410 (78220) San Antonio, TX 78220-0163 (210) 648-4444 (210) 648-7602 FAX

BEAUMONT, TX

P.O. Box 2066 8903 S. Hwy. 69 (77640) Port Arthur, TX 77643 (409) 721-5305 (409) 721-6192 FAX

HOUSTON, TX

P.O. Box 35068 12320 S. Main (77035) Houston, TX 77235-5068 (713) 723-1050 (713) 551-0798 FAX

EDINBURG, TX

P.O. Box 2179 5934 North Expressway 281 Edinburg, TX 78540-2179 (956) 386-0107 (956) 386-0475 FAX

BUFFALO, TX

2077 N. Craig Dr. Buffalo, TX 75831 (903) 322-7150 (903) 322-4535 FAX



Printed in U.S.A. © 2018 Construction Publications, Inc.

THE PRODUCTS PLUS THE PEOPLE TO SERVE YOU!

Louis M. Pearce, III, President
Bruce Truesdale, VP CMD Operations
Scott Smith, Director of Sales
Ray Singleton, Director of Service
Jeff Cox, Director of Retail Finance
Frank Pagura, Director of Major Accounts
Byron Blair, Director of Parts
Jackie Haney, Director of Development & Tech Support
Sarah Kimbrough, Sales Support Manager
Kimberly Fockelmann, Marketing Manager
Heston Thomas, Remarketing Manager
Dan Galor, Manager SMARTCONSTRUCTION
Dick McCorkle, CMD Parts Manager

AUSTIN, TX

James Berumen, Branch Manager Courtney Amick, Parts Manager James Reynolds, Sales Representative Sean Casey, Sales Representative Cameron Dunk, Sales Representative Tim Nice, Major Accounts Sales Tim Hesskew, Product Support Sales

CORPUS CHRISTI, TX

Cris Perez, Branch Manager Roland Rameriz, Service Manager Doug Hagerman, Product Support/Unit Sales

HOUSTON, TX

James Crosby, Parts Manager
Kevin Cagle, Sales Representative
Rusty May, Sales Representative
Mark Rickett, Sales Representative
Steve Robinson, Sales Representative
Jess Widner, Major Accounts Sales
Gabriel Saenz, Technical Solutions Expert
Hollis Smith, Product Support Sales
Jeremiah Sporn, Product Support Sales Manager

KILGORE, TX

Jack Smelley, Jr., Branch Manager David Bagley, Service Manager Blayne Fannin, Parts Manager Mark Bewley, Sales Representative Clint Woodcock, Sales Representative Randy Berry, Product Support Sales Adam Pugliese, Product Support Sales

SAN ANTONIO, TX

Robert Barrera, Branch Manager
John Trouart, Service Manager
Mike Hunter, Parts Manager
Brian Childress, Sales Representative
Casey Neil, Sales Representative
Eric McQueen, Sales Representative
Mike Harris, Product Support & Mining Sales
Clayton Garner, Product Support Sales

EDINBURG, TX

Alex Maldonado, Branch Manager Omar Escobar, Sales Representative

TOMBALL, TX

David Price, Branch Manager
Patrick Gass, Service Manager
Roy Plata, Parts Manager
Kenneth Swann, Product Support Representative

BEAUMONT, TX

Joseph LaBouve, Branch Manager Rodney Champagne, Service Manager Ryan Pyburn, Sales Representative

BUFFALO, TX

Mike Ashley, Assistant Branch Manager Gregg Cairns, Sales Representative

A SALUTE TO A PCUSTOMER



M5 UTILITIES

Contractor strives to fill market void, grows to one of San Antonio-area's largest underground firms



John-Mark Matkin, President



Kevin Mock, Chief Operating Officer



Travis Gauntt, Vice President Commercial Accounts

John-Mark Matkin has been engaged in engineering and surveying for more than two decades. A few years ago, Matkin decided he wanted to be involved with the construction of the projects that his firm, Matkin Hoover, was designing.

"I noticed there was a definite void in the utility contracting industry in this area, and we decided to try and fill it," said Matkin, who is President of M5 Utilities. "There was also a commitment to self-perform as much of the work as possible. We got off to a good start and have been growing ever since."

Matkin formed Boerne, Texas-based M5 Utilities in March 2016 along with a partner, who he bought out at the end of the following year. During those formative 21 months, Matkin hired a group of individuals to help mold the organization into what he terms a "professional- and business-minded firm."

Among them were Kevin Mock, who is now Chief Operating Officer; and Vice President of Commercial Contracts Travis Gauntt.

In a little more than two years, this group has assisted Matkin in building M5 Utilities into one of the largest pure-utility contractors in the San Antonio area. It installs all types of underground lines, including storm, sewer, water, fire and gas, as well as duct banks and conduit for telephone and electric.

"In addition to putting pipe in the ground, our crews build custom structures and place precast items such as storm boxes and culverts," said Mock. "We mainly operate as a subcontractor to generals, and whatever package they offer us to bid on, we can handle it."

Planning, coordination and communication

The organization's primary focus is large, new construction projects for clients in the commercial market. It also completes a limited number of jobs in the residential and public sectors. With approximately 130 employees divided into 13 crews, M5 Utilities considers the entire state of Texas its territory.

"We will continue to evaluate all business lines," Matkin shared. "Whatever we do, perfection and quality customer service is our aim. Do we always achieve the former? No, but we never miss the latter. We have experienced growing pains, but we are committed to our customers."

This mindset started with M5 Utilities' initial job, a 4,500-foot run of eight-inch, water main extension for Tapatio Golf Course. The \$150,000 undertaking was a typical size in the company's early days. Now, it's completing much larger projects, such as the 53,000 feet of 16-inch waterline it put in for Kendall West Utility and the surrounding area. M5 Utilities handled all of the open cut while subcontracting boring and rock sawing.

"Our model put us in demand and enabled us to build a substantial list of repeat business in a relatively short time frame," Mock said. "Additionally, our customers appreciate that we take the time to evaluate projects carefully before starting them and again while in progress. Planning, coordination and communication are keys to our success."

Operators request Komatsu excavators

M5 Utilities began using Komatsu excavators from day one. It first purchased previously





Operator Ralph Polito digs a trench with a Komatsu PC210LC excavator on an M5 Utilities jobsite in Boerne. "The Komatsu is comfortable, has lots of power and is easy to handle," said Polito.



owned equipment at auction, then turned to WPI's San Antonio branch and Territory Manager Casey Neil for new PC228USLC, PC210LC and PC360LC models.

"Buying used machines got us started, but through time we realized that new equipment backed by quality service and a warranty was a better choice," said Matkin. "It helped that Komatsu Financial offered zero-percent rates. But, most importantly, we trusted that Casey and WPI would stand behind the machines, and they have been true to their word. They have responded right away to any need we have had. The complimentary Komatsu CARE program is a great added-value, too. It ensures scheduled maintenance is done on time and frees up our mechanics to focus on other tasks."

While the firms' leadership team has a strong relationship with Neil and WPI, Mock emphasizes that M5's operators are Komatsu's greatest sales representatives. "They are happy to tell us their equipment preferences, and Komatsu excavators are their main request. If a dig is close to a building or other obstruction, our operators want a tight-tail-swing PC228 because, despite the compact size, they are productive in those applications.

"For lighter tasks in open areas, it's usually a PC210," he continued. "The PC360s are for heavier jobs such as moving massive amounts of dirt, setting box culverts and moving and installing large-diameter concrete pipe. The lifting capacity of the PC360 is outstanding. For example, on a recent project we laid some

Continued . . .

'Lifting capacity of the PC360 is outstanding'

... continued



(L-R) M5 Utilities Chief Operating Officer Kevin Mock, President John-Mark Matkin and Vice President of Commercial Accounts Travis Gauntt meet with WPI Sales Representative Casey Neil at M5's office in Boerne. "We trusted that Casey and WPI would stand behind the machines, and they have been true to their word," said Matkin. "They have responded right away to any need we have had."

concrete pipe, and each eight-foot section weighed roughly 24,000 pounds. It was no problem for a PC360."

Determined to be the best

M5 Utilities is pushing full steam ahead. It recently moved into a new corporate office that was built to handle current growth as well as future expansion.

"The new location will also give us a shop and an equipment yard," said Matkin. "It's a major investment, but one that's necessary to keep growing."

As he looks forward, Matkin concentrates on what got M5 Utilities to this point – a laser focus on underground work. "We keep our options open by looking at new markets, rather than adding further services. Our mission is to remain in our niche. Each day, we will strive to get better."

An M5 Utilities operator digs with a Komatsu PC360LC excavator for a new storm sewer line on a project in Boerne. "The lifting capacity of the PC360 is outstanding. For example, on a recent project we laid some concrete pipe, and each eight-foot section weighed roughly 24,000 pounds. It was no problem for a PC360," said Chief Operating Officer Kevin Mock.







KOMATSU®

THAT'S WHY I AM KOMATSU





CUSTOMER EVENT



Discover more at WPIUpdate.com

FULL SHOWCASE

Demo Days makes it easy for customers to test latest Komatsu equipment

More than 250 current and prospective customers attended Komatsu's spring Demo Days at its Cartersville Customer Center in Georgia. Mornings began with a tour of the Chattanooga Manufacturing Operation, where many of the Komatsu excavator models are assembled. After lunch, attendees listened to a brief informational tech session before heading to the recently renovated demonstration site to check out the latest equipment that Komatsu has to offer.

"The Demo Days event is a great opportunity for customers to see the facility and operate a wide range of Komatsu products," explained Director of Training and Publications Bill Chimley. "Customers can get first-hand experience with the newest *intelligent* Machine Control capabilities as well as a variety of our other equipment with experienced staff readily available to answer any questions."

New excavator included

The event showcased the full lineup of *intelligent* Machine Control dozers and excavators, including the new PC390LCi-11

excavator. In total, 26 machines were available for customers to operate, including wheel loaders, haul trucks, excavators, dozers and a motor grader.

"It's a great event," said BC Construction President Ray Borges, who came from Hawaii to attend Demo Days. "There are a lot of machines to try out. Operating the equipment and seeing how it's assembled was worth the trip."

The updated demo site includes gravel walkways to increase safety between machine operation zones and permanent stairs. The various zones allow current and potential customers to test each machine to its fullest capabilities.



Bill Chimley, Komatsu Director of Training and Publications



(L-R) Keith Richardson, Mike Morton, Sonny Williamson, Brian Faulkner and David Janik from Boral Construction get ready to test equipment at Demo Days.



Justin Scott of Boral Construction (left) talks with Rob Warden of Komatsu America.



The recently renovated Cartersville Customer Center features several safety updates, including new gravel walkways between working zones and permanent stairs.

TAX LAW SPURS OPTIMISM

Lower rates and faster write-offs could provide major boost to contractors

Editor's note:

This article is based on data from Associated General Contractors of America and is for informational purposes only. It does not reflect all changes under the tax law. You should seek advice from a professional tax adviser on how the legislation affects you and/or your business.

Tax reform took firm hold this year, affecting both individuals and businesses, including major changes for some in the construction industry as Congress passed and President Trump signed H.R. 1, The Tax Cut and Jobs Act, last December. This legislation, in most cases, increased take-home pay, lowered corporate tax rates and included provisions designed to increase expensing limits.

The signature piece of the legislation may be a reduced corporate tax rate, which was slashed from 35 to 21 percent and was made permanent. Personal-services corporations are also now taxed at 21 percent.

Pass-through businesses – those that are structured to allow owners to include profits on their personal tax returns such as partnerships, S Corporations or sole proprietorships and are taxed at the individual's marginal income tax rate – received significant savings, too. A section

was added to the tax code (199A) that provides a 20-percent deduction on such income through 2025. Limitations do apply such as phase-outs at certain income levels.

"Lowering the tax rate provides substantial savings that allow us to keep more capital to invest in new equipment and pay off machinery that we have financed sooner," said Don Satoski, President/ Co-owner of Landmark Materials, LLC, of Union Mills, Ind. "Those are excellent benefits for us."

Service businesses, including architecture and engineering firms, are eligible for a deduction, but are excluded from receiving the 20-percent deduction above \$157,000 for individuals and \$315,000 for married filing jointly. Phase-outs apply as does the expiration after 2025.

Section 179 doubled, made permanent

The Tax Cut and Jobs Act affects business expensing in a variety of ways, such as temporary full expensing for property currently eligible for bonus depreciation for five years. That applies to property placed in service after September 27, 2017, including new and used equipment.

"The tax plan is great for us, especially on equipment purchases," shared David Bussman, Vice President of MGL, Inc., a utility contractor based in Cullman, Ala. "Combine that with the zero-percent financing on the machines we bought last fall, and the savings are significant."

Section 179 Expensing – which allows taxpayers to deduct the cost of certain property types as an expense rather than

Construction workers saw a boost in take-home pay, because the law reduced most tax rates and increased amounts subject to new and unchanged percentages. A Business Insider analysis showed laborers' average federal tax owed would drop by nearly 20 percent.





The Tax Cut and Jobs Act affects business expensing in a variety of ways, such as temporary full expensing for property currently eligible for bonus depreciation for five years. This applies to property placed in service after September 27, 2017, including new and used equipment.

being capitalized and depreciated – was permanently increased from \$500,000 to \$1 million with a \$2.5 million phase-out and is indexed to inflation. The definition of property now includes roofs as well as HVAC, fire protection, alarm and security systems added to non-residential buildings already placed in service.

Employee take-home pay rises

While the final legislation reduced nearly all tax rates for individual and married filers alike, there are still seven brackets. Two remain the same, including the lowest at 10 percent; however, the amount subject to that rate increased from \$0-9,325 to \$0-9,524 for single filers and from \$1-18,650 to \$0-19,049 for married filing jointly. Previously, income above \$9,325 and \$18,650 would have been subject to a 15-percent rate. The 35-percent bracket also increases the amount subject to it.

All other previous tax brackets were lowered, including the top rate, which went from 39.6 percent to 37 percent. The biggest change was to the previous 28 percent rate, which dropped to 24 percent. The 15-percent and 25-percent brackets were each reduced by 3 percent to 12 and 22 percent respectively. The 33-percent rate decreased to 32 percent.

A Business Insider analysis showed the average annual pay for construction laborers is \$37,890, which made their previous federal tax \$3,645. Under the new bill, it estimates a reduction to \$2,916, for a savings of nearly 20 percent.

Along with rate changes, the standard deduction nearly doubled to \$12,000 for individuals and \$24,000 for those married filing jointly. Previously it was \$6,350 and \$12,700. The new standard deduction and tax rates are temporary and expire at the end of 2025.

Firms hiring

Now is a good time for workers seeking employment in the construction industry. Seventy-five percent of construction companies plan to expand their payrolls in 2018, according to results of an Associated General Contractors of America (AGC) survey, Expecting Growth to Continue: The 2018 Construction Industry Hiring and Business Outlook.

"Construction firms appear to be very optimistic about 2018 as they expect demand for all types of construction services to expand," said Stephen E. Sandherr, AGC's Chief Executive Officer, upon release of the survey results. "This optimism is likely based on current economic conditions, an increasingly business-friendly regulatory environment and expectations that the Trump administration will boost infrastructure investments."

There is hope that the tax law will help with the latter as it kept a provision for Private Activity Bonds, which will assist with financing transportation infrastructure as well as low-income housing and other public construction and public-private partnership projects, according to AGC.

INDUSTRY NEWS

CONSTRUCTION WAGES RISING

AGC analysis indicates firms paying more, but labor market remains tight



Stephen E. Sandherr, AGC CEO

An Associated General Contractors of America (AGC) analysis showed construction wages on the rise, which appears to be attracting workers to return to the industry. The organization cautioned, however, that labor conditions still remain extremely tight.

"Many firms are boosting pay and taking other steps to compete for a relatively small pool of available, qualified workers to hire," said Stephen E. Sandherr, AGC's Chief Executive Officer. "While these measures appear to be luring construction workers back to the job market, firms report they would hire additional workers if they could find enough qualified candidates."

Highest levels in past decade

The most recent data, in April, showed construction employment totaled 7,174,000, a gain of 17,000 for the month and 257,000, or 3.7 percent, throughout the last 12 months. Construction employment is at the highest level since June 2008. Association officials note that the year-over-year growth rate in industry jobs was more than triple

the 1.1 percent rise in the total nonfarm payroll employment.

Hourly wages in the industry averaged \$29.63 in April, an increase of 3.5 percent from a year earlier. That put the average hourly earnings in construction 10.4 percent higher than the average for all nonfarm private-sector jobs, which rose 2.6 percent in the past year to \$26.84, Sandherr added.

Construction officials urged federal, state and local leaders to take steps to make it easier for schools, construction firms and local associations to develop and offer construction-focused programs to recruit and prepare future workers. They noted that such measures would signal greater numbers of students that there are multiple paths to success in life.

"It is time to start showing young adults that high-paying careers in construction should be on the list of professions to consider," Sandherr said. "Too many students amass a mountain of college debt just to earn mediocre wages working in a fluorescent-lit cube farm."

A recent analysis by Associated General Contractors of America showed hourly earnings in the construction industry averaged \$29.63, an increase of 3.5 percent from a year earlier. That's attracting some workers back to the industry, but the market remains tight.



BUILD A HEAD OF 'STEAM'

Adding the arts to technical skills can generate more productivity, innovation

In 1871, engineer James Watt patented a steam engine that produced continuous rotary motion. Steam engines both figuratively and literally drove the Industrial Revolution and introduced the expression "build a head of steam."

When critical pressure is applied to pistons, things happen. Construction-sector professionals and organizations must strive to achieve the same momentum by building a head of STEAM – that is, by adding the "A" to STEM, the already-developed skill levels of science, technology, engineering and mathematics.

That "A" is knowledge of and skill in the arts. The combination may seem odd to those who have a technology-focused education. But, by embracing the broad and exploratory STEAM mindset and engaging both sides of our individual and collective brains, we can generate more personal and organizational productivity, innovation and enhanced service for clients, customers and stakeholders.

Promotes better connections

A STEAM perspective provides a clearer understanding of how almost everything connects with everything else to the extent that science, technology, engineering, art and mathematics help us comprehend the increasingly complex world in which we live. The "everything is connected to everything" realization enables individuals and organizations to be more aware of the consequences of actions and empowers us to recognize many and varied opportunities.

Studies show that homogeneous teams – made up of those only STEM-skilled or only arts-oriented – tend to experience high communication effectiveness and require little time to make decisions. Unfortunately, they

may produce results that are low in creativity or innovation. In contrast, heterogeneous teams comprised of both STEM and arts members take longer to make decisions but may arrive at more creative and innovative results.

If you're deeply into STEM by virtue of interest or vocation, on a whim, enroll in a one-day drawing class or sign up for ballroom dancing lessons. Urge deeply arts-focused colleagues to read some science and engineering articles, audit an engineering class or visit an automobile manufacturing plant. To those in leadership or management positions, help your personnel understand STEAM and how embracing it could benefit them, their employers and those they serve. Ask colleagues to share their art or STEM passions at "brown bag" lunch sessions. You and others will be surprised and inspired by the variety of talents in your midst.

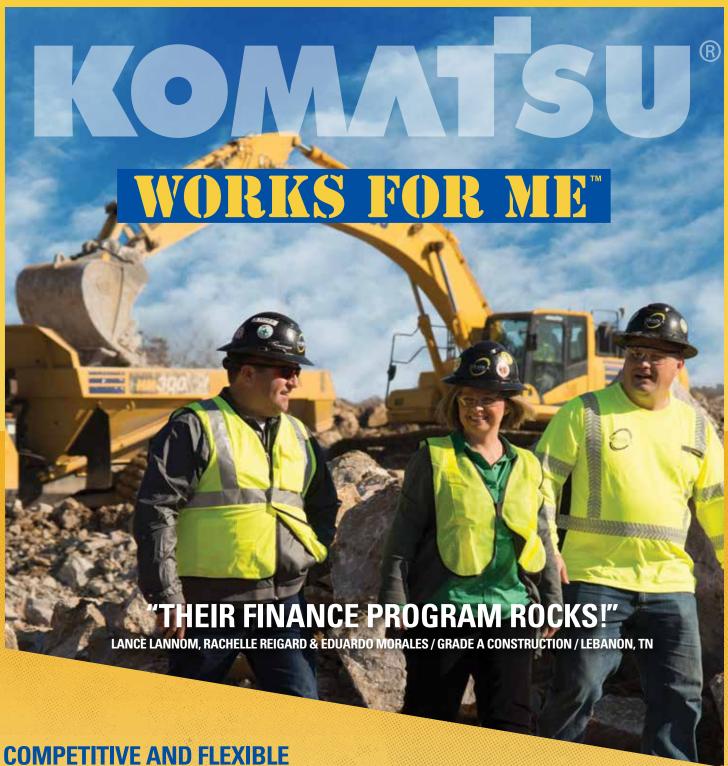


Stuart G. Walesh, PhD, PE

Stuart G. Walesh is an independent consultant, teacher and writer who has worked in engineering, government and academia. This viewpoint is adapted from his book Introduction to Creativity and Innovation for Engineers. An edited version also appeared in Engineering News-Record's magazine in December 2017.

Stuart G. Walesh, independent consultant, teacher and writer says that embracing a science, technology, engineering, arts and mathematics mindset along with engaging both sides of the brain generates more productivity and innovation.





KOMATSU FINANCIAL

"Komatsu has been a great partner for us. They've been with us through the years, even when we started small and not many other places wanted to talk to us. They believed in us and helped us grow. From a custom financing plan to tech like KOMTRAX, to customer service and Komatsu CARE, and of course reliable products—they offer everything to help our bottom line grow." Rachelle Reigard, President

KOMATSU®

THAT'S WHY I AM KOMATSU







Discover more

THE RIGHT FIT

New wheel loader for specialized needs offers improved production and fuel efficiency

To do a job right, an operator needs the correct equipment. For a certain set of customers, that machine is the Komatsu WA480-8 wheel loader.

"The WA480 fills a need for a select group of users," said Komatsu Product Marketing Manager Craig McGinnis. "For them, the WA470 isn't big enough, but the WA500 is too much. The WA500 is approximately 20 percent larger than the WA470 when it comes to horsepower, tipping and other metrics, while the WA480 is closer to 8 percent bigger, providing a much better fit."

The 56,262-pound WA480-8 wheel loader replaces its Dash-6, Tier 3 predecessor and sports a 299-horsepower Tier 4 Final engine that delivers as much as 20 percent greater fuel efficiency. Komatsu's dual-mode Engine Power Select System lets operators choose between two standard options: E-Mode for greater fuel efficiency during general loading or P-Mode when they require maximum power output for hard digging operations or uphill climbing. The E-Mode Light option, which is selectable from the monitor, further reduces fuel consumption.

The WA480-8 is equipped with a steering wheel, but customers can opt to replace it with Komatsu's Advanced Joystick Steering System (AJSS), which allows operators to handle steering and directional travel through wrist and finger control.

Buckets of efficiency

Komatsu further enhanced the productivity of the WA480-8 by adding an auto-dig function that enables the machine to automatically lift the boom and curl the bucket when in a pile – a feature that was previously offered only on the larger WA500 and WA600 models. The WA480-8

also includes a redesigned bucket that is available in 6.0- or 6.5-cubic yard capacities.

"We reconfigured the curves in both the front and back of the bucket to increase productivity by as much as 7 percent compared to the previous model," detailed McGinnis. "The design enables material to flow into the bucket easily and also helps with load retention to prevent material from spilling over the sides."



In addition to enhanced engine performance and overall design, the WA480-8 delivers upgrades that improve the operator experience. The cab boasts a low-noise design, an Electronic Pilot Control air-suspension seat, an auxiliary jack, a pair of 12-volt outlets and two 7-inch, high-resolution, color monitors. One displays machine diagnostics and menus while the other is for the rearview camera.



Craig McGinnis, Komatsu Product Marketing Manager

The new Komatsu WA480-8 has a 299-horsepower, Tier 4 Final engine that boosts fuel efficiency up to 20 percent and a redesigned bucket that increases productivity by as much as 7 percent.





SPECIAL RECOGNITION



Discover more

'INTELLIGENT' ANNIVERSARY

Komatsu marks five years of saving customers time, money with integrated machine-control technology

To say that Komatsu is observing the five-year anniversary of *intelligent* Machine Control is slightly misleading. While the first dozer made its debut in 2013, the genesis of its factory-integrated GPS equipment goes back much further.

"Research and development started many years earlier," shared Jason Anetsberger, Senior Product Manager, SMARTCONSTRUCTION and *intelligent* Machine Control. "Komatsu uses the

Continued . . .



Jason Anetsberger, Komatsu Senior Product Manager, SMARTCONSTRUCTION and *intelligent* Machine Control



Mike Salyers, Komatsu Senior Product Manager, SMARTCONSTRUCTION



Ron Schwieters, Komatsu Product Manager, intelligent Machine Control



Quick acceptance results in repeat customers

continued

PDCA (Plan, Do, Check, Act) model for continuous improvement to ensure that each machine it brings to market will meet customer expectations for productivity and support. From an *intelligent* Machine Control standpoint, that included having technology solutions experts (TSEs) at each distributor to educate customers on how to set up and implement the technology."

No masts or cables

The first model was the D61i-23 – since replaced with a second-generation D61i-24 – which ushered in fully automatic blade control from rough cut to finish grade.

Because it's integrated into the machine, *intelligent* Machine Control eliminates the masts and cables associated with traditional aftermarket systems, so operators gain production time that was previously lost in setting up and tearing down at the beginning and end of each day.

"Eliminating the need for operators to climb on the machine or blade to mount components is a big plus, too," said Mike Salyers, Senior Product Manager, SMARTCONSTRUCTION. "The bottom line is that customers are moving dirt faster, more efficiently and at lower costs."

Komatsu introduced *intelligent* Machine Control five years ago with the original D61i dozers. Today, that model is in its second generation, the D61EXi-24, pictured here.



Komatsu quickly augmented its *intelligent* Machine Control lineup. In 2014, it brought the D39i and D51i dozers to market. It has since added D65i, D85i and D155AXi models. Additionally, more than 100 TSEs are in the field to provide customers with a wide spectrum of support options.

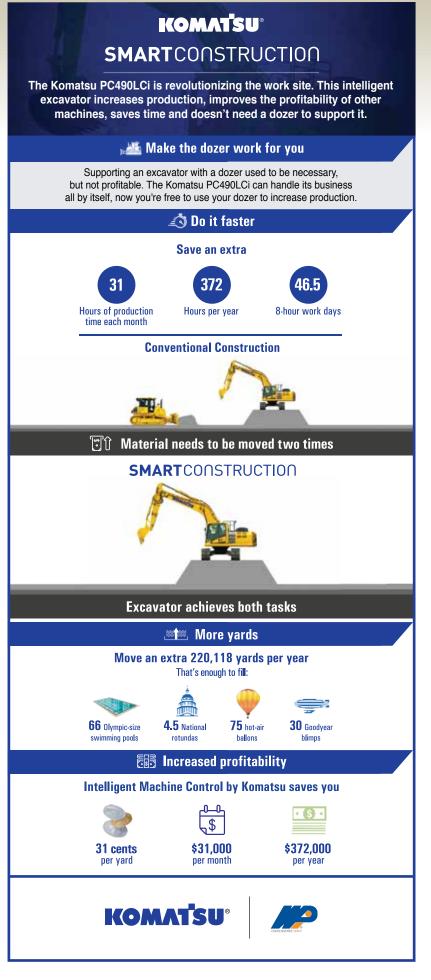
Excavators introduced

Early 2014 saw the introduction of the world's first *intelligent* Machine Control excavator, the PC210LCi-10. PC360LCi-11s and PC490LCi-11s followed soon after, along with a PC210LCi-11 to replace the original. Komatsu recently launched the PC390LCi-11. Each features semi-automatic operation that goes beyond traditional indicate-only systems. Once target elevation is reached, the machine limits the operator from digging deeper, eliminating overexcavation and the need for expensive fill material.

"Our data indicate that *intelligent* Machine Control has been a resounding success," said Ron Schwieters, Product Manager, *intelligent* Machine Control. "As more and more customers saw the positive results, the word spread. Five years ago if you mentioned machine control, Komatsu was likely left out of the conversation. Now, we are at the forefront. This technology has changed the industry."

Today, there are more than 2,000 *intelligent* Machine Control dozers and excavators combined that are moving earth across North America. Anetsberger noted that a large percentage of users were new to GPS technology before they tried one of Komatsu's integrated machines.

"Skeptical is a good way to describe some of them," Anetsberger reported. "After they operated one and experienced its accuracy, production and simplicity, acceptance came quickly. Throughout the years, many became repeat customers. They bought one piece of *intelligent* Machine Control equipment, saw the time and material savings and added more. I think this evidence speaks volumes to the value that *intelligent* Machine Control provides business owners and operators on a daily basis."



FIELD NOTES



Discover more at WPIUpdate.com

BETTER DOZING

Experienced earthmoving contractor boosts efficiency with Komatsu D51EXi dozer



Cody Weaver, Owner, CW Construction

Cody Weaver started moving dirt at the age of 12 and hasn't stopped. Throughout the years, the Owner of CW Construction learned how to do it as efficiently and competitively as possible by maximizing production time. Approximately a year ago, he upped the ante further with the addition of a Komatsu D51EXi intelligent Machine Control dozer.

Weaver uses it to prep subgrade for roadways, level pads, cut and move massive amounts of dirt, as well as place sub-base materials, among other tasks. The dozer features factory-integrated machine control that requires no masts or cables like traditional aftermarket GPS grading systems.

"I love that it provides automatic dozing from rough cut to finish grade, and that the system is integrated into the machine," said Weaver. "The accuracy is impressive. It eliminates overcutting and the need to replace materials with expensive fill."

Once engaged, Komatsu's intelligent Machine Control system automatically starts the cut and

lowers to grade in a typical dozing pass. If the load increases to maximum capacity, the blade automatically raises to minimize track slip, ensuring productive dozing. This allows the dozer to achieve up to 8 percent greater efficiency in moving materials, based on start-to-finish grade testing against typical aftermarket machine-control systems.

Four modes

Operators can select from four distinct operating modes (Cut and Cutting, Spreading and Simple Grading) to optimize performance to the application. They can also tailor blade loads to material conditions by choosing from light, normal or heavy blade-load settings.

"It virtually eliminates the need for staking and grade checkers," Weaver stated. "You can just plug in the plans, set the machine and it does the work, making even the newest operators look like they have been running a dozer for years. Our time, material and labor savings are remarkable." ■

CW Construction's intelligent Machine Control D51EXi dozer cuts, grades and pushes material. "I love that it provides automatic dozing from rough cut to finish grade, and that the system is integrated into the machine, so there are no masts or cables to install or remove," said Owner Cody Weaver. "The accuracy is impressive. Our time, material and labor savings are remarkable."





KOMATSU®

THAT'S WHY I AM KOMATSU





ADVANCED TECHNOLOGY OF A WORLD LEADER

Takeuchi

From World First to World Leader



< For more information on this model or any other great Takeuchi machine, visit takeuchi-us.com >



www.wpi.com

Austin, TX (512) 251-0013

Corpus Christi, TX (361) 884-8275

Houston, TX (713) 723-1050

San Antonio, TX (210) 648-4444

Edinburg, TX (956) 386-0107

Tomball, TX (281) 351-9016

Beaumont, TX (409) 721-5305

Buffalo, TX (903) 322-7150

UTILITY MACHINE



Discover more

AGILE AND EFFICIENT

Versatile Takeuchi TL6R compact track loader delivers in wide range of applications

The ability to work in tight spaces and easily transport versatile equipment is a must for those working in the agricultural, general contracting, landscaping and rental industries. To meet those needs, Takeuchi has introduced the TL6R compact track loader (CTL) to its lineup. The CTL is an agile, compact machine that offers outstanding stability and performance.

Powered by a Kubota 2.4 liter, 65.2 horsepower engine, the TL6R features a radial lift loader design with a maximum lift height of 9 feet 6.4 inches, and a rated operating capacity of 1,841 pounds. Additionally, the TL6R has a width of 5 feet and a height of 6 feet 5.8 inches. The compact dimensions of the TL6R enable it to access and work efficiently in areas with limited space.

The TL6R includes a newly designed cabin with an overhead 5.7-inch color multi-information display and backlit rocker switches that control a variety of machine functions. A cab with a swing-out door, heat and air conditioning are available for greater operator comfort. The CTL weighs 7,480 pounds with a canopy or 7,780 pounds when equipped with a cab.

Complimentary telematics

Takeuchi Fleet Management (TFM) system comes standard on the TL6R. The TFM telematics system is available during the machine's warranty period of two years at no additional cost. It provides a variety of data points including machine health and condition, run time and machine location. The user-friendly TFM system can help reduce downtime, control

costs, perform remote diagnostics and schedule maintenance.

"We saw an opportunity to offer a track loader with compact dimensions that would be easy to transport, deliver excellent power and have the capability of working in a wide range of applications," said David Caldwell, National Product Manager at Takeuchi-US. "The TL6R is a welcome addition to the growing and evolving Takeuchi lineup. It provides outstanding features, unmatched performance, excellent serviceability and is an overall great value." ■

The new TL6R compact track loader from Takeuchi works efficiently in areas with limited space. The track loader is ideal for a variety of tasks in the agricultural, general contracting, landscaping and rental sectors.



ANTICIPATING YOUR NEEDS

Visits with customers give perspective for addressing future parts and service requirements



This is one of a series of articles based on interviews with key people at Komatsu discussing the company's commitment to its customers in the construction and mining industries – and their visions for the future.

Paul Moore, Vice President, Parts Sales & Marketing

Paul Moore joined Komatsu in 2006 as a Remanufacturing Product Manager and became the Vice President, Parts Sales & Marketing in 2015. His career path to that point included two continents and several jobs in the heavy-equipment field, including in the defense industry. He started as an apprentice technician in his native United Kingdom in 1984. Six years later, he joined a global agricultural-equipment manufacturer and then moved to the United States with that company in 2000, before coming on board with Komatsu.

"Growing up on a farm, I have been around equipment my entire life," said Moore. "If you're a 'big iron' person like me, then construction and mining are the best industries to work in. Komatsu is a global leader in both, so I really enjoy being a part of a company that's setting the bar in terms of equipment and the support behind it."

Moore said parts and service have become increasingly important. "Customers base their equipment-buying decisions, in large part, on how a manufacturer and its distributors meet their after-sale needs. We are committed to being the best in the industry in that regard."

Moore is married and has two children. In his free time, he enjoys motorcycle riding and spending time with his family.

QUESTION: Parts and service support is critical to equipment users. Is Komatsu doing anything new in this area?

ANSWER: During the past two years, Komatsu focused heavily on customer engagement, being side-by-side with them at jobsites. We want to know what's working, what isn't and how Komatsu can improve its capabilities and resources, so we can anticipate their needs and proactively talk to them about solutions. We are now extending this initiative to focus on customers' needs when they are interacting at distributors' parts counters and over the phone. Our goal is to make sure Komatsu machine owners have the right parts, the first time and every time.

QUESTION: What information have you discovered in these customer visits?

ANSWER: Customers told us what they really need from Komatsu, things we can do to improve our support levels and ensure their machines continue to be productive, with as little downtime as possible. They also expect parts to be on-hand when needed. Are we always perfect? No, but customers understand that we always strive for continuous improvement, so we can show how we add value to their operations. That's our mission.

QUESTION: What are some examples of how Komatsu is working to better support customers?

ANSWER: One is our General Construction Undercarriage, which was introduced for certain mid-size PC200-300 class excavators a couple of years ago and will expand to include dozers. It offers a competitively priced Komatsu undercarriage option that is guaranteed to fit



Komatsu focuses on customer engagement to better understand owners' operations. "We want to know what's working, what isn't and how Komatsu can improve its capabilities and resources," said Paul Moore, Vice President, Parts Sales & Marketing. "Our goal is to make sure Komatsu machine owners have the right parts, the first time and every time."

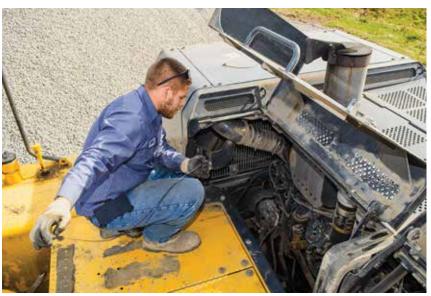
the customer's machine. It's all supported by an industry-best, four-year/5,000-hour assurance program. Another example is the new Komatsu Genuine Oil. Equipment technology continues to expand and so does the need for upgraded maintenance items to keep machines running at peak performance.

In the near future, we will introduce a new online parts-ordering system that will integrate KOMTRAX data, manuals, factory campaign notices and much more information to assist with machine management activities and improve the customer's experience.

QUESTION: Earlier you mentioned being proactive. Why is that so important?

ANSWER: Think of it in terms of your own health. If you wait until you are sick to go to the doctor, recovery may take longer and cost more time and money. A regular checkup may identify a potential issue that can be addressed and taken care of quickly. Monitoring the health of the equipment, taking oil samples and performing daily walk arounds as well as having regular machine inspections by the Komatsu distributor's PSSR for example, are vital to its performance. If something shows up, it may or may not need immediate attention. If not, the owner can plan to have it fixed as soon as possible.

We also offer several parts-related programs such as Firm Future Order and zero-percent parts and service financing. Solutions such as these



Monitoring a machine's health with oil sampling, daily checks and other proactive steps is essential to its performance, according to Paul Moore, Vice President, Parts Sales & Marketing. "Think of it in terms of your own health. A regular checkup may identify a potential issue that can be addressed and taken care of quickly," said Moore.

help owners save thousands of dollars, plan for downtime, guarantee parts and technician availability and allow repair payments on a schedule that works for them. The idea is to preplan the machine maintenance and let customers lock in pricing, guarantee parts availability and schedule the work at a convenient time. We encourage customers to contact their Komatsu distributor for more information.

AT YOUR SERVICE



Discover more

KOMATSU CARE

Technicians complete 100,000th complimentary maintenance visit to customer's jobsite



Mike Hayes,
Director of Service
Marketing &
Distributor
Development,
Komatsu

When Komatsu's first Tier 4 construction-size machines rolled off the assembly lines in 2011, they came with Komatsu CARE, a pioneering, complimentary maintenance program providing service for the first three years or 2,000 hours of operation. This spring, the program marked its 100,000th service interval, performed on a PC228USLC-10 excavator owned by J. Fletcher Creamer & Son.

The program includes scheduled factory maintenance, oil sampling of each lubricated reservoir, a 50-point inspection at every service and up to two complimentary Komatsu Diesel Particulate Filter exchanges in the first 9,000 hours for qualified machines. Having the experts at Komatsu perform this maintenance has benefits well beyond free service.

"Komatsu CARE demonstrates our commitment to meeting customers' needs. It's the most comprehensive offering in the marketplace, and we are extremely proud of

this milestone," said Mike Hayes, Director of Service Marketing & Distributor Development for Komatsu.

More than complimentary service

"This program is an asset to us because we know that our distributor is taking care of our Tier 4 equipment," said Michael Schuhlein, Equipment Manager at J. Fletcher Creamer & Son. "With Komatsu servicing those machines, it frees us up to work on other maintenance. It makes us more efficient.

"We have 58 machines, and most of them are covered by Komatsu CARE or were under it," continued Schuhlein. "Having the experts from Komatsu in our garage keeps them familiar with our equipment, and it helps our service technicians learn and stay on top of the latest technology. Also, when a machine receives proper service at the recommended maintenance intervals, it ensures that it will reach the full potential of its life cycle."

Komatsu Director of Service Marketing & Distributor Development Mike Hayes (third from left) and Komatsu representatives present J. Fletcher Creamer & Son, Inc., with a certificate marking the 100,000th Komatsu CARE service interval that was performed on its Komatsu PC228USLC-10 excavator.



PARTS NEWS

MORE UNDERCARRIAGE OPTIONS

Komatsu General Construction product line to add new dozer replacement offering

Nearly three years ago, Komatsu introduced its competitively priced General Construction Undercarriage (GC), designed to reduce replacement costs on PC200 and PC300 excavators. The lineup will expand to dozers in 2018, with Genuine Undercarriage product replacements for D51, D61 and D65 models.

The initial excavator product release was specific to track-link assemblies. The dozer offerings will consist of conventional-style link assemblies, according to Komatsu Senior Product Manager Jim Funk, who pointed out that the GC product line fills a void for customers who prefer quality products and great support, but are looking at all options due to the status of their machine's life cycle or their business.

"Typically, a dozer's undercarriage is replaced more often than other tracked machines because of the nature of the work it does," said Funk. "Throughout the course of its life, a dozer's undercarriage will account for nearly half of owning and operating costs. We strive to provide effective and reliable undercarriage products that meet customer needs and machine situations of all types. With the continued expansion of the GC options, we are showing once again that we listen to our customers by providing products that fit their needs as well as their owning and operating targets."

Expanded lineup built to fit and last

All GC products are designed and manufactured by one of Komatsu's

three undercarriage factory, research and development facilities. "They are built to our specific quality standards," said Funk. "The heat-treat process and hardness levels are the same as with any new undercarriage. That means the GC components are interchangeable with non-GC parts, giving customers peace of mind they will be a proper fit and have the same durability as their original undercarriage. We back it with the best assurance coverage in the industry.

"We encourage anyone who is looking at undercarriage replacement options to contact their distributor or Komatsu about a GC undercarriage," Funk added. "It's a great choice at a competitive price." ■



Jim Funk, Komatsu Senior Product Manager – Undercarriage

The Komatsu General Construction Undercarriage for dozers will provide another high-quality, competitively priced alternative for replacement options. They will be available for D51, D61 and D65 models.



TRAINING TALK



ALL-AROUND SERVICE

Komatsu Service Institute provides valuable education for distributor personnel



Brian Wysocki, Manager of Business Development

North American distributors attended the Komatsu Service Institute (KSI) at the Cartersville Customer Center in Georgia last fall. The week-long conference, which Komatsu has hosted annually for the last four years, enabled attendees to gain valuable leadership, organizational and interpersonal skills in addition to information on Komatsu equipment and technology.

More than 130 employees from 26 Komatsu

"Our goal is both professional and technical skills development," noted Manager of Business Development Brian Wysocki. "Originally, KSI was designed for our distributors' service managers, but it has grown to include branch managers, general managers, vice presidents and warranty administrators. It has become a valuable experience to attain specialized skills that they can take back with them to their branches, and it helps advance their careers."

The a la carte offerings range from technical classes focused on Tier 4 and intelligent

Komatsu Instructor/ **Developer Kevin Dunphy** explains the finer details of the Komatsu intelligent Machine Control D155AXi dozer during a Komatsu Service Institute session at the Cartersville Customer



Machine Control equipment, to leadership courses geared toward identifying personality styles and developing customer service skills.

"There is no defined course schedule, some people come for a day and some for the week, depending on their needs," said Wysocki. "We designed the classes to be a mix of lecture and hands-on training, especially with the Tier 4 and intelligent Machine Control topics.

"The leadership courses were developed because there was a demand for them among our distributors," he added. "Most of our service managers have advanced their careers through technician training and similar courses, but they have never had exposure to these interpersonal-type training sessions. These classes have been attendee favorites each year."

Scenario-based course

Another popular class is KSI's two-day War Games simulation focused on financial-skill development and operations management.

"It's a scenario-based game with teams of four people managing a distributor branch over a two-year simulation," stated Wysocki. "They work together to make financial decisions and navigate issues that a distributor might encounter, like economic trends and employee morale. It's very helpful for those employees who aspire to move into or advance in their managerial roles."

The event also provided attendees the opportunity to operate machinery and earn a certification as an Expert of Customer Support.

"Attendees look forward to KSI each year," shared Wysocki. "We ensure that the courses remain relevant to our industry, so that it's a valuable asset for our distributors." ■

SERVING YOU BETTER

CUSTOMIZED MACHINES

Modification packages for waste-handling machines add durability and make maintenance easier

Machines that work in waste-service applications like landfills, transfer stations and scrap yards encounter unique hazards every day. To keep those machines performing at optimum levels, Komatsu's Marketing Engineering Group developed specialized waste packages.

"That type of equipment requires specific modifications in order to meet job requirements," said Komatsu Marketing Engineering Group Manager Sue Schinkel. "We visited with customers to learn what they wanted and then created and implemented packages to incorporate all of those elements for each machine model."

The research led to a design that maintains accessibility and improves durability.

"Customers want machines that can stand up to their environments, yet are still easy to maintain," explained Schinkel. "The waste packages offer enhanced protection to vital components without sacrificing accessibility to service areas or machine performance."

The Marketing Engineering Group handles the full life cycle of the waste packages. This level of involvement allows the group to respond to customer feedback quickly.

"The packages are created specifically for each model by our engineers – we decide which elements are needed, design the features, develop marketing literature and continue to track performance in the field," noted Schinkel. "This is not an aftermarket add-on kit. Design, development and testing are in accordance with Komatsu engineering standards. The waste package is integrated into the base machine design, resulting in a purpose-built machine."

Dozing growth

Komatsu offers four waste packages for wheel loaders, three for excavators, and the

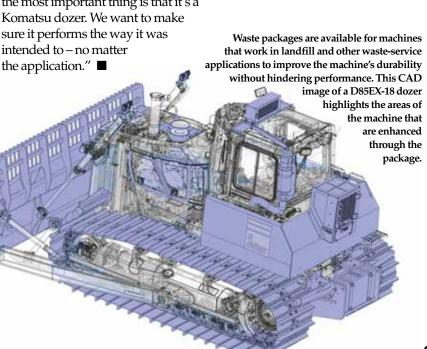
demand for dozer packages is growing. Komatsu currently outfits the D65-18 and D85-18 models and expects to release a waste package for the D155AX-8 in late 2018.

"The popularity of dozers is growing among our waste-service customers," stated Schinkel. "The package includes striker bars near the front and rear of the tracks to help clear debris, additional gap sealing to minimize the amount of material that gets into the engine compartment and a tank guard to protect the fuel and hydraulic tank."

While Schinkel says it is impossible to completely seal a machine, the packages are designed to extend the equipment's longevity and ensure that customers experience the full benefits of a Komatsu dozer. "The waste packages include many enhancements, but the most important thing is that it's a Komatsu dozer. We want to make sure it performs the way it was was intended to the most that it's a that it's a way it was was intended to the most time.



Sue Schinkel, Komatsu Marketing Engineering Group Manager



NEWS & NOTES

15

Survey shows banks opening up commercial lending

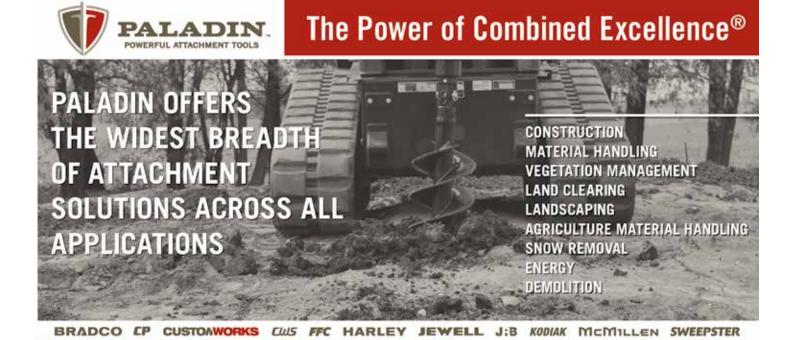
A recent Federal Reserve Board survey showed banks loosening lending policies for commercial projects. According to Construction Dive, a significant number of bank officers responding to the questionnaire said that their institutions had eased standards, in part, because of aggressive competition from other banks and nonbank lenders.

Eric Lemont, Real Estate Partner at Sullivan & Worcester in Boston, told Construction Dive last year that uncertainty around new high volatility commercial real estate (HVCRE) transaction requirements was one of the reasons. Construction loans fall under HVCRE rules, which require the lender to put aside 50 percent extra cash reserves, creating greater exposure for the lender. ■

Study reports mobile technology improves projects

Mobile technology enhances contractors' ability to collect and distribute timely and accurate jobsite data, according to a new Dodge Data & Analytics and B2W Software study. Respondents said better access to project data trends was the

top benefit to mobile connectivity. Significant numbers said it improves communication; helps with budget and scheduling, fleet management, maintenance, efficiency and uptime; and increases productivity.



SIDE TRACKS



Can you spot what is different?

There are 10 differences between these two pictures. Test your power of observation, then scan the QR code to check your answers.





WE HAVE YOU COVERED!

OUTSTANDING EQUIPMENT • RESPONSIVE SERVICE

