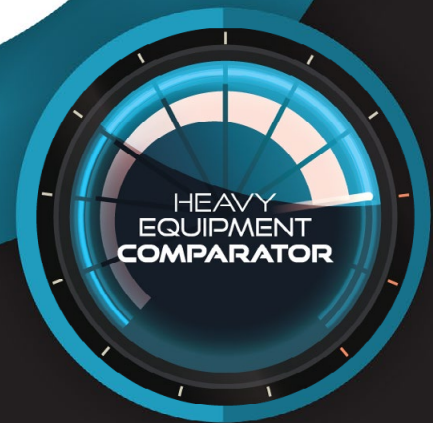


# THE HEAVY EQUIPMENT COMPARATOR 2023



 CONSTRUCTION  
FINANCIAL  
MANAGEMENT  
ASSOCIATION

 **AEMP**  
ASSOCIATION OF EQUIPMENT  
MANAGEMENT PROFESSIONALS



## 2023 HEAVY EQUIPMENT COMPARATOR

The 2023 Heavy Equipment Comparator presents a detailed analysis of the key performance indicators (KPIs) of construction companies operating heavy equipment fleets. This report includes the abridged results of data collected for the 32 KPIs divided into nine categories which are essential to effective fleet operations and performance. The results are further segmented by:

- **Primary Industry:** Highway and Infrastructure and Heavy Construction
- **Construction Revenues:** Under \$100 Million, \$100 to \$250 Million, and Over \$250 Million
- **Best in Class:** Using a selection of KPIs that are closely linked to fleet performance, a weighted scoring system was developed to identify the top overall performers (top 10%)

This report is a culmination of a three-year project launched as a collaborative effort between the Construction Financial Management Association (CFMA) and the Association of Equipment Management Professionals (AEMP). A key objective of this effort is to bring to the industry a set of common standards to evaluate and measure equipment fleet performance. By using common metrics to measure equipment maintenance performance and costs, companies can compare their results against industry benchmarks, better understand the health of their operations, and make critical adjustments to achieve their strategic objectives. By identifying areas for improvement and sharing best practices across the industry, participating companies should be able to achieve better equipment reliability, improved utilization, and lower costs.

CFMA is an individual membership organization and the only association dedicated to bringing construction financial professionals who work for general, specialty trades, and heavy highway contractors together with those partners who serve their unique needs, such as public accountants, sureties, bankers, tech providers, insurance professionals, and more. CFMA provides invaluable resources like its award-winning *CFMA Building Profits* magazine as well as a variety of education and networking opportunities to its more than 9,000 members and 99 chapters across North America. In cooperation with its Certified Construction Industry Financial Professionals (CCIFP) division, CFMA promotes industry best practices and continuing education in support of its mission: to build impactful construction financial professionals and create communities for networking and collaboration for our members that advance the construction ecosystem.

AEMP is the premier organization for equipment managers and professionals who manage and maintain heavy, off-road fleets. AEMP members work in construction, government, utilities, energy, mining, and any other industry that requires the effective deployment of heavy equipment. AEMP's Certified Equipment Manager (CEM) and Certified Equipment Support Specialist (CESP) credentials are some of the most respected in the equipment industry and help set AEMP members apart for their mastery of fleet management skills and their ability to interact on a professional level in all fleet-related disciplines. Since 1982, AEMP has been focused on its mission of Building excellence in Equipment Management. All the organization's educational content is built around a core content framework that focuses on technology, financials, essentials and connections. AEMP members have access to hands-on workshops like the Financial Learning Labs, exam prep materials, networking events, publications like the *Journal of Equipment Management (JEM)*, and industry awards like the Fleet Masters and Technician of the Year. Other members in AEMP include rental companies, dealers, parts and material suppliers, manufacturers, and consultants.

The 2023 Heavy Equipment Comparator was compiled, tabulated, and analyzed by Industry Insights Inc. (*industryinsights.com*), an independent professional research and consulting firm that specializes in conducting financial surveys, compensation studies, market assessments, customer satisfaction research, educational programs, and other forms of customized research.



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## ABOUT THE HEAVY EQUIPMENT COMPARATOR

Fleet management can be a challenging business area to manage and improve. Balancing the size and composition of your fleet with effective maintenance practices, maximizing equipment utilization, and optimizing fleet costs are key components to successful fleet management. The overall goals of this study are to establish:

- Common terminology, standard terms, and definitions
- Standard calculation and formulation methods for metrics
- A common platform to benchmark peer performance
- Industry averages and Best in Class key performance indicators (KPIs) for comparison

AEMP and CFMA have long recognized the need for commonality in how equipment maintenance performance and costs are measured. To meet this need, AEMP and CFMA created a task force of subject matter experts, led by Preston Ingalls of AEMP and Rich King of CFMA, to develop a standard in the construction industry. The initial feasibility study defined the overall goals and was used to develop a more comprehensive survey to use for benchmark comparisons. The task force received member feedback via a “pre-survey,” which validated development measures and the current levels of measurement being used by members of both associations. The initial task force was then converted into a larger committee made up of nine members of both associations who were ultimately responsible for identifying and defining the 32 metrics that are most critical to overall fleet performance.

The agreed upon benefits and outcomes were identified as:

- Collaboration between construction industry leaders (AEMP & CFMA)
- Support for fleet managers and stakeholders with KPIs to measure their progress and evaluate fleet performance and costs to aid in decision-making
- Develop standards in calculations for KPIs to improve consistency and comparability
- Identify effective KPIs to use to evaluate multiple aspects of fleet performance
- Establish performance benchmarks for comparisons
- Raise the profiles of fleet and financial professionals in the industry and their companies

The metrics and definitions were formulated and organized into a comprehensive questionnaire that was administered by Industry Insights Inc. of Columbus, Ohio, while working closely with CFMA and AEMP committee members. Confidential survey forms were made available to an eligible population of 530 potential respondents including both CFMA and AEMP members and non-members. In total, 57 companies contributed data. This report features the abridged results of the study.

A valuable feature of the Heavy Equipment Comparator is that all companies participating in the survey receive their confidential Company Performance Report (CPR) and credits to generate customized reports through the interactive Peer Group Comparison Report program ([hecomparator.com](http://hecomparator.com)).

The CPR displays each company’s own metrics computed in a manner consistent with those appearing in the full report, and the results are displayed alongside their closest industry comparatives. As shown on any given line of the CPR, a company’s own data is included along with reported norms for all respondents and for companies of similar type, total revenue, and other relevant data aggregations. Thus, the individual owner/manager is provided invaluable information without needing to spend time and effort performing the calculations manually. These highly confidential reports also contain a qualitative assessment of a company’s individual results.

In addition to receiving access to the CPR, participants receive a credit which can be used toward an interactive Peer Group Comparison Report, a user-generated online report that compares company data with that of up to five different comparison data sets. Using the program, users can create their own benchmark reports with up to five relevant aggregates that most closely match their own operations. Users are granted access to the portal based on a variety of unique levels described in the subsequent text (note: discounts will be applied for members of CFMA and/or AEMP).

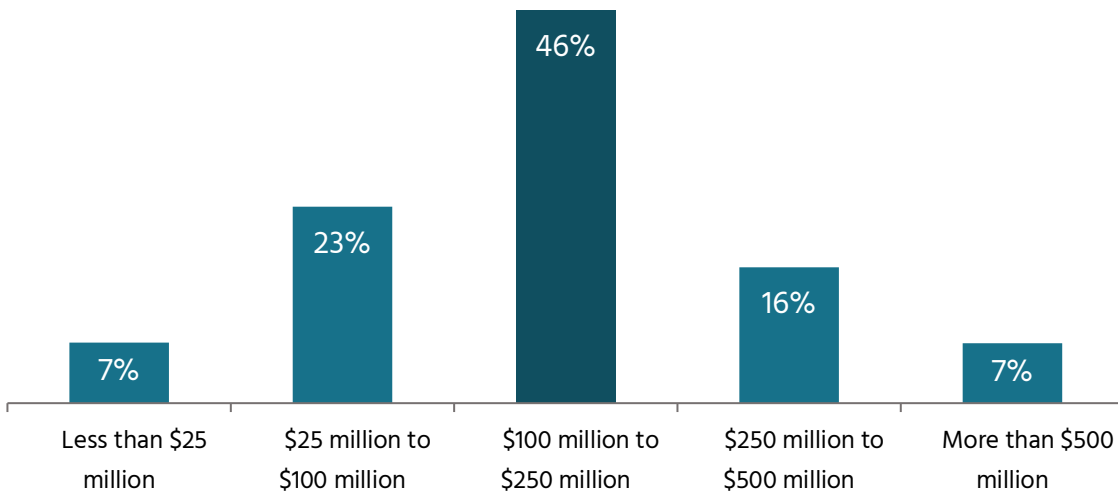


## RESPONDENT DEMOGRAPHICS

The following charts within the Respondent Demographics section are shown to help users of the report better identify with the participating companies. It is important to understand who the respondents of this year's survey were in order to correctly interpret the results and their relative applicability to your organization.

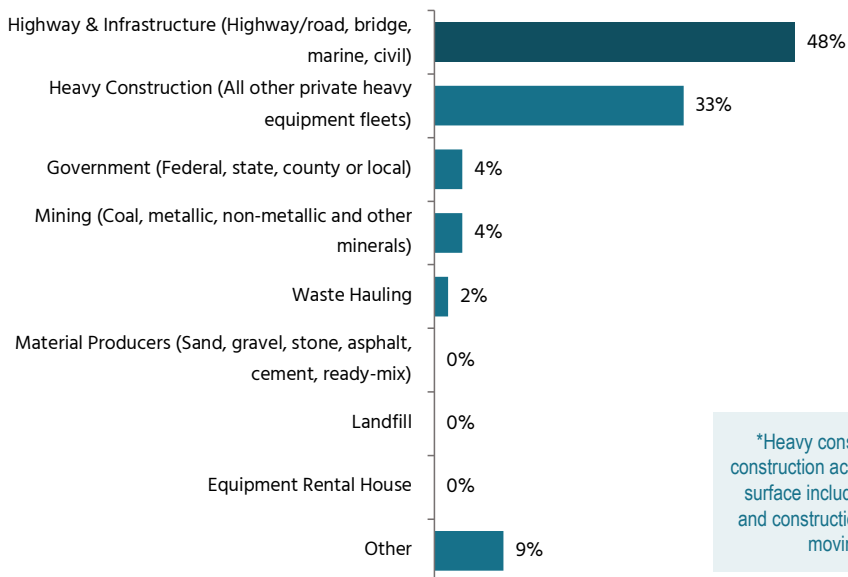
### Total Construction Revenue

\*percentages are rounded to the nearest whole number



Average Percentage of Construction Revenues that are Subcontracted: **25%**

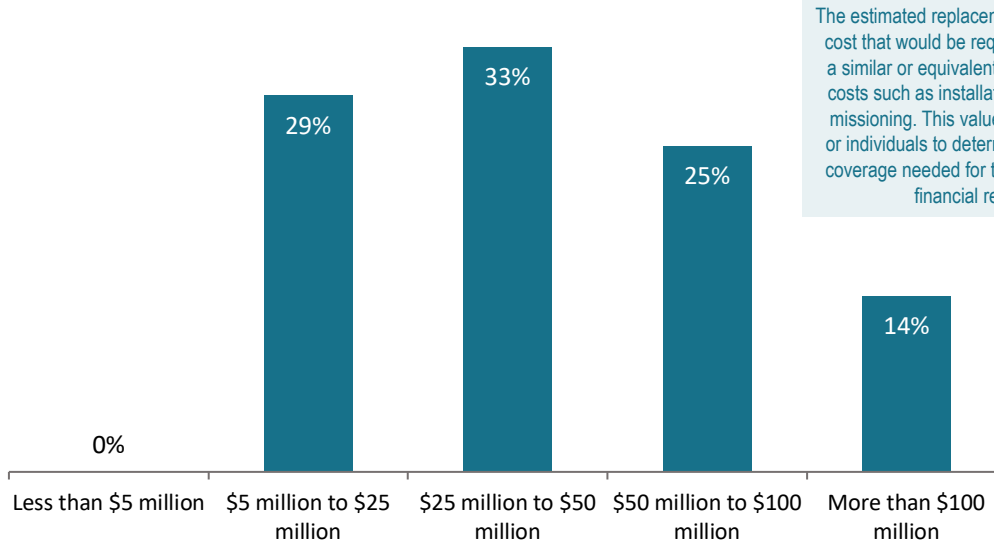
### Primary Industry\*



\*Heavy construction means work consisting of construction activities located on or below the earth's surface including excavation, building foundation, and construction projects requiring the use of earth moving machinery or equipment.







## Estimated Replacement Value (ERV) at the End of the Most Recent Fiscal Year



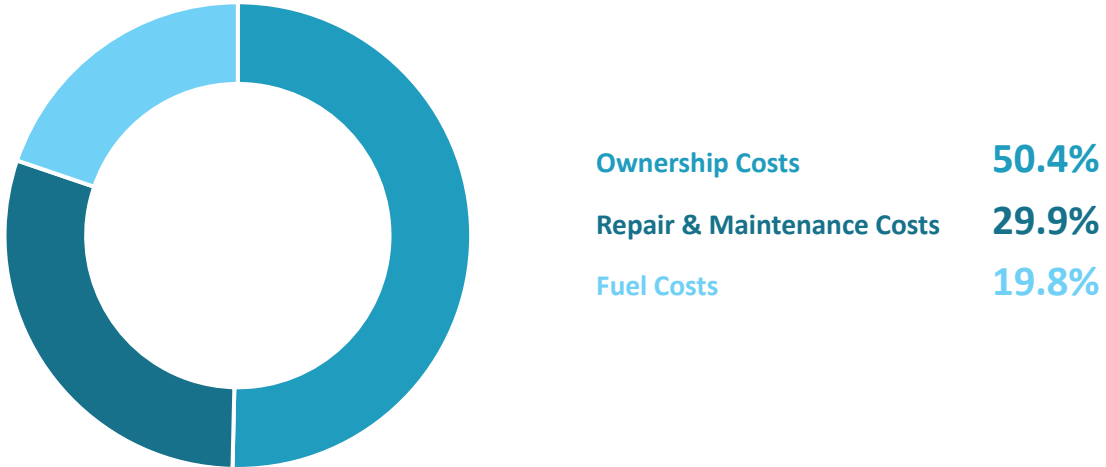
The estimated replacement value for equipment is the cost that would be required to replace an asset with a similar or equivalent one, including all associated costs such as installation, transportation, and commissioning. This value is often used by companies or individuals to determine the amount of insurance coverage needed for their equipment, as well as for financial reporting purposes.

### Company Fleet Size (Pieces of Equipment) by Type for the Most Recent Fiscal Year (All Respondents)

	On-Road Equipment (dumps, trucks, lowboys, etc.)	56
	Off-Road Equipment (pavers, excavators, backhoes, dozers, front-end loaders, etc.)	188
	Pick-up Trucks & Other Passenger Vehicles	96
	Licensed Towable Equipment	27



### Equipment Cost Component as a Percent of Total Equipment Costs



### Maintenance & Repair Labor Cost By Source (Internal vs. External)

