

Welcome to:
Lower Cost of Operation



STRONG PARTNERS. TOUGH TRUCKS.™

**Hyster Fortis™ Series
Launch Meeting**

Fall 2004

Objectives

- Understand which customers are concerned about Cost of Operation
- Key changes in the new Fortis™ truck to reduce Cost of Operation
- New truck's advantages vs. competition
 - Toyota, CAT, Nissan
- How to present test results for Cost of Operation using the Multimedia Sales Tool

2

Session Agenda

Cost of Operation Breakout Session	
20 min.	Understanding Cost of Operation
30 min.	Review the Cost of Operation Test Results using the new Multimedia Sales Tool
35 min.	Improvements to Reduce Cost of Operation
5 min.	Cost of Operation Content in the New Sales Literature

Qualifying is Critical

- **Qualifying is critical**
 - First, understand your customer's concerns and identify his buying motives
 - Second, focus your presentation on his concerns
 - Continue qualifying throughout the sales process



4

What are the key messages on this topic?

How can you use this information to improve your sales results?

Qualifying is Critical

- **Examples of qualifying questions**

- Do you track the hourly Cost of Operation for the trucks in your existing fleet?
- How does the cost of operating your current trucks compare with the expectations you had when you purchased them?
- If you could improve any factor impacting the cost of operating your current trucks, what would that be?

5

More Qualifying Questions

- What is your annual cost for: fuel, service, parts, truck rental due to breakdown, drivers' wages and benefits and floor cleaning because of tire marks?
 - How concerned are you with the cost of your fleet, and how do your costs compare to last years costs?
 - What percentage of your total operating cost is generated by your materials handling fleet?
 - What is your annual budget for parts and labor? What are your actual parts costs?
 - How would you rate your "Cost of Operation" compared to your competition?
 - What is your cost for lift truck operations, from the perspective of dollars per pound of shipped product?
 - What percentage of your cost per pallet shipped is associated with material handling equipment?
 - What is your total operating cost for your fleet?
-
-
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Who Tracks Cost of Operation?

- **Group discussion**

- *What types of customers typically track Cost of Operation?*
- *What are their common characteristics – fleet size, application, etc?*
- *Who are the decision makers with whom you would discuss Cost of Operation?*
- *What aspects of Cost of Operation are these decision makers most concerned about?*

6

What are the key messages on this topic?

How can you use this information to improve your sales results?

Definition – Cost of Operation

- **Many definitions of Cost of Operation**
- **Three key elements**
 - Periodic maintenance
 - Unscheduled repairs – including brakes
 - Other costs – fuel and tires
- **In the broadest sense, cost of ownership includes:**
 - Acquisition cost
 - Operator costs
 - Downtime costs
 - Residual value
 - Consumable costs
 - Unscheduled repair costs
- **Today, for Cost of Operation, we'll focus on:**
 - Consumable costs
 - Fuel
 - Tire
 - Periodic maintenance
 - Brakes
 - Unscheduled repairs

7

What are the key messages on this topic?

How can you use this information to improve your sales results?

New Multimedia Sales Tool

- **You now understand how we define Cost of Operation**
- **Let's review the Fortis™ truck test results**
- **The Multimedia Sales Tool is the best way to present the Cost of Operation test results**
- **Remember:**
 - Designed to be used with customers
 - You've already seen parts of the tool
 - Tool contained on CD-ROM in workbook
 - Load on your computer when you get home

8



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Hyster Offers You Choices (Class 4 – 4,000 to 7,000 lb.)

			
Truck:	Fortis™	Fortis™ Advance	Fortis™ Advance+
Design Objective:	Economical Purchase Price	Minimize Cost per Hour	Maximize Loads Moved per Hour
Truck Usage:	Less than 8 hrs / day	Up to 16 hrs / day	12 to 24 hrs / day
Environment:	Clean / Dry	Variable	Variable
Ramp Usage:	Minimal	Average	Frequent / Steep
Extended Drawbar Pull:	None	Moderate	Frequent
Hydraulic Attachments:	Sideshift / Fork Positioner Only	Moderate	High Attachment Usage

Productivity
Cost of Operation
Ergonomics
Dependability
Serviceability

Submenu ■ We Build A Better Truck

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

What are the key messages you want to share with customers?

How can you use this content to advance the sales process?



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Advantages

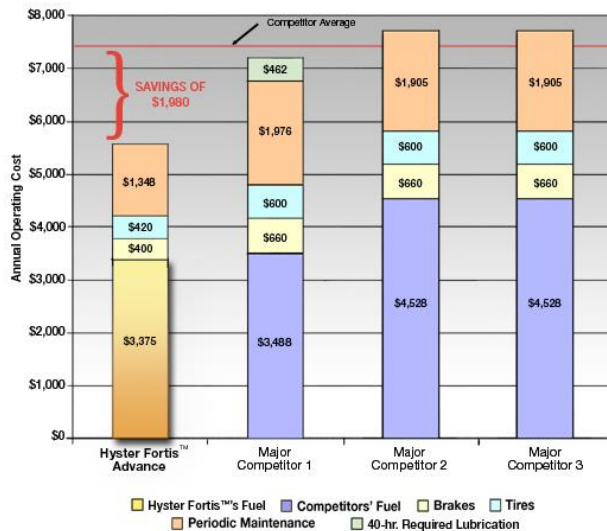
Value
Comparison

Interactive
Demo

Options

Tough Trucks Save You Money

Hyster Saves \$1,980 in Operating Costs vs. Competition



*\$1,980 savings vs. competitor average.
Test results from intensive application

⊕ Fuel Test

⊕ Moderate Application

⊕ Demanding Application

⊕ Intensive Application

⊕ Additional Savings – Reduced Downtime

We Build A Better Truck ■ Advantages > Cost of Operation ■ Page 1 of 4

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

What are the key messages you want to share with customers?

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Downtime is Costly

Costs per Downtime Event

Repair Costs (parts & labor)	\$300
Idle Operator Costs	+ \$ 60
Truck Rental Costs	+ \$ 80
Administrative Costs	+ \$ 50

Total Cost (per Downtime Event) \$490

Additional Costs:

Lost Productivity and Sales ???

Assumptions:

1. Operator Cost = \$15.00 / hr.
2. Average Length of Downtime Event = 4 hrs.



Hyster Fortis™ Designed to Reduce Downtime by 30%

Benefits you receive

- Save thousands of dollars per year
- Gain peace of mind

We Build A Better Truck ■ Advantages > Cost of Operation ■ Page 1 of 4

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

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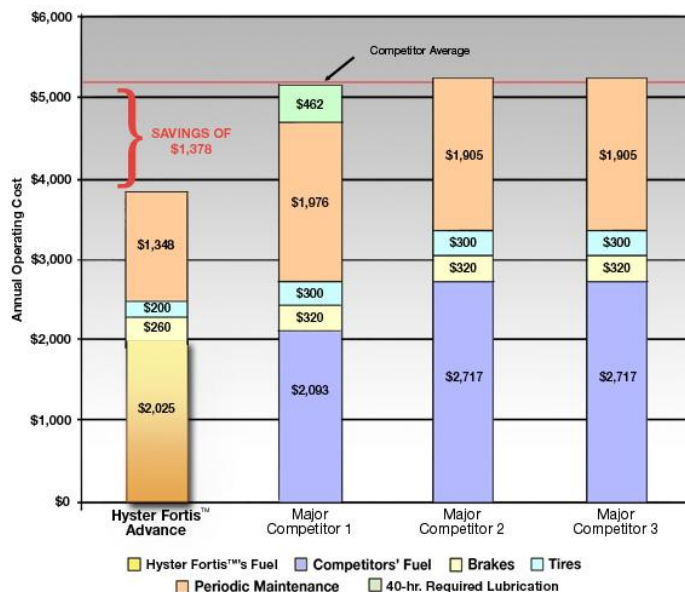
Advantages

Value
Comparison

Interactive
Demo

Options

\$1,378 Cost Savings – Moderate Applications



✚ Hyster Advantage

✚ Hyster Line-Up

✚ Additional Results

We Build A Better Truck ■ Advantages > Cost of Operation ■ Page 2 of 4

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

What are the key messages you want to share with customers?

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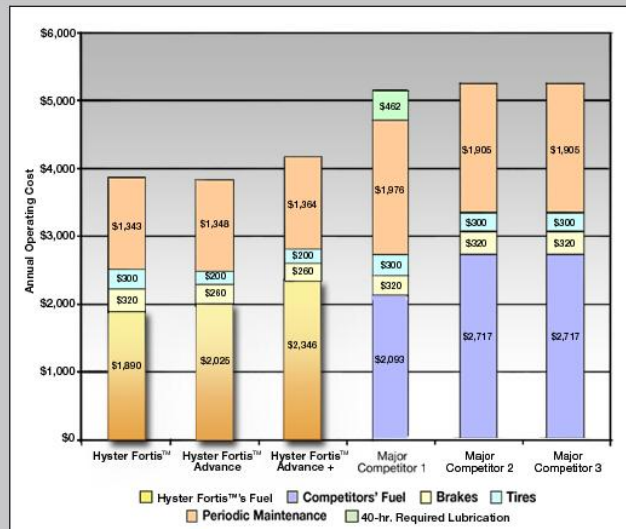
Value
Comparison

Interactive
Demo

Options

\$1,378 Cost Savings – Moderate Applications

Additional Results



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Advantages

Value
Comparison

Interactive
Demo

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\$1,378 Cost Savings – Moderate Applications

\$6,000

Hyster Advantage: Fortis™ Advance

■ State-of-the-art Powertrain

- Delivers excellent performance with lowest operating costs
- 2.2L Mazda Engine provides excellent performance with leading fuel economy
- Duramatch™ transmissions lower operating costs:
 - Auto-Deceleration System (ADS) increases brake life
 - Pacesetter VSM™ increases tire life
 - Manages direction changes
 - Reduces tire spin and unnecessary wear
 - VSM™ manages four actions simultaneously
 1. Reduces throttle to slow engine
 2. Initiates auto-deceleration to stop truck
 3. Changes transmission direction automatically
 4. Increases throttle to accelerate truck

■ World-Class Dependability Reduces Downtime

- Superior cooling with increased capacity prevents overheating
- Reliable electronics
- Leak-free O-ring face seal Hydraulic connections

■ Superior Serviceability Minimizes Labor Costs

- Reduced maintenance requirements
- Uncluttered layout and speedy pre-shift checks
- Simple, accurate on-board diagnostics reduces costly parts swapping

■ ADS Video

We Build A Better Truck ■ Advantages > Cost of Operation ■ Page 2 of 4

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

What are the key messages you want to share with customers?

How can you use this content to advance the sales process?



STRONG PARTNERS. TOUGH TRUCKS.™

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Value
Comparison

Interactive
Demo

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\$6,000

Hyster Line-Up: Cost of Operation

Powertrain	Hyster Fortis™	Hyster Fortis™ Advance	Hyster Fortis™ Advance +
Engine	Mazda	Mazda	GM
Displacement	2.0 Liter	2.2 Liter	2.4 Liter
Power (HP)	40.6	46.5	61.0
Transmission	Basic	DuraMatch™ 1.0	DuraMatch™ Plus
Auto Deceleration Systems (ADS)	N	Y	Y
Controlled Power Reversal	N	Y	Y
Auto-speed Hoist	N	N	Y
Automatic Inching Control	N	N	Y
Extended Drawbar Pull	N	N	Y
Vehicle System Manager™ (VSM)	Y	Y	Y
Consumable Operating Savings vs Competitor:			
Moderate Application	\$1,358	\$1,378	\$1,041
Demanding Application	\$1,564	\$1,639	\$1,196
Intensive Application	Not Recommended	\$1,980	\$1,430

We Build A Better Truck ■ Advantages > Cost of Operation ■ Page 2 of 4

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

What are the key messages you want to share with customers?

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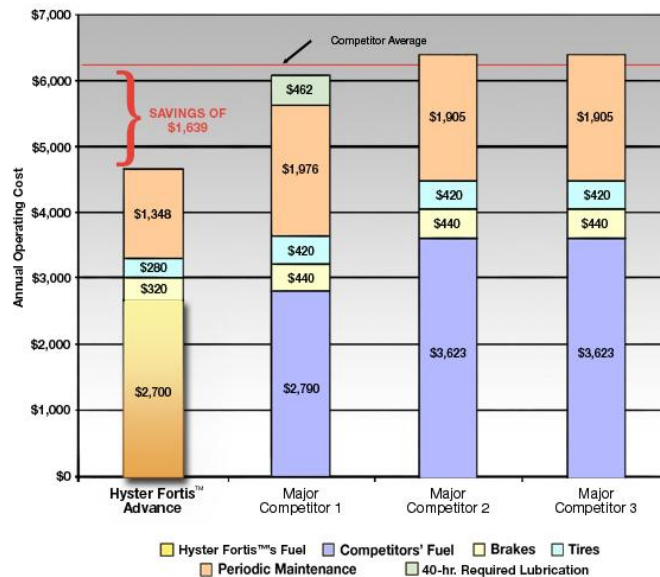
Advantages

Value
Comparison

Interactive
Demo

Options

\$1,639 Cost Savings – Demanding Applications



✚ Hyster Advantage

✚ Hyster Line-Up

✚ Additional Results

We Build A Better Truck ■ Advantages > Cost of Operation ■ Page 3 of 4

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

What are the key messages you want to share with customers?

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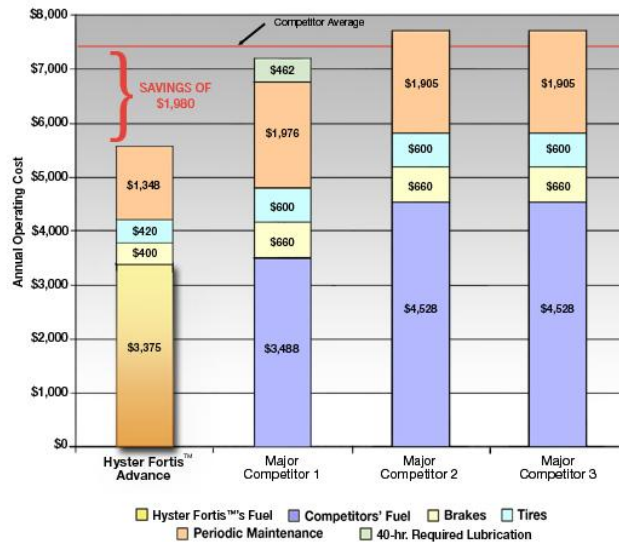
Advantages

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Comparison

Interactive
Demo

Options

\$1,980 Cost Savings – Intensive Applications



*\$1,980 savings vs. competitor average.
Test results from intensive application

Hyster Advantage

Hyster Line-Up

Additional Results

We Build A Better Truck ■ Advantages > Cost of Operation ■ Page 4 of 4

BACK

MENU

NEXT

PRINT

EXIT

VIDEO

What are the key messages you want to share with customers?

How can you use this content to advance the sales process?

Improvements



- Video Clip – Lee Tracy
 - Changes to Reduce Fuel Cost

9

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Fuel Cost

- **Improved engine options**
 - Advanced combustion technology
 - Excellent performance
 - Enhanced fuel economy
- **DuraMatch™ transmissions**
 - Use less fuel
 - Run at cooler temperatures
 - Auto-Deceleration System (ADS)
 - Controlled Power Reversal
 - De-throttles engine while changing direction
 - Uses less fuel vs. mechanically controlled designs
 - Fully adjustable for application needs



10

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Fuel Cost

- **Improved hydraulic efficiency with optional TouchPoint™ and TouchControl™**
 - Electronic control valve precisely controls hydraulic flow
 - Exactly the right flow and pressure for each function
 - Auto-speed Hydraulics
 - Minimizes overflow
 - Requires less fuel to power hydraulics



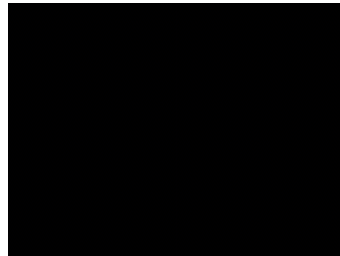
11

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Tire Cost

- **Uncontrolled power reversals spin tires during direction change**
 - Primary cause of tire wear
 - Creates unnecessary wear and tear
 - Significantly reduces tire life



- Competitive Power Reversal

12

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Tire Cost

- **Controlled Power Reversal**
 - DuraMatch™ Transmissions only
 - Standard with Fortis™ Advance and Fortis™ Advance+
 - Driver can leave foot on throttle pedal
 - Fully adjustable for application requirements
 - Soft settings for delicate operations / unsecured loads
 - More-aggressive settings for maximum productivity
 - Net result – Increases tire life by up to 50%

13

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Tire Cost

- Group Discussion
 - *How would you present these improvements to reduce fuel and tire costs?*

14

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Which prospects / existing accounts will be most interested in this information?

Improvements – Periodic Maintenance



- **Labor time is a key factor in cost of periodic maintenance**
 - Serviceability improved by 12%
 - Reduces labor time and cost

15

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Periodic Maintenance



- **Best-in-Class Service Access**

- Truck is open from cowl to counterweight
 - One-piece, rear-opening hood (opens to 78 degrees)
 - Easy-removal floor plate (no tools required)
- Complete access to powertrain

16

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Periodic Maintenance

- **Simplified daily checks**

- Pacesetter VSM™ eliminates many fluid-level checks
- Daily checks on same side of truck
- Color-coded for easy identification



17

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Periodic Maintenance

- **Uncluttered layout**

- CANbus electronics significantly reduce wiring complexity
- Clean electrical / hydraulic routings
- Eliminates wire knots and tie wraps
- No fighting with wires or hoses during maintenance



18

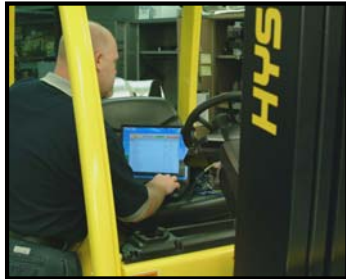
What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Periodic Maintenance

- **Group Discussion**

- *Which of these improvements to reduce Periodic Maintenance do you feel best differentiates the new Fortis™ truck vs. the competition?*



19

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Which prospects / existing accounts will be most interested in this information?

Improvements – Unscheduled Repairs

- **Fewer unscheduled repairs**
 - World-class dependability significantly reduces hourly Cost of Operation
- **Rugged powertrain = Long-term durability**
 - Improved engine options (Mazda / GM)
 - Electronically controlled transmissions maximize performance
 - DuraMatch™ transmissions reduce shock loads through Controlled Power Reversal
 - Superior clutch packs – 3x longer life
 - Stronger gears and shafts maximize resistance to rough driving
 - New U-joint enables easy removal of drivetrain components

20

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Unscheduled Repairs

- **Auto-Deceleration System (ADS)**
 - New feature of DuraMatch™ transmissions
 - Automatically slows the truck when operator takes foot off throttle pedal
 - Uses clutch packs to slow transmission
 - Reduces brake pedal usage
 - Increases brake life by 60%

21

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Unscheduled Repairs

- **Dramatically lower operating temperatures**
 - Increased cooling capacity
 - Larger radiator face area and fan
 - Improved airflow – optimized ducting through counterweight
 - Maximizes life of critical components
 - Improved radiator construction / mounting
 - 100% shock mounted
 - Long-term durability
 - New Combi-Cooler radiator
 - Designed for heavy-duty applications
 - Standard with Fortis™ Advance+ (optional on Fortis™ Advance)
 - Separate transmission oil cooler
 - Best-in-class cooling capacity

22

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Unscheduled Repairs



- **Reliable electronics maximize Dependability**
 - Pacesetter VSM™
 - Electronic “brain” monitors and protects key truck functions
 - CANbus design reduces wiring complexity
 - Sealed connectors on all electronics
 - Keeps out water and debris
 - Powerwash the entire truck
 - Hall-effect sensors / switches
 - Solid-state components last the life of the truck
 - No moving parts, no wear, no adjustment

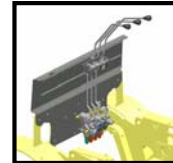
23

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Unscheduled Repairs

- Reliable hydraulics maximize uptime
 - O-ring fittings
 - O-ring face seals on all high-pressure hydraulic connections
 - Vastly superior to flare fittings
 - Superior filtration of hydraulic oil
 - 10-micron high-performance in-tank filter
 - High-flow filter lasts longer
 - Filters all oil before entering tank
 - Relocated hydraulic components
 - Positioned away from heat sources
 - Increases life of hoses, seals and valves



24

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Unscheduled Repairs

- Active system monitoring prevents damage
 - Pacesetter VSM™ monitors 17 truck functions
 - Truck self-protection system alerts driver to service needs
 - Prevents overheating and protects powertrain

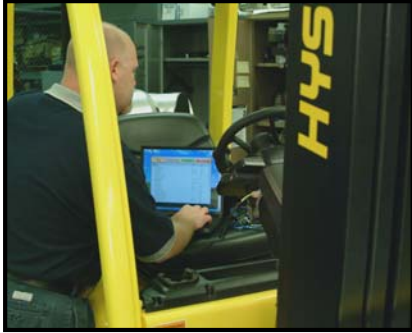


25

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Unscheduled Repairs



- **Quick repairs via Pacesetter VSM™**
 - On-board diagnostics
 - Communicate service codes through dash display
 - Clearly identify source of problem
 - PC-based service tool
 - Facilitates first-time fixes
 - Minimizes costly "parts-swapping"

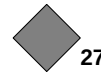
26

What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Improvements – Unscheduled Repairs

- Group discussion
 - Which of these improvements to reduce Unscheduled Repairs do you feel best differentiates the new Fortis™ truck vs. the competition?



What key messages on this topic do you want to share with others?

How can you use these messages in your selling activities?

Which prospects / existing accounts will be most interested in this information?

New Sales Brochure

- **Using the New Sales Brochure**
 - Turn to the new sales brochure in your workbook
 - Open to the section discussing Cost of Operation
 - Let's review the content together
- **Brochure vs. Multimedia Sales Tool**
 - Multimedia Tool always more powerful because it uses sight, sound and motion
 - But not appropriate in all situations
 - New sales brochure:
 - Presents the same fact-based selling messages
 - Uses test results to demonstrate that the Hyster Fortis™ delivers superior value
 - The brochure is a great leave-behind

28

What are the key messages on this topic?

How can you use this information to improve your sales results?

Key Takeaways

- **New Fortis™ truck delivers lower hourly Cost of Operation through:**
 - Reduced fuel cost
 - Reduced tire cost
 - Fewer unscheduled repairs
 - Easier periodic maintenance
- **More customers are tracking Cost of Operation**
 - Must be well prepared to call on these customers

29

What are the key messages on this topic?

How can you use this information to improve your sales results?

Key Takeaways

- **You don't have to memorize all the changes**
 - Use the new Multimedia Sales Tool
 - It puts everything at your fingertips
 - Test Results
 - Competitive comparisons
 - Advantages
 - Video clips
 - Follow up with the brochure



30

What are the key messages on this topic?

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Thank You for Your Attention

Next Steps

Review Agenda for Next Session



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